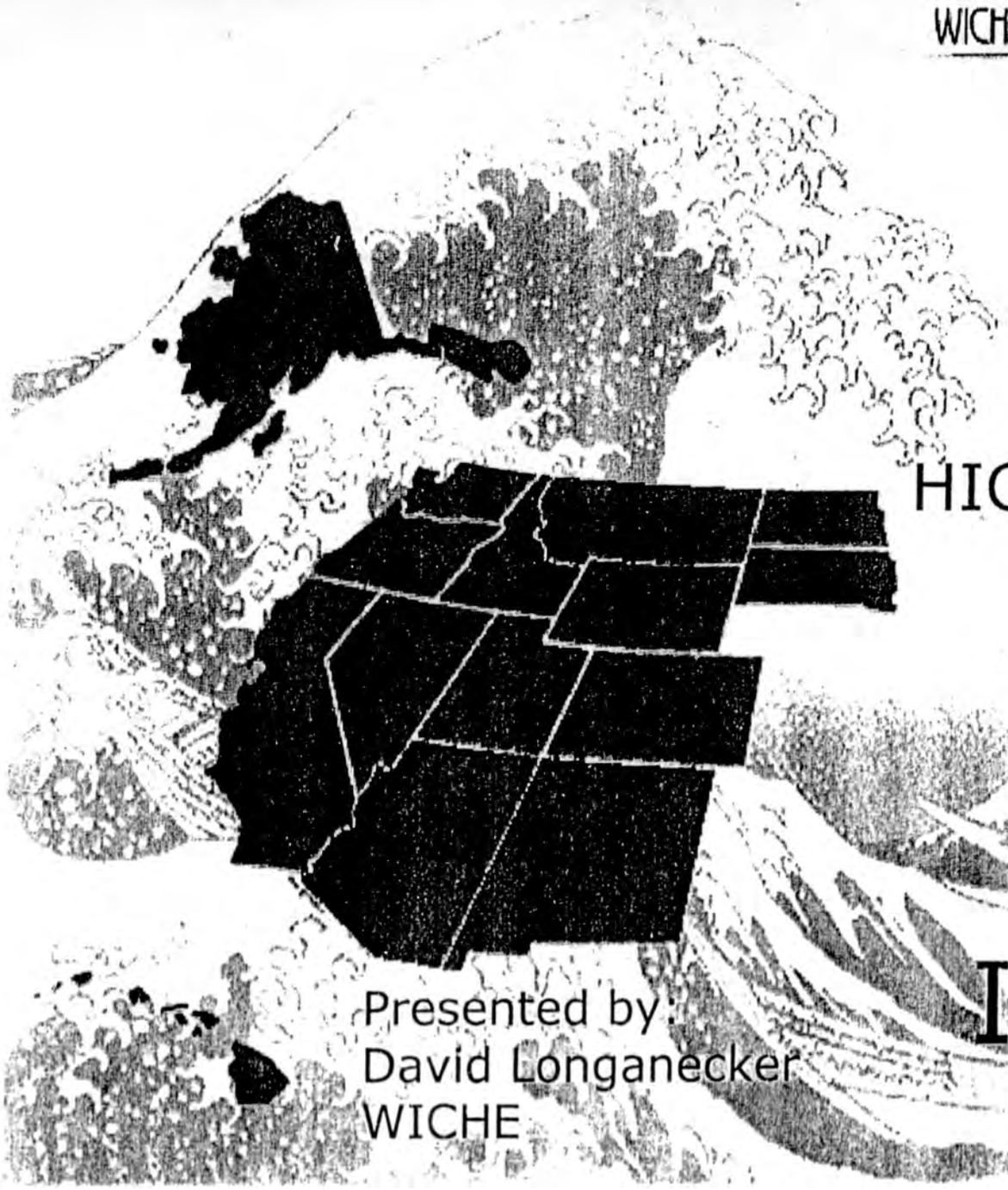
SCOMM

141:4

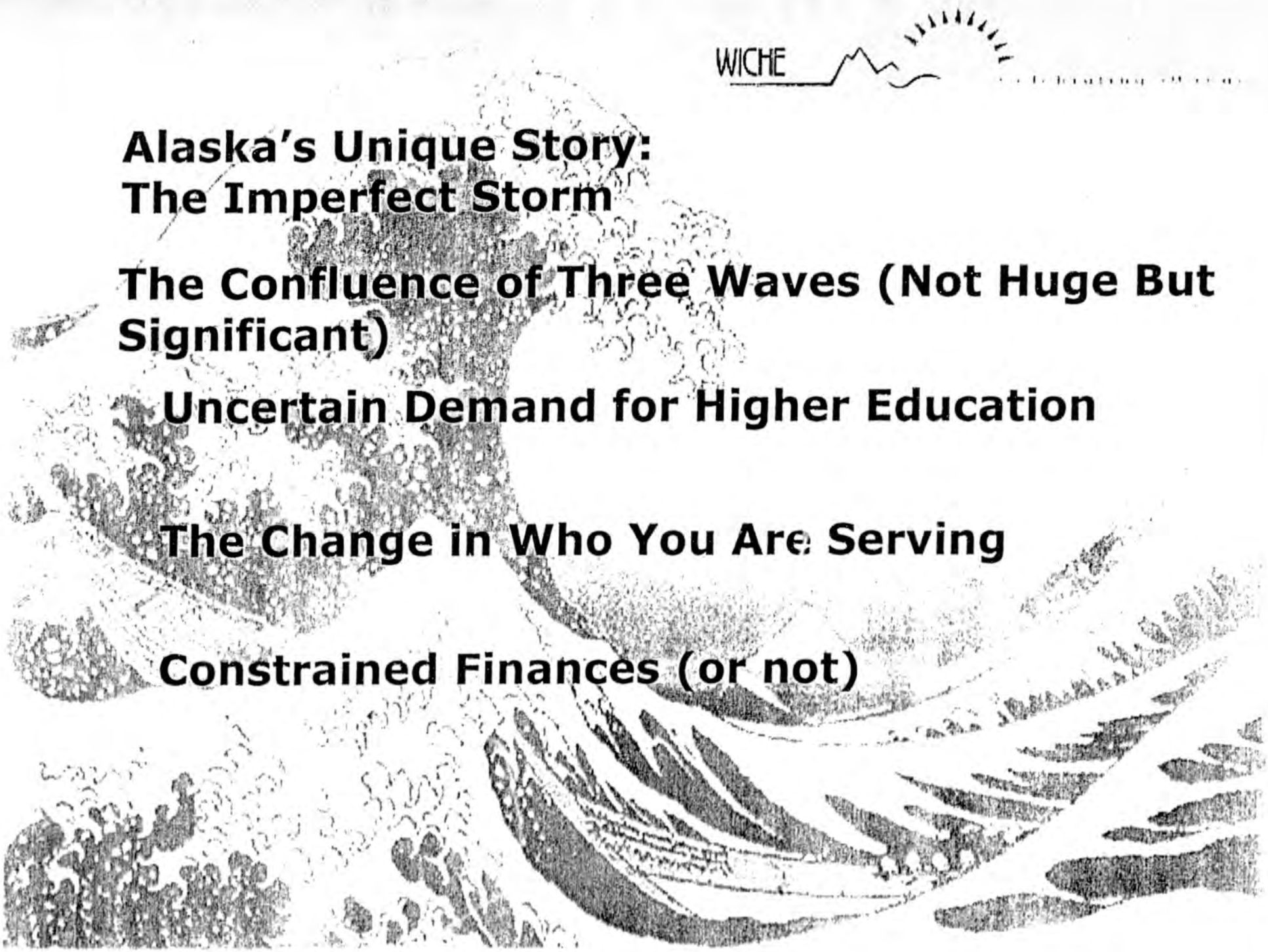


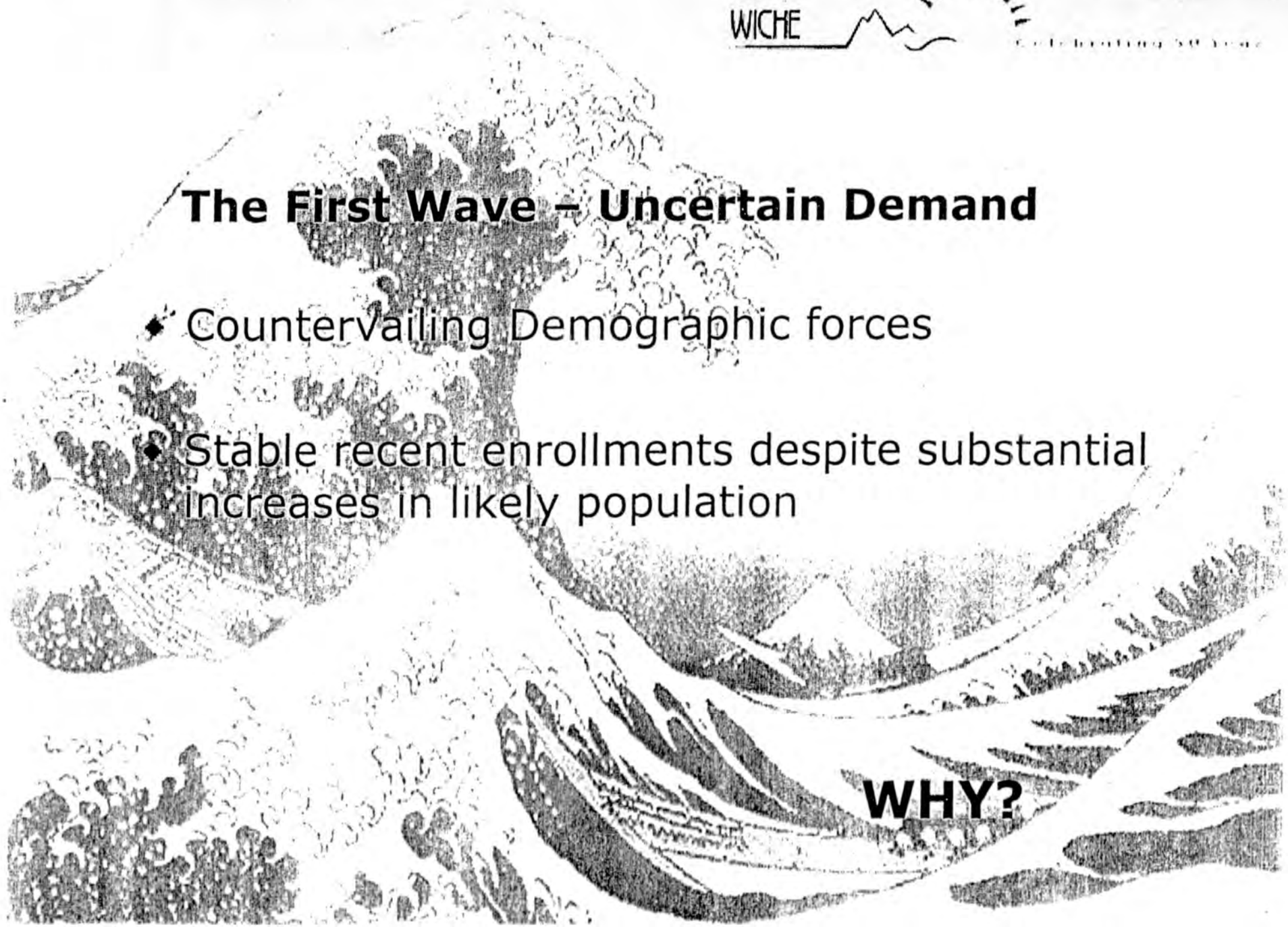
WICHE

ALASKA HIGHER EDUCATION AND THE FUTURE

The Imperfect STORM

Presented by:
David Longanecker
WICHE

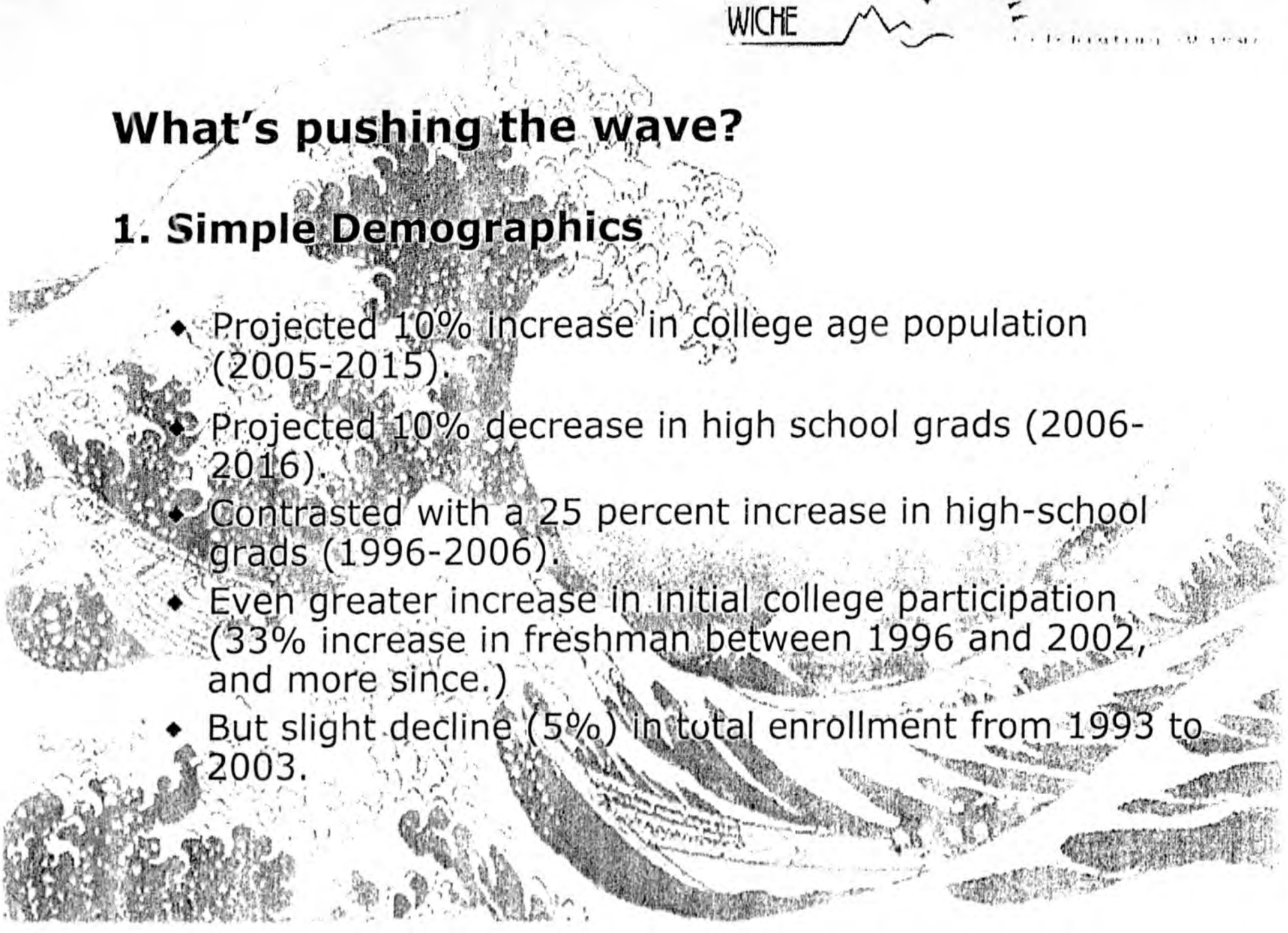

WICHE
Alaska's Unique Story:
The Imperfect Storm
The Confluence of Three Waves (Not Huge But Significant)
Uncertain Demand for Higher Education
The Change in Who You Are Serving
Constrained Finances (or not)



The First Wave – Uncertain Demand

- Countervailing Demographic forces
- Stable recent enrollments despite substantial increases in likely population

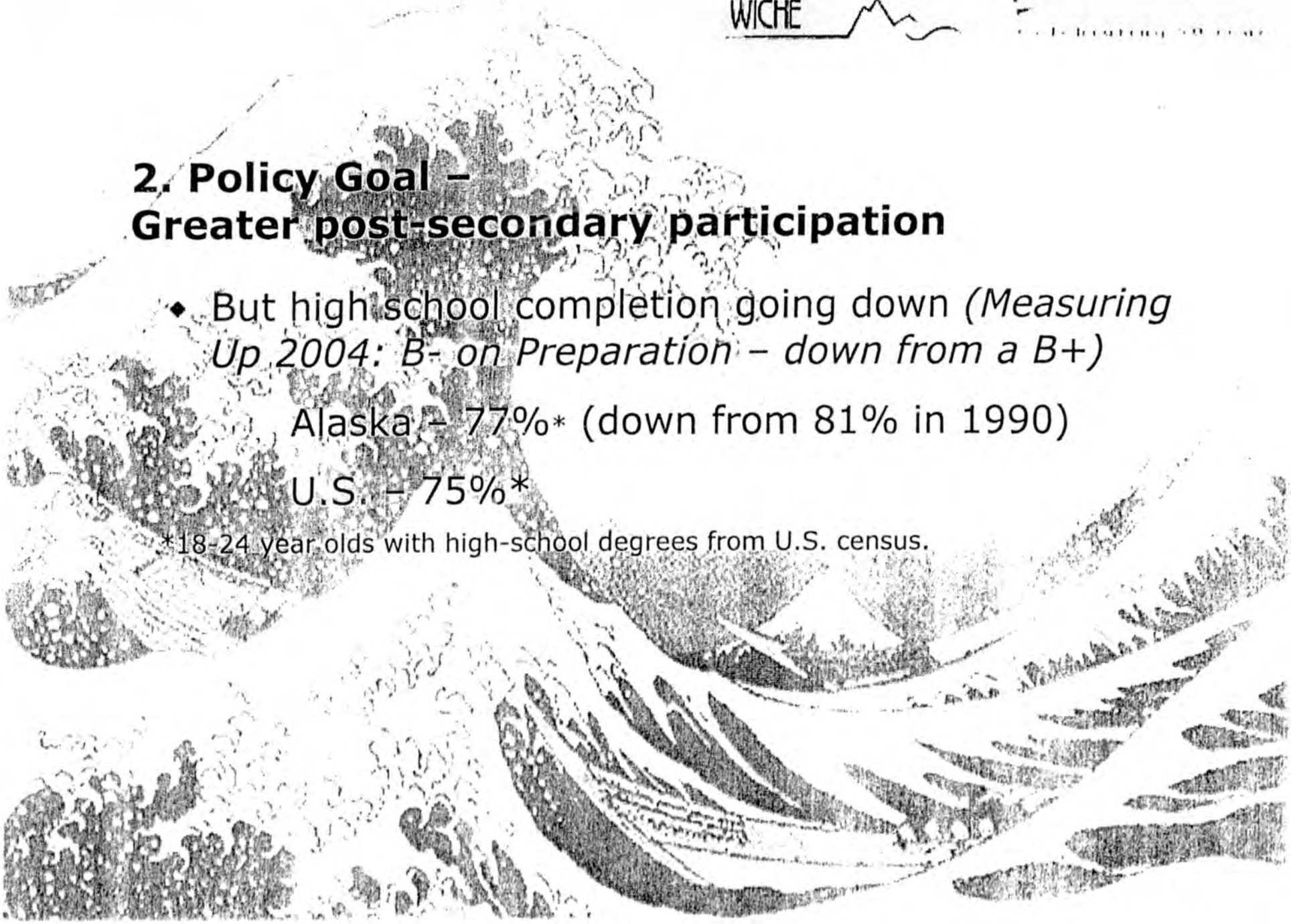
WHY?



What's pushing the wave?

1. Simple Demographics

- Projected 10% increase in college age population (2005-2015).
- Projected 10% decrease in high school grads (2006-2016).
- Contrasted with a 25 percent increase in high-school grads (1996-2006).
- Even greater increase in initial college participation (33% increase in freshman between 1996 and 2002, and more since.)
- But slight decline (5%) in total enrollment from 1993 to 2003.



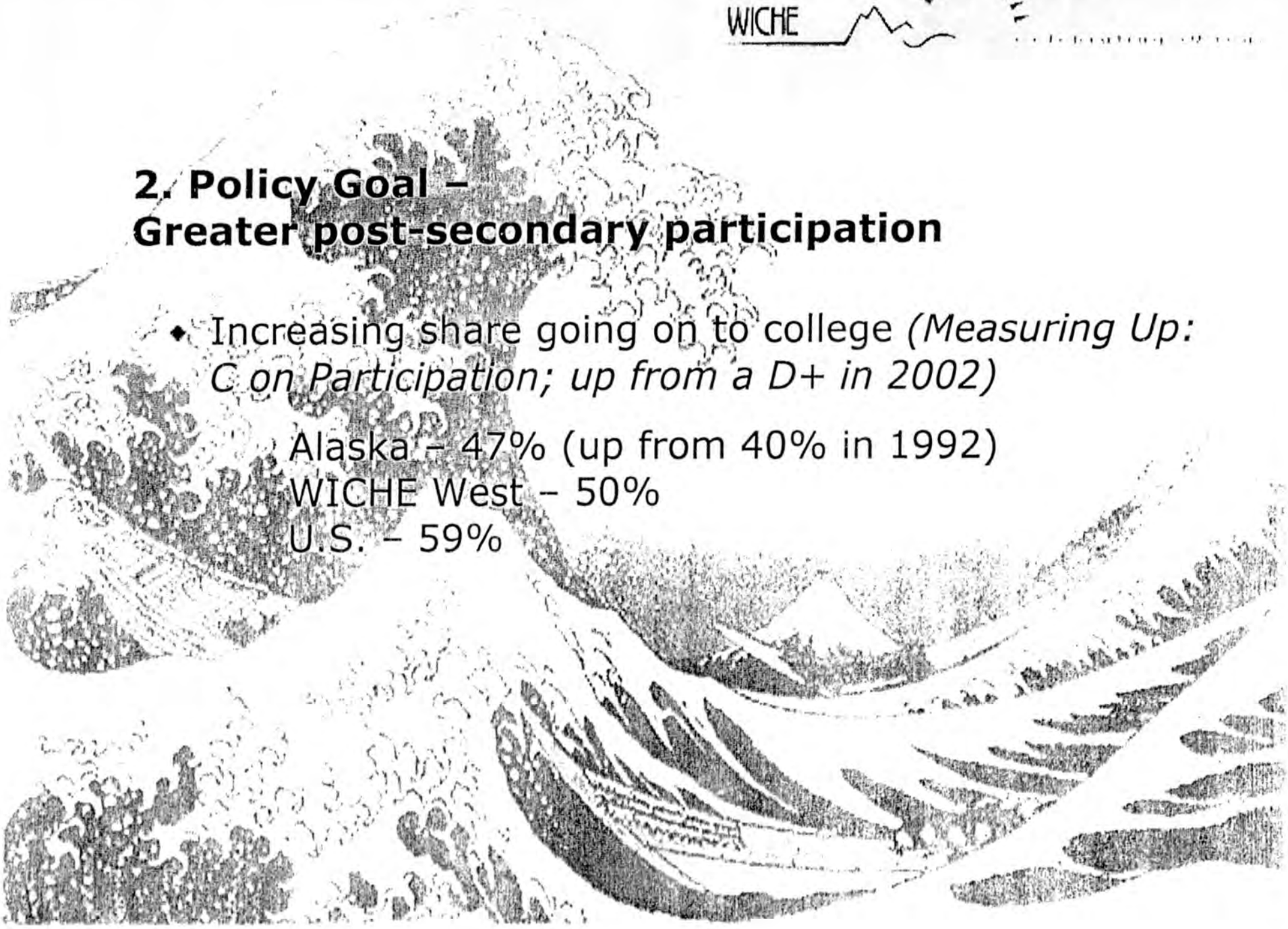
2. Policy Goal – Greater post-secondary participation

- But high school completion going down *(Measuring Up 2004: B- on Preparation – down from a B+)*

  Alaska – 77%* (down from 81% in 1990)

  U.S. – 75%*

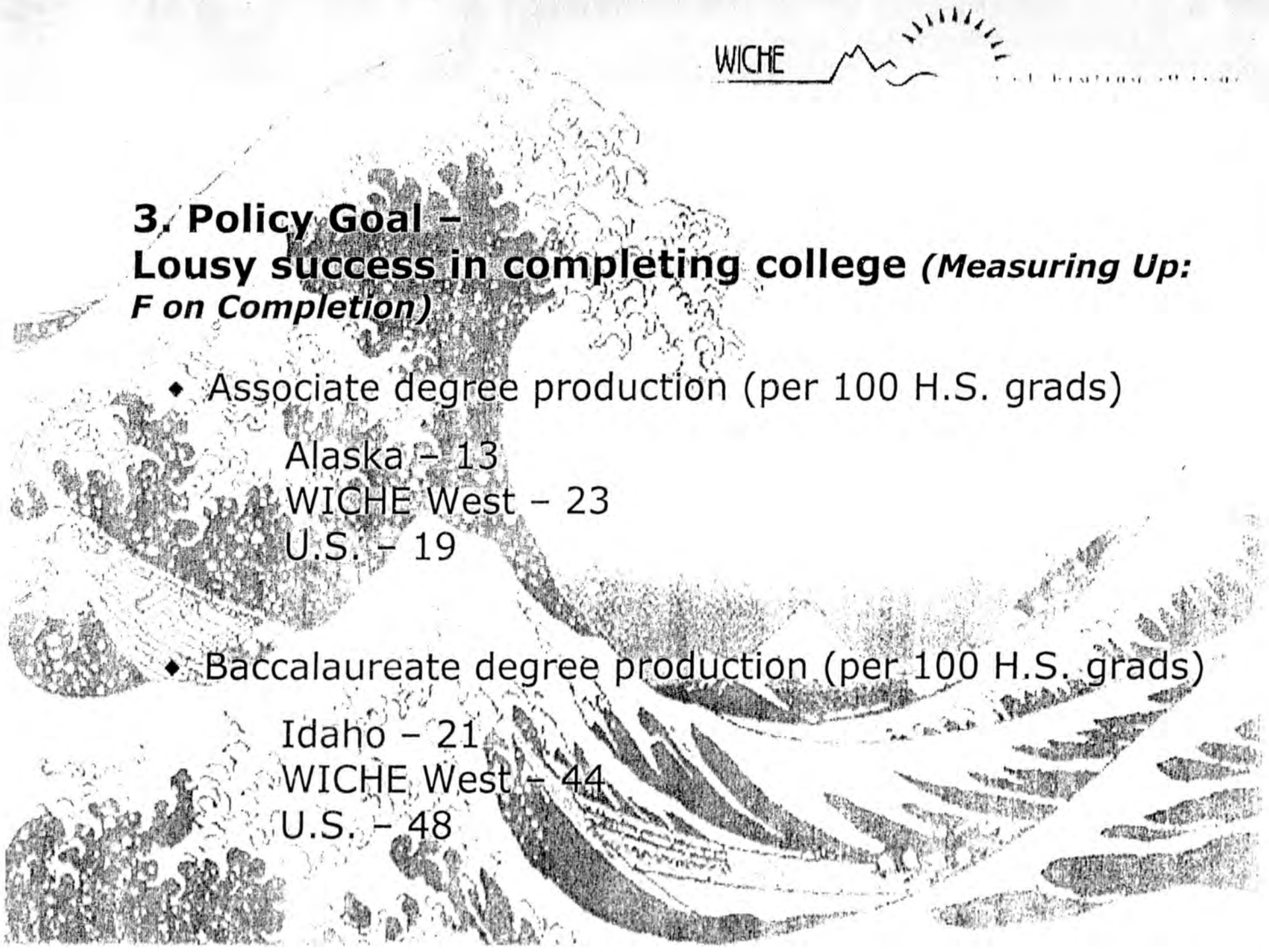
*18-24 year olds with high-school degrees from U.S. census.



2. Policy Goal – Greater post-secondary participation

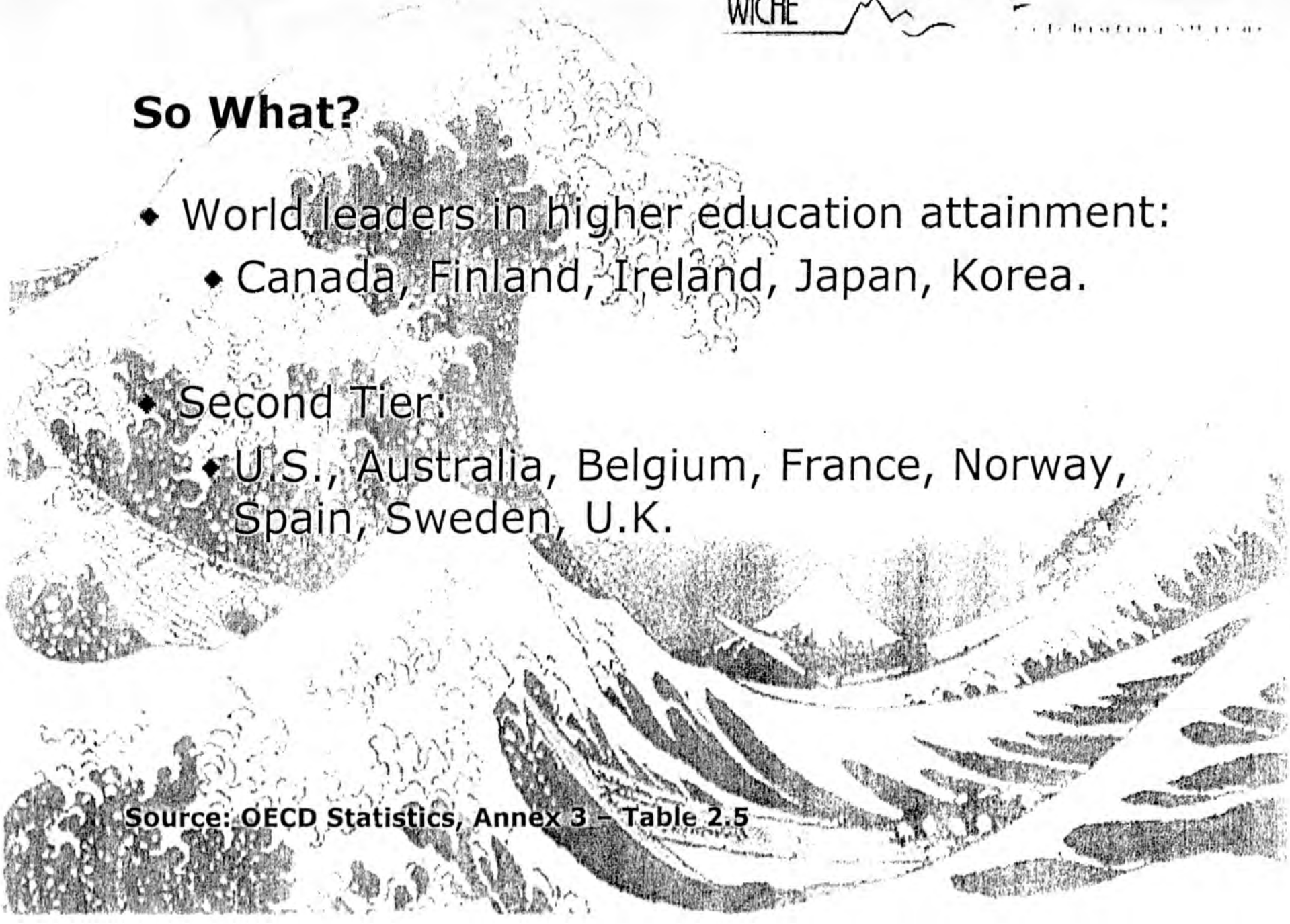
- Increasing share going on to college *(Measuring Up: C on Participation; up from a D+ in 2002)*

  Alaska – 47% (up from 40% in 1992)
  WICHE West – 50%
  U.S. – 59%



3. Policy Goal – Lousy success in completing college *(Measuring Up: F on Completion)*

- Associate degree production (per 100 H.S. grads)
  - Alaska – 13
  - WICHE West – 23
  - U.S. – 19
- Baccalaureate degree production (per 100 H.S. grads)
  - Idaho – 21
  - WICHE West – 44
  - U.S. – 48

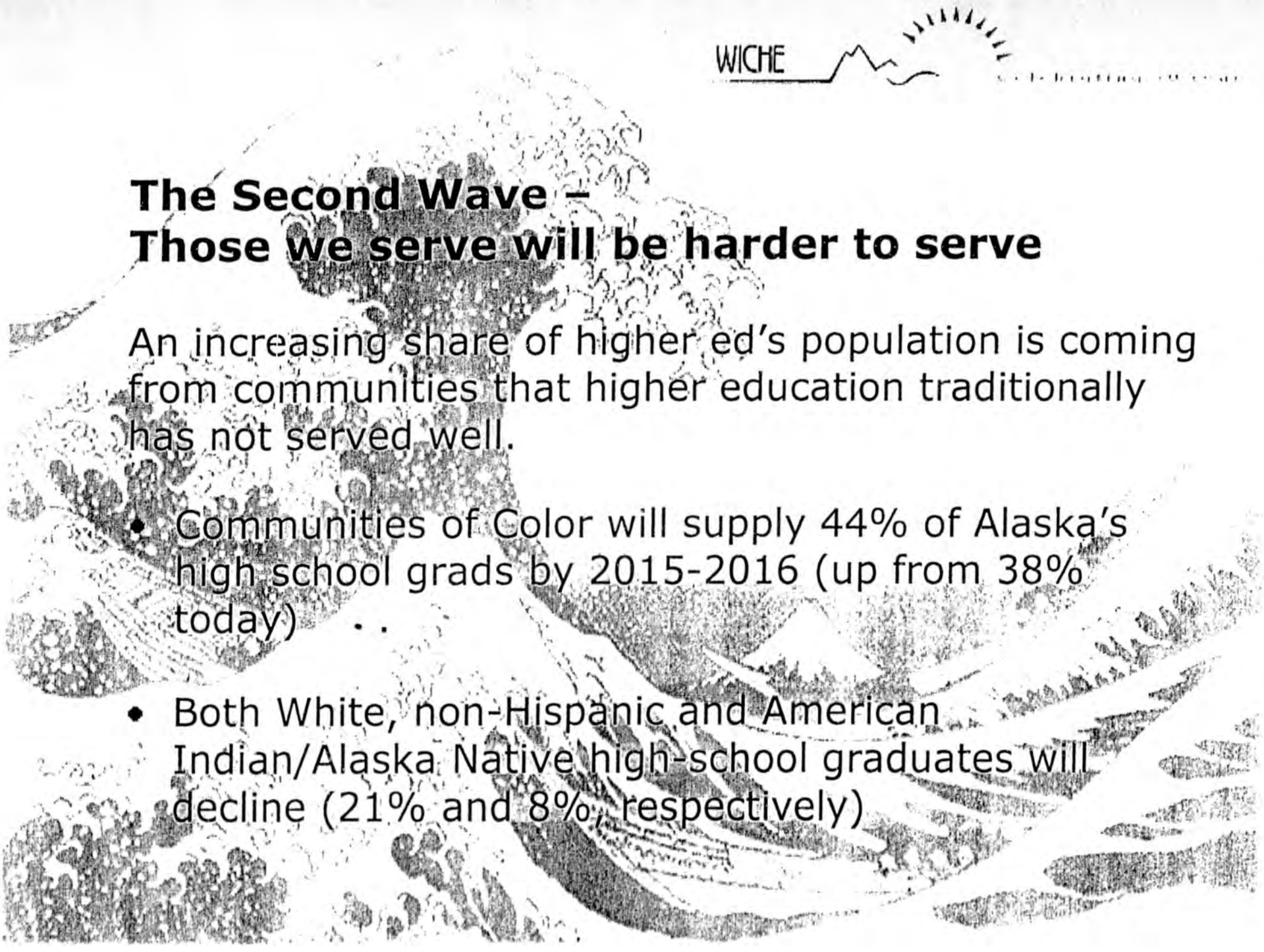


So What?

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

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

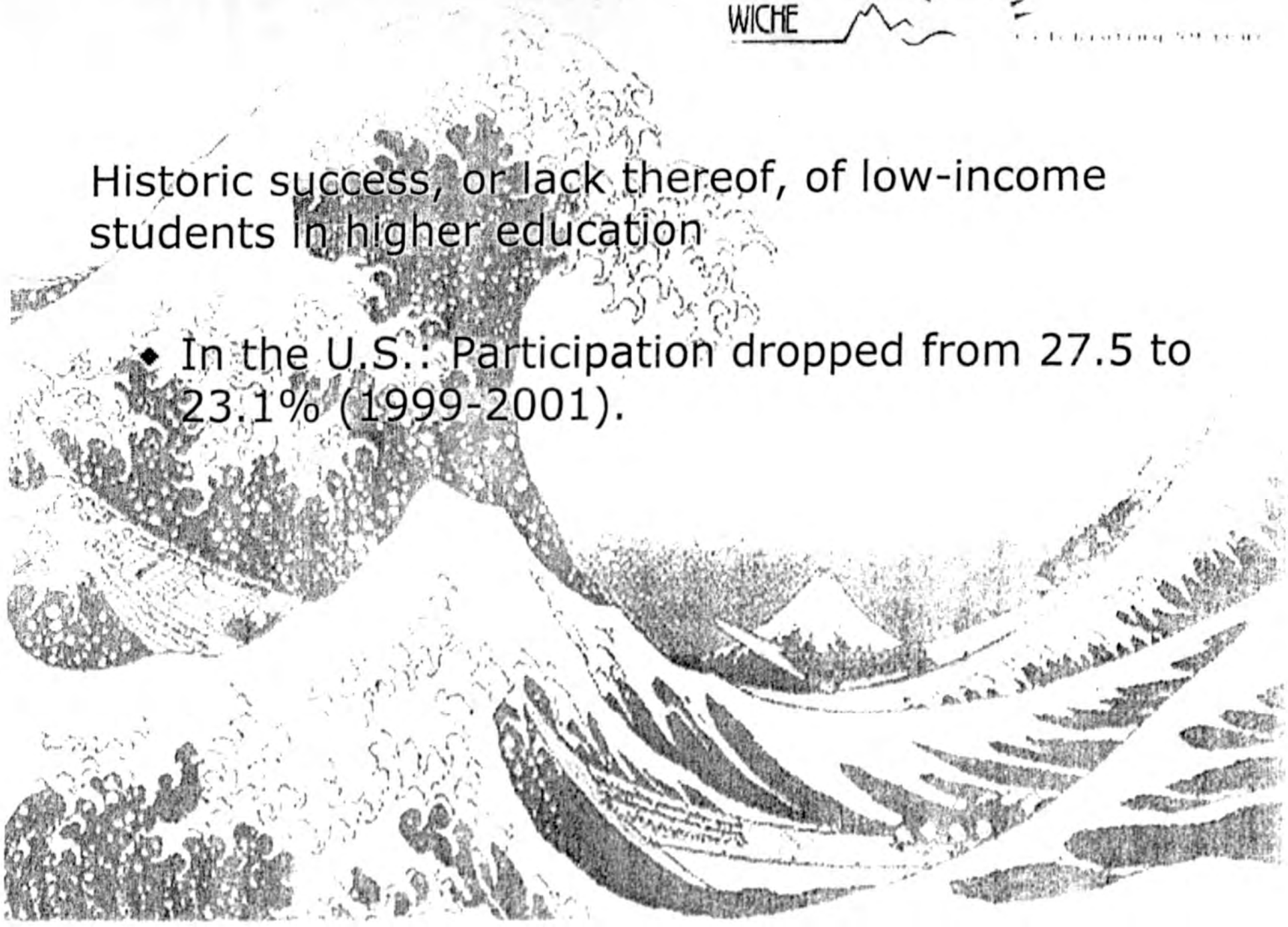
Source: OECD Statistics, Annex 3 – Table 2.5



The Second Wave – Those we serve will be harder to serve

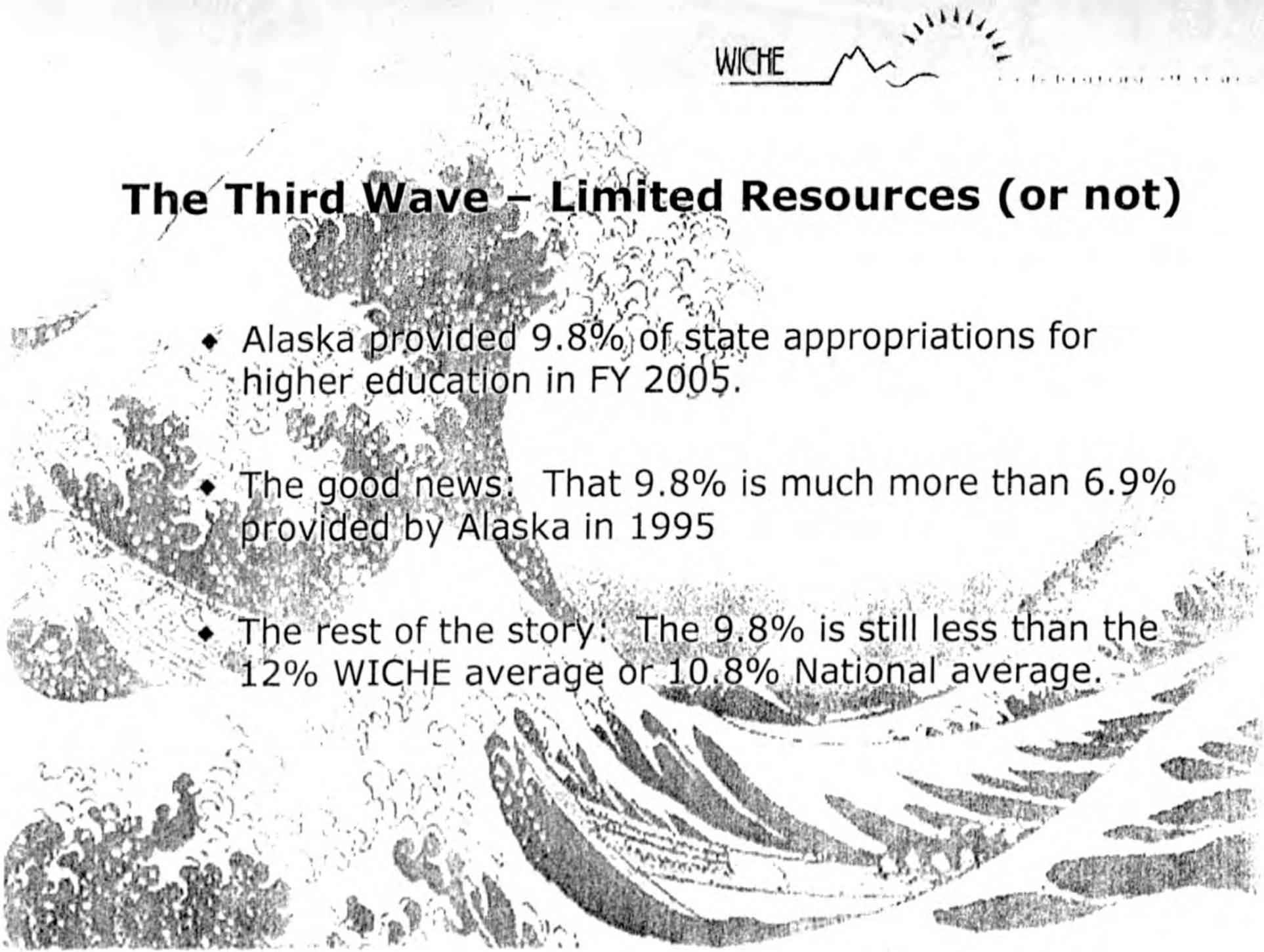
An increasing share of higher ed's population is coming from communities that higher education traditionally has not served well.

- Communities of Color will supply 44% of Alaska's high school grads by 2015-2016 (up from 38% today)
- Both White, non-Hispanic and American Indian/Alaska Native high-school graduates will decline (21% and 8%, respectively)



Historic success, or lack thereof, of low-income students in higher education

- In the U.S.: Participation dropped from 27.5 to 23.1% (1999-2001).



The Third Wave – Limited Resources (or not)

- Alaska provided 9.8% of state appropriations for higher education in FY 2005.
- The good news: That 9.8% is much more than 6.9% provided by Alaska in 1995
- The rest of the story: The 9.8% is still less than the 12% WICHE average or 10.8% National average.

The Net Effect on Students

- The Good News:
  - On average, affordable price
    - Reasonable tuition
    - Low price compared to income
      - Family Income Needed for College (NCHEMS)
        - 4 Years: Ak 21%, U.S. 29%
        - 2 Years: Ak 20%, U.S. 22%
- The Bad News: Financial Aid
  - Excellent Loan Program for middle-income
  - Awfully Modest Need-based financial aid

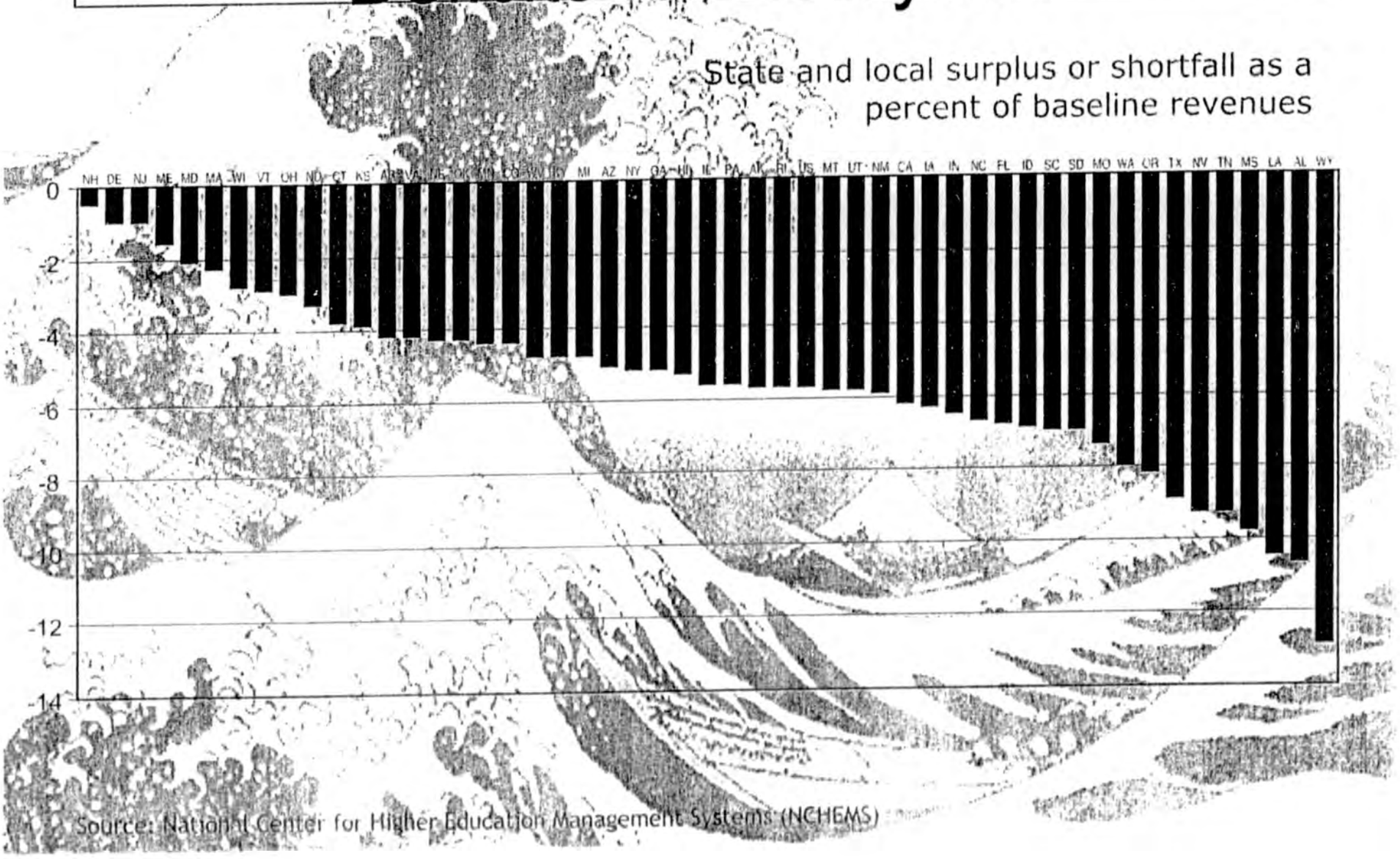
The Net Effect on Institutional Resources

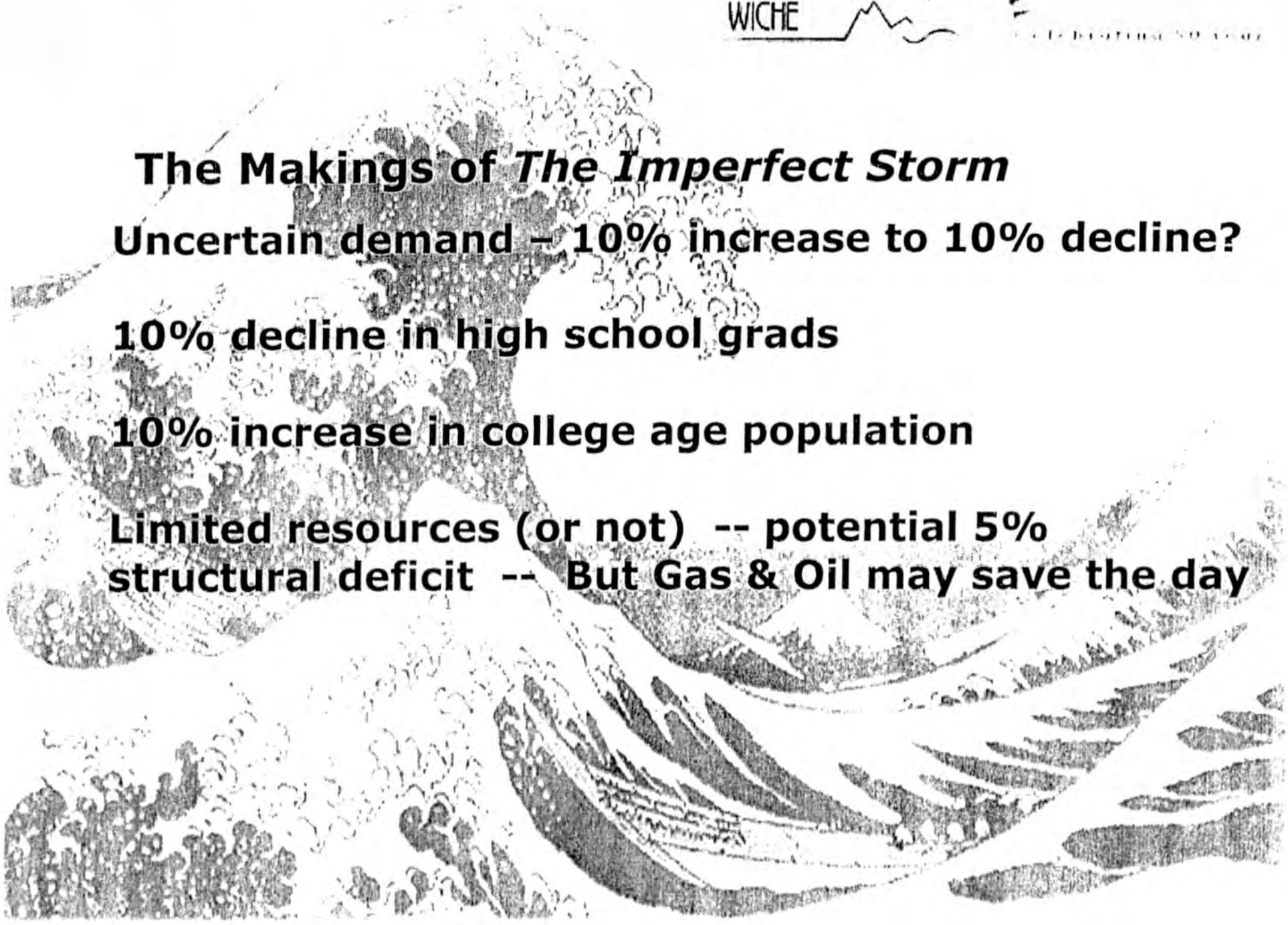
- Above national average in total resources by institution type
- Function of the Alaska Cost Dilemma – It simply costs more to do business in Alaska:
  - Lack of Economies of Scale
  - About average tuition levels (a bit more for two-year students; average for four-year students)
  - More state support, on average.
  - A larger share of overall budget to research (again, function of Economies of Scale)

State Support for Financial Aid

- State Need-based Grant Aid Per FTE Student (2003-2004)
  - Alaska: $ 0
  - WICHE: 324
  - US: 417
  - Washington: 505
- The News
  - 2005-2006: $625,000 through ACPE
  - 2006-2007: Gov's initiative to transfer $20 million will provide another $1 million annually

The Future: Projected Structural Deficits for Everyone





The Makings of *The Imperfect Storm*

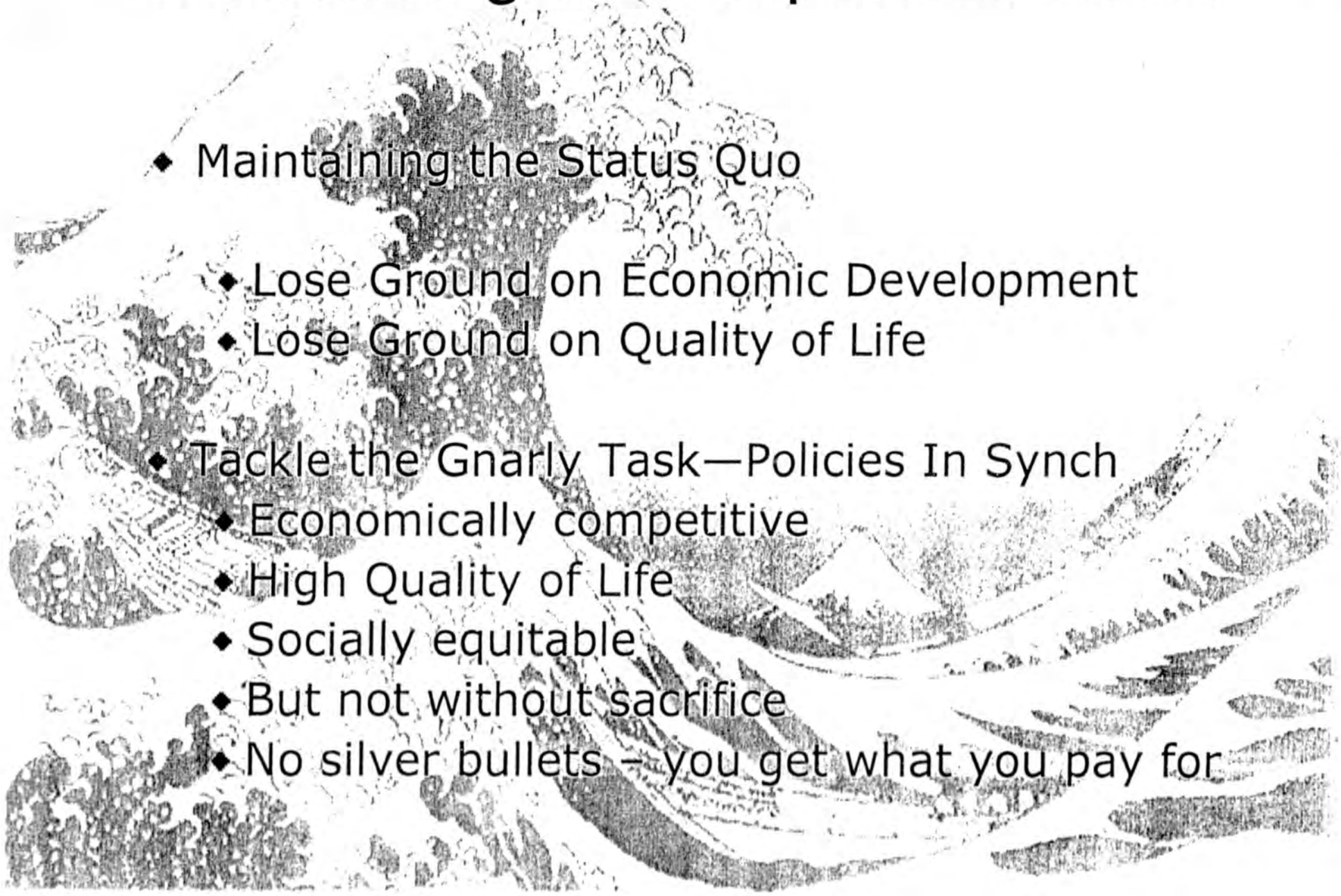
Uncertain demand – 10% increase to 10% decline?

10% decline in high school grads

10% increase in college age population

Limited resources (or not) -- potential 5% structural deficit -- But Gas & Oil may save the day

Weathering This Imperfect Storm



- Maintaining the Status Quo
  - Lose Ground on Economic Development
  - Lose Ground on Quality of Life
- Tackle the Gnarly Task—Policies In Synch
  - Economically competitive
  - High Quality of Life
  - Socially equitable
  - But not without sacrifice
  - No silver bullets – you get what you pay for