IDAHO HIGHER EDUCATION AND THE FUTURE

The Perfect Storm

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Idaho’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
The First Wave – Rising Demand

- Projected h.e. enrollment increase: 10% +/- (next decade).
- That’s on top of a recent increase of 20 percent (1994/5-2004/05).

WHY?
What’s pushing the wave?

1. Simple Demographics

- Projected increase in population of about 25% (2000-2015).
- Projected 20% increase in high school grads (2004-18).
- That’s on top of a 17 percent increase (1994-2004).
- Idaho is one of the top five fastest-growing states in the West (in percentage terms).
A couple of Western States face growth that is off the charts
But, Idaho’s right up there

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

- Increasing high school completion (*Measuring Up 2004: C on Preparation – up from a C-*)
  - Idaho – 77%* (down from 79% in 1997)
  - WICHE West – 72%
  - U.S. – 70%

*2002 figures from NCES Survey of Public School Student, Staff, and Graduates by State.
But there’s a lot of disparity within the state.

18 to 24 Year Olds with a High School Diploma or Equivalent - 2000

Source: U.S. Census Bureau
2. Policy Goal –
Greater post-secondary participation

- Increasing share going on to college (*Measuring Up: C- on Participation*)
  - Idaho – 45% (down from 47% in 1998)
  - WICHE West – 50%
  - U.S. – 59%
3. Policy Goal –
**Greater success in completing college (Measuring Up: B- on Completion)**

- **Associate degree production (per 100 H.S. grads)**
  - Idaho – 22
  - WICHE West – 23
  - U.S. – 19

- **Baccalaureate degree production (per 100 H.S. grads)**
  - Idaho – 37
  - 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
Consolation: You’re not alone

- Arizona, Nevada, and Colorado, and Utah face much greater challenges.

- Most of the rest of the West is right there with you.
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 nearly 16% of Idaho’s high school grads by 2014-2015 (up from 11% today).
- Hispanics will represent 12% of Idaho’s high school grad population, up from 7.5% today.
Historic success, or lack thereof, of Hispanic students in higher education:

- In the U.S.: 10.5% less likely to attend higher education.
- A challenge for Idaho: Hispanics represent:
  
  About 10% of Idaho’s population.
  But only about 2-6% of higher ed enrollment (Depending on the institution).

  Graduation rates range from 11 to 41%
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 Idaho: that number is 22.2% - down from 26.9% (1999-2001).
The Third Wave – Limited Resources

- Idaho state appropriations grew by 85% between 1994 and 2004.

- Idaho support for higher education grew by 72% during that time.

- Still, over the last two decades (1984-04), higher ed support in Idaho has grown far more slowly than support in other areas: 211% compared to 1,123% for corrections, for instance.

Total Educational Funding per FTE, Percent Change by State, FY 1991-2003

Notes: Total Educational Funding is the sum of Educational Appropriations plus Net Tuition Revenue. Constant 2003 dollars adjusted by SHEEO HECA.
Source: SHEEO SHEF
The Net Effect on Institutional Resources

- Near national average in total resources

- Function of:
  - Somewhat less in tuition revenue
  - A little more in state support
The Net Effect on Students

- The Good News:
  - On average, affordable
    - Low tuition
    - Low price compared to income

- The Bad News: Financial Aid
State Support for Financial Aid

- State Need-based Grant Aid Per FTE Student
  - Idaho: $17
  - WICHE: 299
  - US: 387
  - Washington: 509
State Support for Financial Aid

- State Need-based Grant Aid Per FTE Student
  - Idaho: $17
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- Institutional Grant Aid Per FTE (Public Institutions Only)
  - Idaho: $811
  - WICHE: 409
  - US: 559
  - Washington: 430
And the Future Looks Tough -- NCHEMS

- Projected budget deficit: 5% by 2010.
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)
The Makings of *The Perfect Storm*

Increasing demand – +/- 10% increase  
(20% increase in high school grads)

Increasingly difficult-to-serve clientele  
(50% increase in share of minority students)

Limited finances  
(Projected 5% structural deficit)
Weathering The Perfect Storm

- Maintaining the Status Quo
  - Lose Ground on Economic Development
  - Lose Ground on Quality of Life

- Step Up to the Challenge—Policies In Synch
  - Economically competitive
  - High Quality of Life
  - Socially equitable
  - But not without sacrifice
  - No silver bullets – you get what you pay for