Weathering Colorado’s’s Perfect Storm: Life After the “C” Change And After the 50% Rule

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Colorado’s Exceptional Story: The Perfect Storm
The Confluence of Three Huge Waves
Rising Demand for Higher Education
The Change in Who You Are Serving
Constrained Finances
Colorado’s Exceptional Story: So What Has Changed? We’ve had a “C” Change

Rising Demand for Higher Education (No Change)

The Change in Who You Are Serving (No Change)

Constrained Finances (Is life good, or just better?)
The First Wave – Rising Demand

Colorado is amongst the most demographically challenged states

WHY?
1. Colorado’s Substantial Projected Demographic Growth

Percent Change in Number of Public and Nonpublic High School Graduates by State, U.S., 2001-02 (actual) and 2017-18 (projected)

2. Policy Goal – Greater post-secondary participation

- Mixed Reviews on High School Completion

- In bottom 1/3 of all states,
- Down 4.5% from 90 census
2 (continued). The Goal of Greater Postsecondary Participation

(Measuring Up 2004: B on Participation)

Colorado – 58% of HSGs; 41% of Cohort
WICHE West – 50% of HSGs; 37% of Cohort
U.S. – 39% of Cohort

Working-Age Adults:

1994: 5.5%
2004: 4.7%
Top States: 5.4%

- Associate degree production (per 100 H.S. grads)
  - Colorado – 13.4
  - WICHE West – 22.6
  - U.S. – 19.1

- Baccalaureate degree production (per 100 H.S. grads)
  - Colorado – 57.1
  - WICHE West – 43.6
  - U.S. – 48.2
So What?

- World leaders in higher education attainment:
  - Canada, Finland, Ireland, Japan, Korea

- Second tier:
  - U.S., Australia, Belgium, France, Norway, Spain, Sweden, U.K.

Source: OECD Statistics, Annex 3 – Table 2.5
The Second Wave – Those we serve will be harder to serve

Increasing share of population from communities that higher education traditionally has not served well.

- Communities of color: Will supply 40% of high school grads by 2015 (up from 27% in ’05).
- Projected increase in Hispanic high school grads:
  - From 16% in ‘05 to 28% in ‘15.
Historic success, or lack thereof, of Hispanic students in higher education

- In the U.S.: 10.5% less likely to attend higher education
- A heck of a challenge for Colorado: Hispanics represent
  15% of the Colorado population (2002)
  14% of full-time first-time freshmen (4-year, ‘02)
  12.5% of those awarded associate degrees (01-02)
  7.5% of those awarded bachelor’s degrees
Historic success, or lack thereof, of low-income students in higher education

- In the U.S.: Participation drops from 27.5 to 23.1% (1999-2001).
- In Colorado: that number is 17.1%.
- Advanced Placement: In 2001, less that 3% of AP tests were taken by low-income students (regional average – 15%). And only 3.9% of CO test takers received fee reductions (’03) – compared to 13.2% in the region.
- Poor less likely to go, regardless of ability.
- Poor less likely to stay, because of ability.
The Third Wave – Limited Resources

The ’90s – the Best of Times.

- State appropriations: +54% (1993-2002)
- Tuition:
  - +25% (2-year)
  - +17% (4-year)
- Median income: +22%
The Third Wave – Limited Resources

The New Millenium – the Worst of Times.

- Second lowest in Nation (behind New Hampshire) in State and Local Support Per FTE Student (’04)
  - Colorado: $3,084
  - U.S. Average: $5,825
- Lowest third in Nation in Total funding per FTE Student (’04)
  - Colorado: $7,296
  - U.S. Average: $9,196
The Third Wave – Limited Resources

The “C” Change – weathering the storm

- The Governor’s initial proposal:
  - Increasing the stipend from $2,400 to $2,580 – a 7.5% increase.
- CCHE has requested:
  - limiting tuition increases to 2.5%, but with an 11% increase in higher ed funding
  - Plus funding in this year for “unfunded enrollment”
- College in Colorado—An Information Campaign to explain that college is possible and essential
There isn’t going to be a future windfall.
Fiscal projections – 2005 - 2013

State and local surplus or shortfall as a percent of baseline revenues

Source: National Center for Higher Education Management Systems (NCHEMS)
Access is at risk

- Colorado trails the West and the rest in need-based financial assistance (’03-’04).
  - State need-based aid
    - Colorado - $292
    - WICHE average - $324
    - U.S. average - $417
  - Western Leaders
    - California -- $452
    - Washington -- $505
### Why Colorado is unique

#### Table 3: 1998 student/family income ranges, by state, by quartiles

<table>
<thead>
<tr>
<th>Quartile</th>
<th>Low-income dependent students with parents 45-64</th>
<th>Low-income independent students 25-34 years old</th>
<th>Median-income dependent students with parents 45-64</th>
<th>Median-income independent students 25-34 years old</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top quartile</strong></td>
<td>$28,560-$32,720</td>
<td>$14,710-$22,110</td>
<td>$72,860-$81,670</td>
<td>$45,280-$53,420</td>
</tr>
<tr>
<td>States</td>
<td>AK, DC, IL, IA, KS, MN, NJ, RI, UT, WA, WI</td>
<td>AK, CT, DC, GA, IL, IA, MD, MN, NH, NJ, UT, VA</td>
<td>AK, CT, HI, IL, KS, MA, MI, MN, NH, NJ, RI, WI</td>
<td>AK, CT, IL, MD, MA, MI, MN, MO, NJ, SC, VA, WI</td>
</tr>
<tr>
<td><strong>Second quartile</strong></td>
<td>$24,260-$28,380</td>
<td>$13,190-$14,640</td>
<td>$62,860-$72,500</td>
<td>$40,150-$44,380</td>
</tr>
<tr>
<td>States</td>
<td>CT, HI, IN, ME, CO, MO, MI, NH, OH, OR, SD, VT, VA</td>
<td>CO, DE, IN, LA, MA, MI, MO, NV, OH, PA, TN, VT, WI, WY</td>
<td>CO, DC, DE, GA, ME, MD, NV, NY, ND, OH, PA, UT, VA, WA, WY</td>
<td>CO, DE, GA, IA, KS, NH, NY, OH, PA, RI, SD, UT, VA, WI</td>
</tr>
<tr>
<td><strong>Third quartile</strong></td>
<td>$19,010-$23,510</td>
<td>$11,070-$12,800</td>
<td>$58,000-$62,500</td>
<td>$36,500-$39,800</td>
</tr>
<tr>
<td>States</td>
<td>AL, CA, CO, ID, MA, NY, NC, ND, NV, OK, PA, SC, TN</td>
<td>AR, KY, ME, MS, NE, NY, NC, RI, SC, SD, TX, WA</td>
<td>CA, IN, IA, MO, MS, NC, OK, OR, SC, SD, VT</td>
<td>AR, DC, HI, IN, KY, LA, ME, NE, NV, NC, TN, TX, VT</td>
</tr>
<tr>
<td><strong>Bottom quartile</strong></td>
<td>$15,260-$18,890</td>
<td>$9,910-$10,910</td>
<td>$46,150-$57,040</td>
<td>$28,680-$36,100</td>
</tr>
<tr>
<td>States</td>
<td>AR, AZ, DE, FL, GA, KY, LA, MS, MT, NE, NM, TX, WV</td>
<td>AL, AZ, CA, FL, HI, ID, KS, MT, NM, ND, OK, OR, WV</td>
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Source: U.S. Census, 1998 Current Population Survey and Authors’ Calculations
Will a “C” Change Help Weather
*The Perfect Storm*

Increasing demand *(no change).*

Increasingly difficult-to-serve clientele *(no change).*

Limited finances: *The “C” Change – treading water in rough seas*
Weathering the Storm

Colorado has a bold plan:
Why COF makes sense for Colorado.
   It fits the constraints of TABOR, et al
   It does connect the dots
Why it may not.
   Higher Ed is not “a perfect market”
Weathering the Storm

• Other Essential Ingredients
  • Better Preparation
    • A Rigorous High School Curriculum – SSI
      • Colorado has joined
  • External Validation
    • Colorado has universal ACT Testing
    • CCHE tried but failed at ACT E-PASS
    • Colorado lacks placement versus admissions component in high school
Weathering the Storm

• Other Essential Ingredients
  • Better Service to At-risk college students
    • Remedial
      • Undesirable
      • Under-funded
        • Brits & Irish recognize the task
  • Support Services (trio, et al)
  • Cultural Climate (the diversity scorecard)
  • Intensity of engagement (particularly for young adults)
    • The Toolbox Revisited
      • Full-time
      • Continuous enrollment
Weathering the Storm

• Other Essential Ingredients
  • Increased cost effectiveness
  • Course completion
  • Use of technology – at a distance and at home
  • Validated learning & Modularization
  • Learning from the “for-profits”
To Weather the Storm, or Whether Not To? That is the Question.

Wishful thinking isn’t enough
Intentionality is the Key
Other States are much more engaged

We’ll “C” what the answer is!