May You Live In Interesting Times

Proverb or Curse?

Presentation by: David Longanecker
President, Western Interstate Commission for Higher Education (WICHE)
The Context: *These Interesting Times*

- Competitiveness
- Demographics
- Finances
- Productivity
The Context: These Interesting Times

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- Productivity
Percent of Adults with an Associate Degree or Higher by Age Group
U.S. & Leading OECD Countries, 2012

NCHEMS/Source: OECD, Education at a Glance 2014 (for 2012); U.S. Census Bureau
Differences in College Attainment (Associate & Higher) Between Younger & Older Adults—U.S. & OECD Countries, 2009

Source: Organisation for Economic Co-operation and Development (OECD), *Education at a Glance 2011*
Differences in College Attainment (Associate & Higher) Between Younger & Older Adults - U.S., 2009

Source: U.S. Census Bureau, 2009 American Community Survey (ACS)
Difference in College Attainment between Young Adults (25-34) and Older Adults (45-64), 2011

Source: U.S. Census Bureau, 2011 American Community Survey
The Relationship Between Educational Attainment, Personal Income, and the State New Economy Index (2010)

Percent of Adults 25 to 64 with College Degrees (2009) vs. Personal Income per Capita (2010)

High College Attainment, Low Personal Income

High College Attainment, High Personal Income

Low College Attainment, Low Personal Income

Low College Attainment, High Personal Income

Source: U.S. Census Bureau, 2010 American Community Survey; Bureau of Economic Analysis; Kauffman Foundation
The Context: *These Interesting Times*

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Difference in College Attainment Between Whites and Minorities (Blacks, Hispanics, Native Americans) (2008-10)

Source: U.S. Census Bureau, 2008-10 American Community Survey
Composition of Public Higher School Graduates By Race/Ethnicity 2008-09 (Actual) and 2009-10 to 2027-28 (Projected)
Composition of Public Higher School Graduates By Race/Ethnicity 2008-09 (Actual) and 2009-10 to 2027-28 (Projected)
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Public FTE Enrollment and Education Appropriation per FTE, U.S., 1988-2013

Note: Net tuition revenue used for capital debt service included in the above figures. Constant 2013 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA).

Source: State Higher Education Executive Officers
An Alternative Perspective

2001 was the high water mark or public support – is that a legitimate benchmark?

State Fiscal Support for Higher Education by State (Grapevine via SHEF FY 2013)
- FY08 = 77,190,709,356
- FY13 = 76,238,167,052
- Delta = -1.2%
- HECA over period = 9.5%
- Enrolment increase over period = +10%
- 2008 -- Nearly high water mark for history of mankind
Educational Appropriations per FTE Percent Change by State, Fiscal 2008-2013

Note: Dollars adjusted by 2013 HECA, Cost of Living Adjustment, and Enrollment Index.
Source: State Higher Education Executive Officers
Total Educational Revenue per FTE Percent Change by State, Fiscal 2007-2012

**Note:** Dollars adjusted by 2013 HECA, Cost of Living Adjustment, and Enrollment Index; total educational revenue excludes net tuition revenue used for capital debt services.

**Source:** State Higher Education Executive Officers
Competitiveness
Demographics
Finances
Productivity
## National Student Clearinghouse Information on Student Completion in Six Years

<table>
<thead>
<tr>
<th></th>
<th>Completed</th>
<th>Not Enrolled or Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US</strong></td>
<td></td>
<td><strong>US</strong></td>
</tr>
<tr>
<td>Public Universities</td>
<td>61%</td>
<td>23%</td>
</tr>
<tr>
<td>Private Colleges &amp; Universities</td>
<td>72%</td>
<td>19%</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>37%</td>
<td>44%</td>
</tr>
</tbody>
</table>
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Total: Public Colleges & Universities

1.84/$100,000 = $54,348/Degree
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Public Research Universities

1.82/$100,000 = $54,945/Degree
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Public Bachelor’s & Master’s Colleges & Universities

2.20/$100,000 = $45,455/Degree
Credential & Degrees Awarded Per $100,000 of Education & Related Expenditures – Public Two-Year Institutions

<table>
<thead>
<tr>
<th>State</th>
<th>Value per $100,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missouri</td>
<td>3.42</td>
</tr>
<tr>
<td>South Dakota</td>
<td>3.35</td>
</tr>
<tr>
<td>North Dakota</td>
<td>2.81</td>
</tr>
<tr>
<td>Florida</td>
<td>2.55</td>
</tr>
<tr>
<td>Louisiana</td>
<td>2.48</td>
</tr>
<tr>
<td>West Virginia</td>
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<tr>
<td>Indiana</td>
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</tr>
<tr>
<td>Montana</td>
<td>2.19</td>
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<tr>
<td>Oklahoma</td>
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</tr>
<tr>
<td>Mississippi</td>
<td>2.15</td>
</tr>
<tr>
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</tr>
<tr>
<td>Maine</td>
<td>2.06</td>
</tr>
<tr>
<td>Arizona</td>
<td>2.05</td>
</tr>
<tr>
<td>Iowa</td>
<td>2.02</td>
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<tr>
<td>Utah</td>
<td>1.92</td>
</tr>
<tr>
<td>Vermont</td>
<td>1.88</td>
</tr>
<tr>
<td>Minnesota</td>
<td>1.80</td>
</tr>
<tr>
<td>Kentucky</td>
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</tr>
<tr>
<td>Washington</td>
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<tr>
<td>Georgia</td>
<td>1.72</td>
</tr>
<tr>
<td>Virginia</td>
<td>1.66</td>
</tr>
<tr>
<td>Colorado</td>
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<tr>
<td>Kansas</td>
<td>1.57</td>
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<tr>
<td>Tennessee</td>
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<tr>
<td>New Mexico</td>
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<tr>
<td>Wyoming</td>
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<tr>
<td>Idaho</td>
<td>1.55</td>
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<tr>
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<tr>
<td>United States</td>
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<tr>
<td>Delaware</td>
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<tr>
<td>Nebraska</td>
<td>1.57</td>
</tr>
<tr>
<td>Alaska</td>
<td>0.13</td>
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</table>

Source: NCES, IPEDS Completions and Finance Surveys; U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)

1.58/$100,000 = $63,291/Degree
In Sum: These Interesting Times

We’re Competitive but . . .

Our Demographics are changing – the Past is not Prologue

There is a New Normal for Higher Education Finances

We have real issues with respect to Productivity
Six Current Thrusts of the Change Agenda

Policy & Practice

- The completion agenda
- Expanding the concept of student
- Student Learning Outcomes
- Competence as the new coin of the realm
- Innovation & disruption
- The new normal for funding
The Change Agenda: *These Interesting Times*

The Completion Agenda – Access to Success

- The President’s Challenge
  - First in the World Again
  - Meet our Workforce Needs
  - 65% of Young Adults – some postsecondary credential of value – 2020

- Lumina
  - 60% by 2025

- Complete College America -- 33 States

- Angst
  - Do we really need to get there?
  - Can we get there from here?
  - Will quality suffer?

- Implications for State Policy
  - Moving from rhetoric to reality
The Change Agenda: **These Interesting Times**

**Expanding the Concept of Student**

- **Looking down**
  - Early learning high schools (the Gates redesign)
  - College/Postsecondary in all high schools (AP, dual & concurrent enrolment, IB, CTE)
  - Improving Preparation
    - Common Core
    - Reinventing Remedial – The High School as partner
- **Looking up**
  - Adult College Completion – low hanging fruit
  - New Adult Focus – A mighty heavy lift
    - The new GED (s)
  - Workforce & Workplace partnerships
- **Redefining college**
  - The "course level" movement – piece by piece
  - Demonstrated competence (more to come)
- **Implications for State Policy – follow the evidence, not the pretty face**
A good idea whose time has come

Why now

Readiness has “evolved”

“Evidence based practice” has caught on in public policy

Analytics can support evidence based practice (CLA, CAAP, ETS Proficiency Profile, AHELO, Work-keys, PLA, etc.)

Being Supported financially – Lumina’s DQP & Tuning work

Angst

Whopping big change – moving to external validity

Still sorting out

Teacher’s role

Institution’s role

Governing board’s role

Government’s role

Implications for State Policy – not performance funding for this issue -- big issue: cost effective assessment of learning & work
Competition — the new coin of the realm

Competency Assessment: for the Student

- Transfer and Articulation - Trusting the community (Passport)
- Demonstrated college level learning outside the Academy
  - Prior Leaning Assessment – PLA
  - CLEP, testing out, etc.

Competency Assessment: for the Institution (Educational Improvement & Credibility)

- Predictive Analytics
- Degree Qualifications Profiles
- Tuning

Implications for State Policy – demand evidence of efficacy – external validation
The Change Agenda: *These Interesting Times*

*Innovation & Disruption are good (everything else is boring)*

- The list (partially)
  - New providers of degrees
    - The expansion of the for-profit sector
    - The expansion of most institutions on-line
    - The $10,000 Degree in Public Institutions
    - WGU expansion into multi-state “recognition”
  - New providers of courses & services
    - MOOCS
    - Courses only – Straighter Line, DreamDegree, etc.
    - Support services only – Insidetrack, Kahn Academy, Smarthinking, etc.

- Implications for States
  - Embrace innovation, but Beware of seduction
The Change Agenda: *These Interesting Times*

**The New Normal for Funding**

- *Why a new normal & not return to the old normal*
  - *Can’t afford the old normal*
    - *Hyper-inflationary model is unsustainable (unaffordable)*

- *What the new normal will look like*
  - *Performance funding is the wave to be on*
    - *Makes sense at the state level*
Outcomes-Based Funding: The Wave of Implementation

- **Implementing**
- **Implementing in one Sector**
- **Under Development**
- **Active Interest**
Why a new normal & not return to the old normal
  Can’t afford the old normal
    Hyper-inflationary model is unsustainable (unaffordable)

What the new normal will look like
  Performance funding is the wave to be on
    Makes sense at the state level
    Seeping into institutional finance – RCM
The Change Agenda: *These Interesting Times*

The New Normal for Funding

- What the new normal will look like
  - Performance funding isn’t the only new dog in the hunt
  - Expenditure strategies
    - The cheap way out -- $10,000 degree
    - Outsourcing
      - WGU expansion
      - Coursework outsourced
    - Enrollment Management
  - Revenue enhancement strategies
    - Chase rich students
    - Chase any students
    - Rethink tuition discounting & financial aid
- Implications for States: define the public agenda
The Change Agenda: These Interesting Times
Summing it all up

- The times they are a changing
  - The way we provide education is changing
  - Who we educate is changing
  - The way we assess the quality of our enterprise is changing
  - The way we finance the enterprise is changing
  - So,

- To Survive & Thrive
  - Be Aware
  - Be nimble
  - Be ready to change,
  - And be comfortable being disrupted
May You Live in Interesting Times

Perhaps not a Proverb

Certainly Not A Curse

Definitely a Challenge

But also an Opportunity

It Is What It Is

Make the Most of It