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 (1993/4-2001/02).

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).
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.
The Net Effect on Institutional Resources

- Near national average in total resources (Listen to Dennis Jones)

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

- The Good News:
  - On average, affordable (Again, listen to Dennis)
    - 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
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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.
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