Obama’s Goal – Best In The World By 2020

Millennium Lecture Series

University of Texas at El Paso

December 7, 2010

David Longanecker
President, Western Interstate Commission for Higher Education (WICHE), Boulder, CO, USA
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Obama’s Goal – Best In The World By 2020

Nice Idea
Obama’s Goal – Best In The World By 2020

Nice Idea but Can We Get There From Here?

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President, Western Interstate Commission for Higher Education (WICHE), Boulder, CO, USA
“By 2020, America will Once again have the highest Proportion of college graduates In the World”

President Barack Obama, 2/24/09
A Perfect Situation

But, is it

A Perfect Storm, or

A Perfect Opportunity
Perfect Storm or Perfect Opportunity

The Economic Competitiveness Challenge

The Demographic Challenge

The Financial Challenge
The Perfect Storm – The First Wave

The Economic Competitiveness Challenge

The Demographic Challenge

The Financial Challenge
Differences in College Attainment (Associate and Higher) Between Younger and Older Adults - U.S. and OECD Countries, 2005

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

Differences in College Attainment (Associate and Higher) Between Younger and Older Adults - U.S., 2005

Source: U.S. Census Bureau, 2005 ACS
Relationship Between Educational Attainment, Personal Income, and Economic Strength

State New Economy Index (2002)
- **Top Tier**
- **Middle Tier**
- **Low Tier**

Source: NCHEMS
The Perfect Storm -- The Second Wave

- The Economic Competitiveness Challenge
- The Demographic Challenge
- The Financial Challenge
College-Going Rates – First-Time Freshmen Directly Out of High School as a Percent of Recent High School Graduates, 2006

Source: Tom Mortenson, Postsecondary Opportunity Via NCHEMS
Undergraduate Credentials & Degrees Awarded at All Colleges per 1,000 Adults Age 18-44 with No College Degree, 2006

- Bachelor's
- Associate
- Certificates/Diplomas

Figure 3.9. Public High School Graduates in the West by Race/Ethnicity 1993-94 to 2004-05 (Actual), 2005-06 to 2021-22 (Projected)

Figure 3.15. Public High School Graduates in the South by Race/Ethnicity 1993-94 to 2004-05 (Actual), 2005-06 to 2021-22 (Projected)

Texas Public High School Graduates by Race/Ethnicity
1991-92 to 2004-05 (Actual), 2005-06 to 2021-22 (Projected)
Texas – Difference in Education Attainment Between Whites and Hispanics (2009, Percent)

Source: U.S. Census Bureau, 2009 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File. Prepared by NCHEMS
Difference in College Attainment Between Whites & Minorities (Including African American, Hispanic, and Native American) -- 2006

Vermont: -6.5
New Hampshire: 22.0
Florida: -6.5
Kentucky: 34.1
Arkansas: -10
Ohio: 10
Missouri: 20
Tennessee: 30
Mississippi: 40
Indiana: United States
Oklahoma: Texas
Louisiana: New Mexico
Alabama: Arizona
Delaware: New York
Georgia: Wisconsin
Wyoming: New Jersey
Michigan: South Dakota
Maine: Massachusetts
Alaska: Nebraska
Virginia: North Dakota
Maryland: California
Montana: Colorado
South Carolina: Vermont
North Carolina: New Hampshire
The Perfect Storm – The Third Wave

- The Economic Competitiveness Challenge
- The Demographic Challenge
- The Financial Challenge
We all know the mantra

The States don’t love us anymore.

They’ve been “disinvesting” in us for years

And, even those who love us have had to forsake us because we have that other source of revenue

TUITION
Life could have been worse


Note: Net tuition revenue used for capital debt service is included in the above figures. All figures are adjusted by SHEEO Higher Education Cost Adjustment (HECA).
But Texas Doesn’t Fit the Mold

Most recent comparisons

- State & Local Appropriations/FTE – FY 2009
  - U.S. Average: $6,928
  - Texas Average: $8,171 (1.18 Index)

- Tuition Revenue/FET – FY 2009
  - U.S. Average: $4,108
  - Texas Average: $4,158 (1.01 Index)

- Combined Approps & Tuition/FTE – FY 2009
  - U.S. Average: $10,327
  - Texas Average: $12,998 (1.12 Index)

Five Year Trend

- U.S.: 8.3% (2.0% from Stimulus)
- Texas: 19.6%
Where to from here

Will it get worse

Absolutely
Projected State and Local Budget Surplus (Gap) as a Percent of Revenues, 2016

Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2009 Via NCHEMS
A Perfect Storm – Three Waves Colliding

On Economic Competitiveness – we’re losing ground

On Demographics
- Performance is already subpar in college success
- Growth will be entirely in least educated portions of our population

On Finances
- Bad, and getting worse
- And seemingly no capacity to change our way of doing business (except on the margin)

From Perfect Storm to Perfect Opportunity
The President’s Challenge
How Can the U.S. Reach International Competitiveness?

Current Degree Production Combined with Population Growth and Migration and Improved Performance on the Student Pipeline Measures

- Degrees Produced 2005-25 with Current Rate of Production: 40,605,747
- Additional Degrees from Population Growth: 1,255,167
- Additional Degrees from Net Migration of College-Educated Residents: 7,045,932
- Reaching Best Performance in High School Graduation Rates by 2025: 1,265,118
- Reaching Best Performance in College-Going Rates by 2025: 3,270,900
- Reaching Best Performance in Rates of Degree Production per FTE Student: 7,347,209

Total Degrees Produced 2005-25 If All of the Above: 60,790,073

Degrees Needed to Meet Best Performance (55%): 63,127,642

Source: 2005 ACS, PUMS/nchems
Texas’ Part in the Plan -- Achieving International Competitiveness in Educational Attainment by 2030 (Associate and Higher) -- Data from NCHEMS

- Projected 25 to 64 Year Olds in 2030: 15,806,940
- 55% with College Degrees (Associate and Higher): 8,693,817
- 25 - 44 Year Olds w/College Degrees (who will still be in the cohort in 2030): 2,278,679
- Degrees Produced at Current Annual Rate by 2030 (149,740 Annually): 3,144,540
- Gap: Additional Degrees (Associate & Bachelor's) Needed by 2030: 1,668,235

- Over the next 20 years, on average, we will need to produce approximately 84,000 additional degrees annually.

- Stated differently, and presenting a realistic path to success, every year we will need 7,222 more degrees than were produced in the previous year.
Component of Additional Degrees from Improved Performance of Traditional Aged Students

The Need: 1,668,235
Current Performance Population Growth 488,453

Performance Enhancement:

- High School Graduation 99,210 321,881
- Immediate College-Going 171,926 308,842
- Completion per FTE 171,149 405,436
- **TOTAL** 930,738 1,524,612
- **GAP** 737,497 143,623

Derived from NCHEMS Analysis
The President has set out a major challenge – to regain world leadership in higher education.

We face major demographic and economic challenges in just sustaining the status quo.

CAN WE GET THERE FROM HERE?
What won’t be the winning strategy

- Pride in accomplishments of the past
- Same old – same old
- More public funds – from either states or feds.
Moving from the Perfect Storm to the Perfect Situation

A winning versus whining strategy

- Improving productive in undergraduate education

- Focus on those who aren’t succeeding today

- Focus on the new traditionals
  - Ready Adults
  - On-liners
**Becoming More Productive**

**By What Measure?**
- More, Better, Faster, Cheaper

**But How?**
- **In The Policy Arena - Focus Activity**
  - Reverse mission creep
  - Reduce governmental avarice
- **In The Practice Arena – Change the Business Model**
  - Rely on evidence based practice – student success
  - Use technology to transform the industry
    - At a distance
    - Close to home
Examples of Productivity Enhancers

- Scuttle under-enrolled courses and programs
- Increase/re-align teaching loads
- Begin (or pay for) new courses and programs only where student demand exists
- Use cost-effective technology to reduce costs and increase student learning
Examples of Productivity Enhancers

- Reduce excess credits to degree
- Trust each other more
  - accept transfer credit
  - Increase credit for prior learning – dual enrollment, credit by exam, CAEL assessment
  - Collaborate on pedagogy with other institutions – use their best courses
- Only serve students we can serve
- Reinvent developmental education – we couldn’t do it worse, if we tried
Focus on those who aren’t succeeding today

Communities of Color, particularly the Hispanic community
Texas – Difference in Education Attainment Between Whites and Hispanics (2009, Percent)

<table>
<thead>
<tr>
<th>Education Level</th>
<th>White</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than High School</td>
<td>6.3</td>
<td>39.7</td>
</tr>
<tr>
<td>High School Graduate or GED</td>
<td>23.7</td>
<td>26.1</td>
</tr>
<tr>
<td>Some College, No Degree</td>
<td>25.9</td>
<td>17.8</td>
</tr>
<tr>
<td>Associate's Degree</td>
<td>7.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>24.9</td>
<td>8.5</td>
</tr>
<tr>
<td>Graduate or Professional Degree</td>
<td>11.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2009 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File. Prepared by NCHEMS
Focus on those who aren’t succeeding today

- Communities of Color, particularly the Hispanic community
- Adult Students, particularly prior participants
- Those with special needs
  - Military
  - Those with mental health issues
Absolutely!

But not on the current track

We have to change **BIG TIME**

- Increasing Productivity
- Increasing Real Access

We must look forward, not back

- Pride is one of the Seven Deadly Sins

“Just Do It”.