The Perfect Storm

Idaho Higher Education and the Future

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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 higher ed enrollment increase: 8.5% (2001/02-2011/12).
- That’s on top of a recent increase of 20 percent (1993/4-2001/02).
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: C-on Preparation*)
  - Idaho – 77%* (down from 79% in 1997)
  - WICHE West – 70%
  - U.S. – 68%

*2000 figures.
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 – 44%* (down from 47% in 1998)
  WICHE West – 48%
  U.S. – 56%
3. Policy Goal – 
Greater success in completing college *(Measuring Up: B- on Completion)*

- Associate degree production (per 100 H.S. grads)
  
  Idaho – 31  
  WICHE West – 26  
  U.S. – 22  

- Baccalaureate degree production (per 100 H.S. grads)
  
  Idaho – 29  
  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 11% of Idaho’s high school grads by 2012 (up from 7% in ’02).
- Hispanics will represent 8% of Idaho’s high school grad population, up from 4.5%.
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 good news:** The percent of family income needed to pay for college has declined somewhat in the last 2 years.
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.
State and local surplus or shortfall as a percent of baseline revenues

Source: National Center for Higher Education Management Systems (NCHEMS)
The Third Wave – Limited Resources

- Projected budget deficit: 5% by 2010.
- If the past has been tough, the future will be tougher: projected ratio of spending for higher education to spending for other programs: -2.2% (2010).
The Makings of *The Perfect Storm*

Increasing demand – an 8.5% increase.

Increasingly difficult-to-serve clientele.

Limited finances: Idaho’s facing a 5% structural deficit.
Weathering The Perfect Storm

- Maintaining the Status Quo
- Lose Ground on Economic Development
- Lose Ground on Quality of Life
- Develop A Base of Support
Business Partnership Examples

- **Nationally:** The Business/Higher Education Forum.

- **State Level:**
  - **Colorado:** Colorado Association of Commerce and Industry
  - **Oregon:** Oregon Business Council
  - **Virginia:** Virginia Business Higher Education Council
  - **Washington:**
    - Governor’s 2020 Commission
    - Washington Business Roundtable
Business Partnerships – the Dilemma

It’s a two-edged sword

- Living on the edge for Business
  - Support means supporting revenues
- Living on the edge for Higher Education
  - Business expects ROI
  - And proof thereof