The Seven Wonders of Higher Education in the West

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Western Wonders

#1

Truckee Meadows Community College
Western Wonders

The Great Land-Grant College Movement
Western Wonders

#3

The Great American Invention – The Community College
Western Wonders

#4

The Diversity of our wonderful American version of Higher Education
Western Wonders

#5

Virtual Higher Education
Western Wonders

#6

Intercollegiate Athletics
Western Wonders

#7

Desert Research Institute

The Great Research Engine
Western Wonders
Wonder I: I wonder if states - if Nevada - will be able to afford higher education as a “Public Good”?

- Higher Education’s “legitimate” hyper-inflationary cost structure.
  - HEPI and HECA both exceed CPI
    - High skill/high wage industry
    - The bleeding edge argument

- The demand function
  - All else being equal,
    - Will see substantial growth, on average, and
    - Exceptional growth, in specific areas
Demographic growth will range from a wish, to manageable, to a challenge.
Wonder I: I wonder if State Government is capable of supporting this as a public good?

- Can we afford this?
Total Educational Funding per FTE, Percent Change by State, FY 1991-2004

Notes: Total Educational Funding is the sum of Educational Appropriations plus Net Tuition Revenue. Constant 2004 dollars adjusted by SHEEO HECA.
Source: SHEEO SHEF
The Financing Context: Structural Deficits for Everyone

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

Source: National Center for Higher Education Management Systems (NCHEMS)
Wonder I: I wonder if State Government is capable of supporting this as a public good?

- Can we afford this?
- In triage, do we let “the market” deal with higher education?
- Are there “more efficient” means to building a high-skill/high-wage workforce?
Wonder II: I wonder if folks will be able to afford college?

- The Pessimists’ View:
  - As reflected in *Measuring Up 2004*
    - Most states deserve “F” on affordability
  - We’re losing ground
    - Tuition is up
      - Inflation adjusted, up in all sectors
        - Nevada CCs up 74% from ’95 to ’05
      - Price as a % of family income is up
        - Nevada CCs: 2.5% in ’94; 3.4% in ’05
    - Net price is up
      - NCES – 99-03: everywhere but Community Colleges
Wonder II: I wonder if folks will be able to afford college?

- The Optimists’ View:
  - Maybe this is an appropriate *market correction*.
    - ROI for individual is substantial
    - Demand has not eroded
  - And, maybe the increases aren’t really increases.
    - Some research shows not much change (Mundel, McPherson & Shapiro)
    - Most research ignores some resources (ie. Tax credits).
  - Three years don’t make a trend (especially when they are unique years.)
Wonder II: I wonder if folks will be able to afford college?

- The Optimists’ View: Nevada Data Is Comparatively Good

- 2 Year Rates in 2004-2005
  - Nevada: $1,590
  - WICHE: 2,028
  - U.S.: 2,076

- 2 Year Tuition & Fees/Family Income
  - Nevada: 3.4%
  - WICHE: 4.2%
Wonder III: I wonder if American higher education is capable of increasing productivity & effectiveness?

- Strategy of recent past & near future – Community Colleges
  - Effective at cost shifting
  - Less effective at productivity
- Technology as the Answer
  - Yes, as a part of the solution
    - The Pew Center for Academic Transformation
    - Great promise for remediation
    - Expands both access and convenience
  - No, not the whole answer
    - Not a cheap fix, if done right
    - The collegiate experience is still desired (and not just by the well to do)
Wonder III (continued): Can American higher education change enough to stay contemporary?

- **Mission Creep**
  - Disease?
  - Or inevitable “advancement”?
- **Who’s The Culprit**
  - Leaders who want to make a difference
  - Communities – build it and they will come
  - State Government – mine is better than yours
Wonder IV: I wonder if we add advantage or simply filter some folk out?

- Graduation Rates (Percentages) – 2003
  - 2 Yr  4 Yr  Doc

<table>
<thead>
<tr>
<th></th>
<th>2 Yr</th>
<th>4 Yr</th>
<th>Doc</th>
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<tbody>
<tr>
<td>Nevada</td>
<td>8.5</td>
<td>NA</td>
<td>42.4</td>
</tr>
<tr>
<td>WICHE</td>
<td>28.8</td>
<td>39.5</td>
<td>59.9</td>
</tr>
<tr>
<td>US</td>
<td>23.1</td>
<td>41.9</td>
<td>59.5</td>
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Wonder V: I wonder if we’re doing a good enough job?

- “American Higher Education is the envy of the world.”
- Evidence today – on dual dimensions of quality
  - On quality of the product
    - Instruction
      - We simply don’t know – don’t measure comparative student learning
      - On throughput, we stink
  - On Research
    - Still the Best
    - But also the target (China, Korea, England, Canada, etc. have ambitious goals)
Share of Young Adults with a College Degree

- 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
### Share of Young Adults with a College Degree – The Picture for Nevada

- **18-24 Year Olds With Various Levels of Education – 2000 Census**

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Nevada</th>
<th>U.S.</th>
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<tbody>
<tr>
<td>Without H.S.</td>
<td>33.3%</td>
<td>25.5%</td>
</tr>
<tr>
<td>With A.D.</td>
<td>0.02</td>
<td>4.0</td>
</tr>
<tr>
<td>With Some Deg.</td>
<td>7.5</td>
<td>11.9</td>
</tr>
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</table>
How do the numbers compare?

College graduates this past year:

- **Total college graduates**
  - U.S.: 1.3 million
  - India: 3.1 million
  - China: 3.3 million

- **Engineering Graduates**
  - U.S.: 70,000
  - India: 350,000
  - China: 600,000

Source: Geoffrey Colvin, Fortune Magazine, July 20, 2005; via SHEEO
Our Challenge

- Status Quo won’t do in a global economy and world
- "Essentialist" philosophy
  - Requires educating more, and more difficult to educate, and doing so better.
- And, that will require PUBLIC resources
Wonder VI: I wonder how we’ll know whether we are accomplishing our objectives or not?

- Accountability is key, but not well done today
  - Institutions as the problem
    - Confuse data for information
    - Confuse reporting with performance
    - Don’t like pay for performance (except enrollment)
  - Policy-Makers as the problem
    - Enamored of process factors, not outcomes
    - Lack data bases to support an outcomes based accountability system.
- Promising activities
  - SHEEO National Commission on Accountability
  - Prospects of a National Student Record Data Base
  - NCPPHE Report on Measuring Student Learning
Wonder VII: I wonder if quality and equality are compatible public policies for higher education?

- Absolutely!
- On Finance:
  - Policies in Sync
  - And in sync toward state’s explicit goals
    - Today you are getting what you are paying for
      - “Comparative Funding” will get you the status quo
      - “Formula funding” will get you fairness in distribution, but not results.
    - Enrollment funding: ACCESS NOT SUCCESS
  - Tomorrow you need “performance funding”
    - Not on 2-8% of the funds,
    - Imbedded throughout
Wonder VII continued: Yes, public policy can make a difference!

- On Quality:
  - Look at student learning
    - Quality
    - Relevance
  - Look at research productivity
    - Not just quantity
    - Quality
    - Relevance
Wonder VII continued: Yes, public policy can make a difference!

- On Accountability:
  - Focus on results, not process
  - Don’t expect something for nothing
  - But, do insist on measurable productivity gains
Wonder VII continued: Yes, public policy can make a difference!

- Promising Prospects:
  - Changing Directions--Lumina/NCSL/sHEEO
    - 14 States actively engaged
    - 37 States involved to some extent
  - The Collaborative – NCPPHE, ECS, NCHEMS
  - Gubernatorial Engagement
    - NGA
    - Individual initiatives (Warner in Virginia)
  - Secretary Spellings Commission on the Future of Higher Education & America’s Work force.