

What Does the Public Need from Higher Education? Is it Willing to Pay for It?

Dean and Directors Institute, UCEA

New Orleans, Louisiana, March 26, 2008

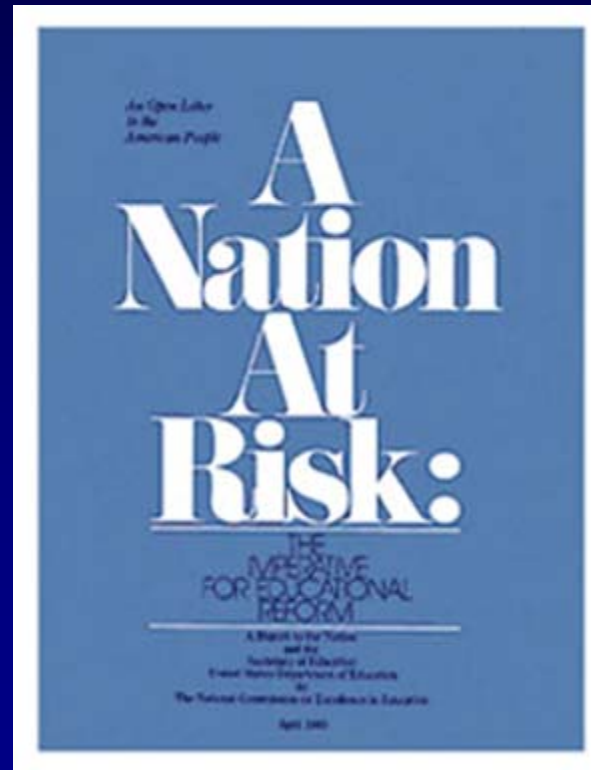
Paul E. Lingenfelter, President

State Higher Education Executive Officers



What Does the Public Need?

1983 Report



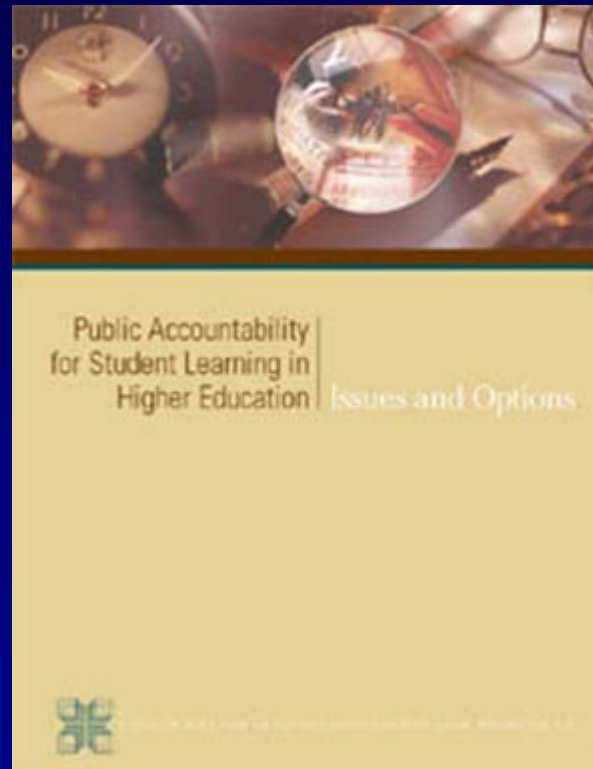
What Does the Public Need?

1990 Report



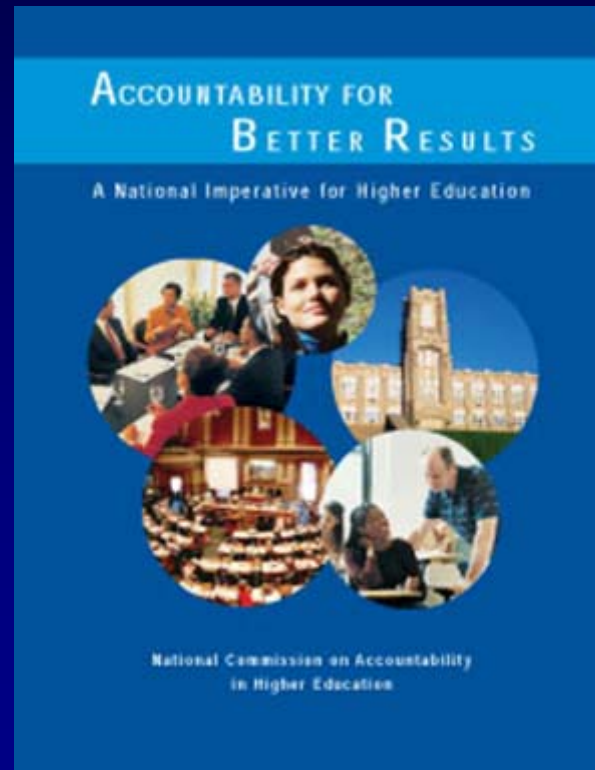
What Does the Public Need?

2004 Report



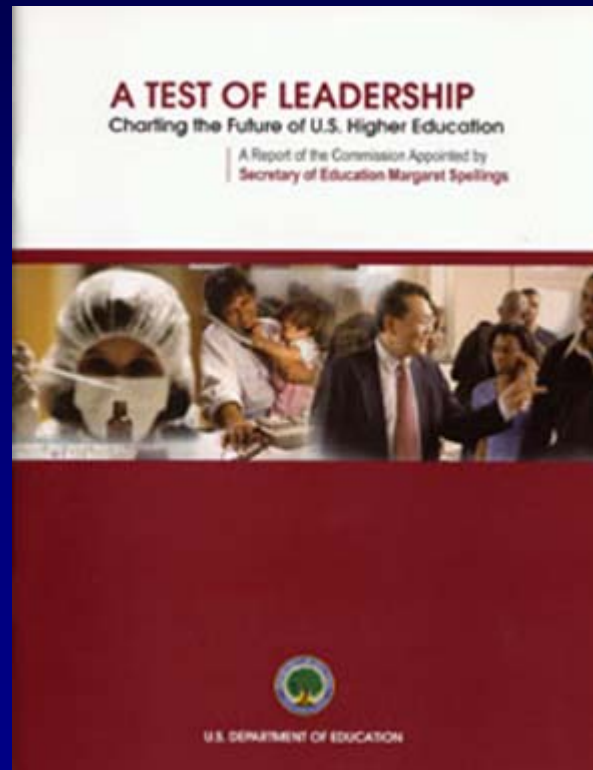
What Does the Public Need?

2005 Report



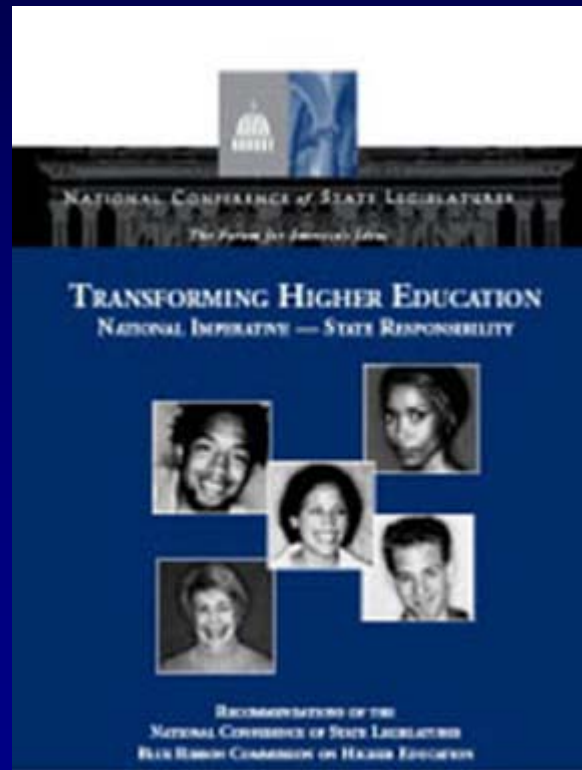
What Does the Public Need?

2006 Report



What Does the Public Need?

2006 Report



What Does the Public Need?

Six reports – different in
focus, diagnosis, scope,
and recommendations;
but all with a
common objective:

What Does the Public Need?

More

educational

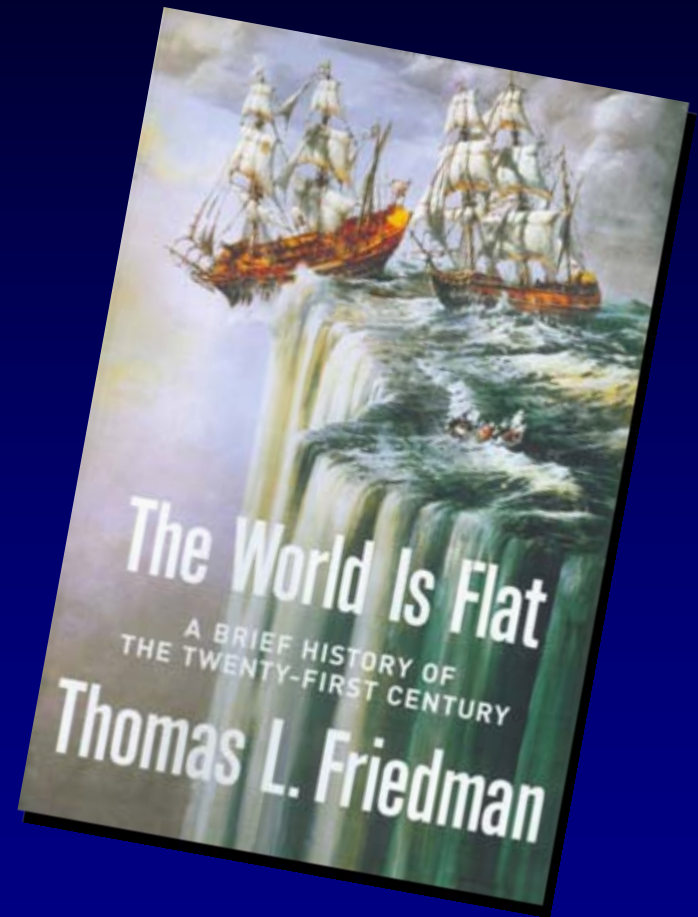
attainment – without

compromising

quality

Why More Attainment?

- ◆ Fall of Berlin Wall
- ◆ First Mainstream Web Browser
- ◆ Work Flow Software
- ◆ Open Sourcing
- ◆ Outsourcing
- ◆ Offshoring
- ◆ Supply-chaining
- ◆ Insourcing
- ◆ In-forming
- ◆ “The Steroids” Wireless Mobile Digital Communication





Why More Attainment?

American (and Western European) workers are the most expensive in the world.

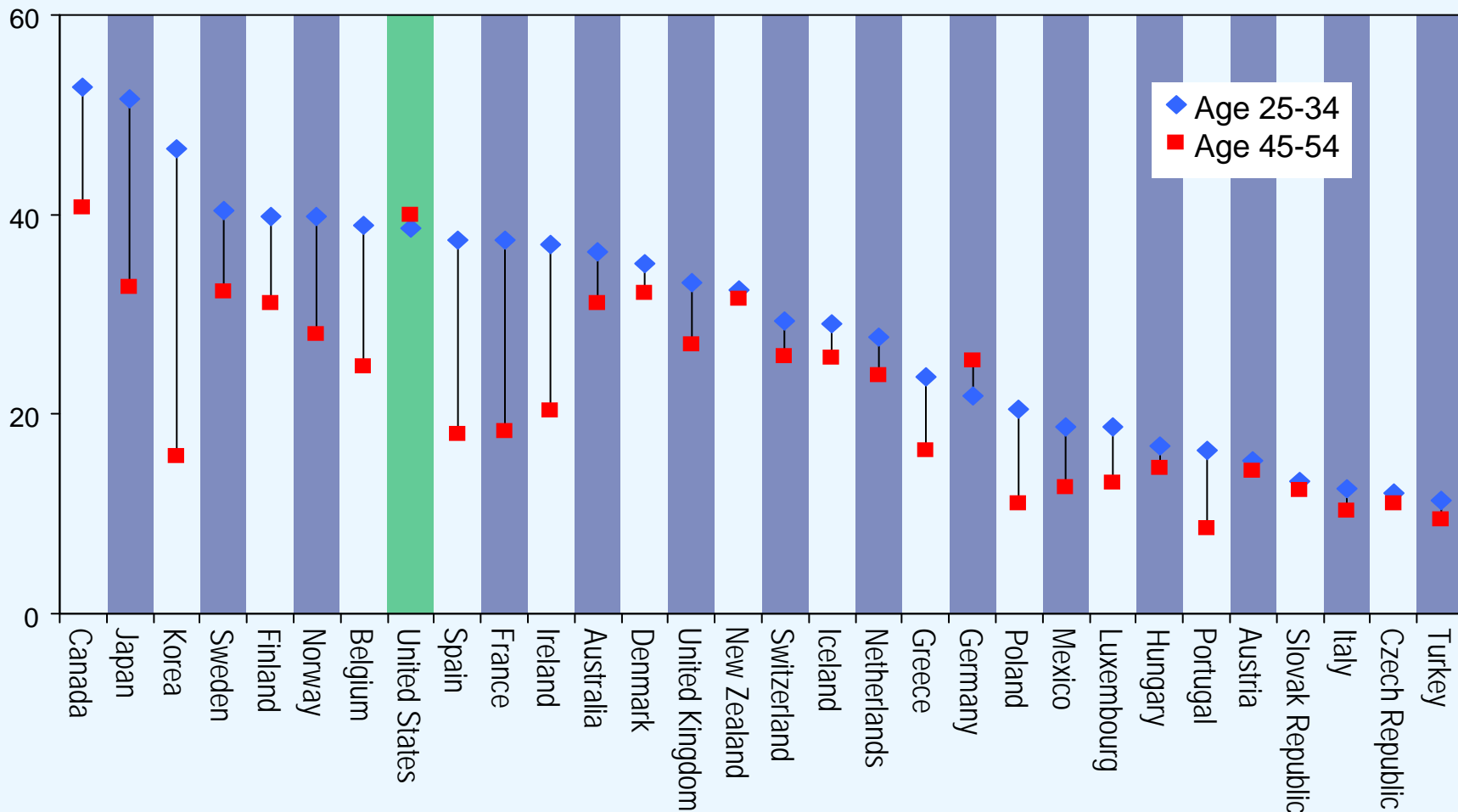
What will it take for them to be worth what they cost?

They must be the best educated in the world.

Geoffrey Colvin, *Fortune Magazine*, July 20, 2005

Why More Attainment?

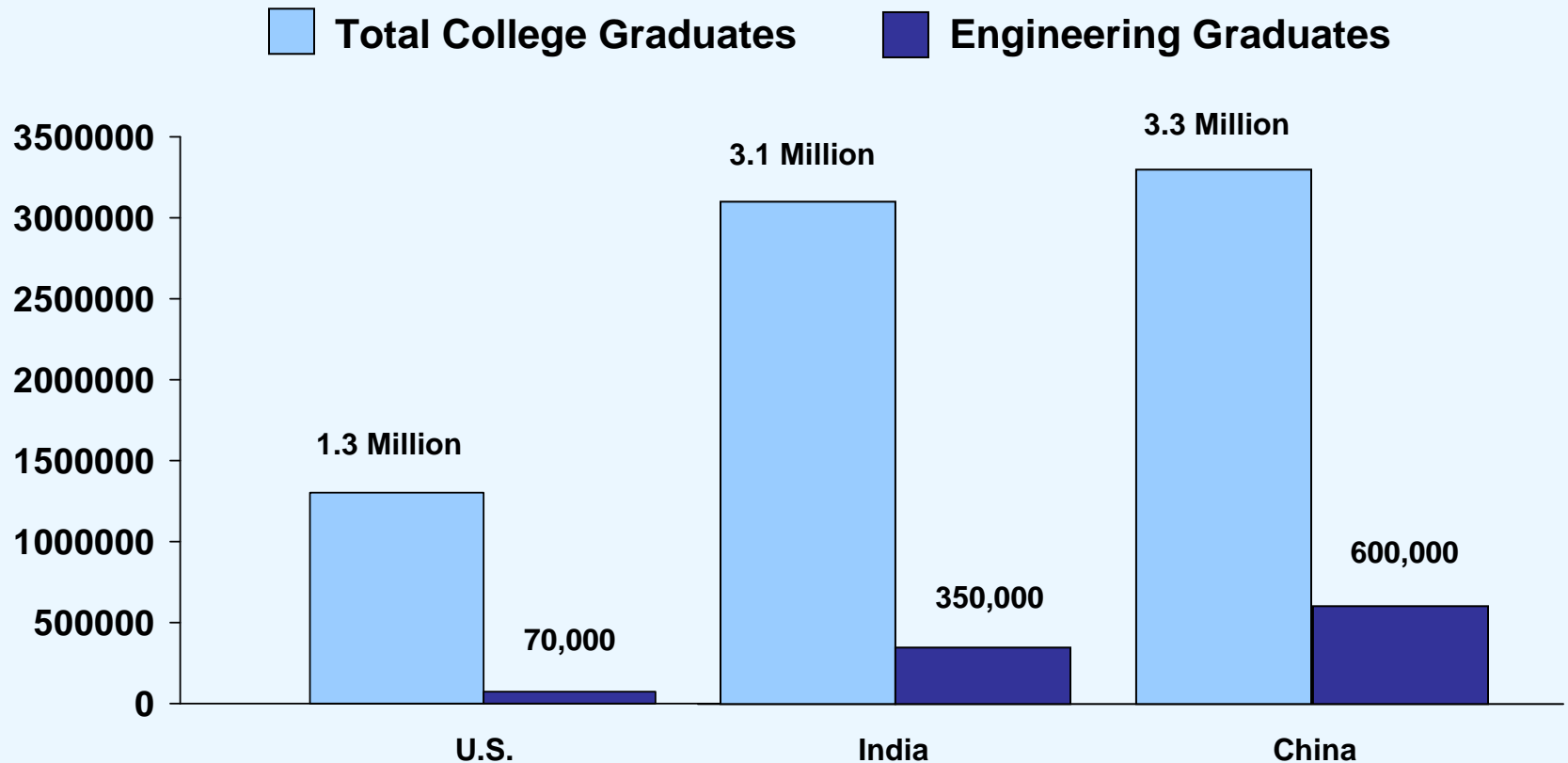
Differences in College Attainment (Associate and Higher) Between Young and Older Adults—U.S. and OECD Countries, 2004



Source: Organisation of Economic Cooperation and Development (OECD) -- NCHES

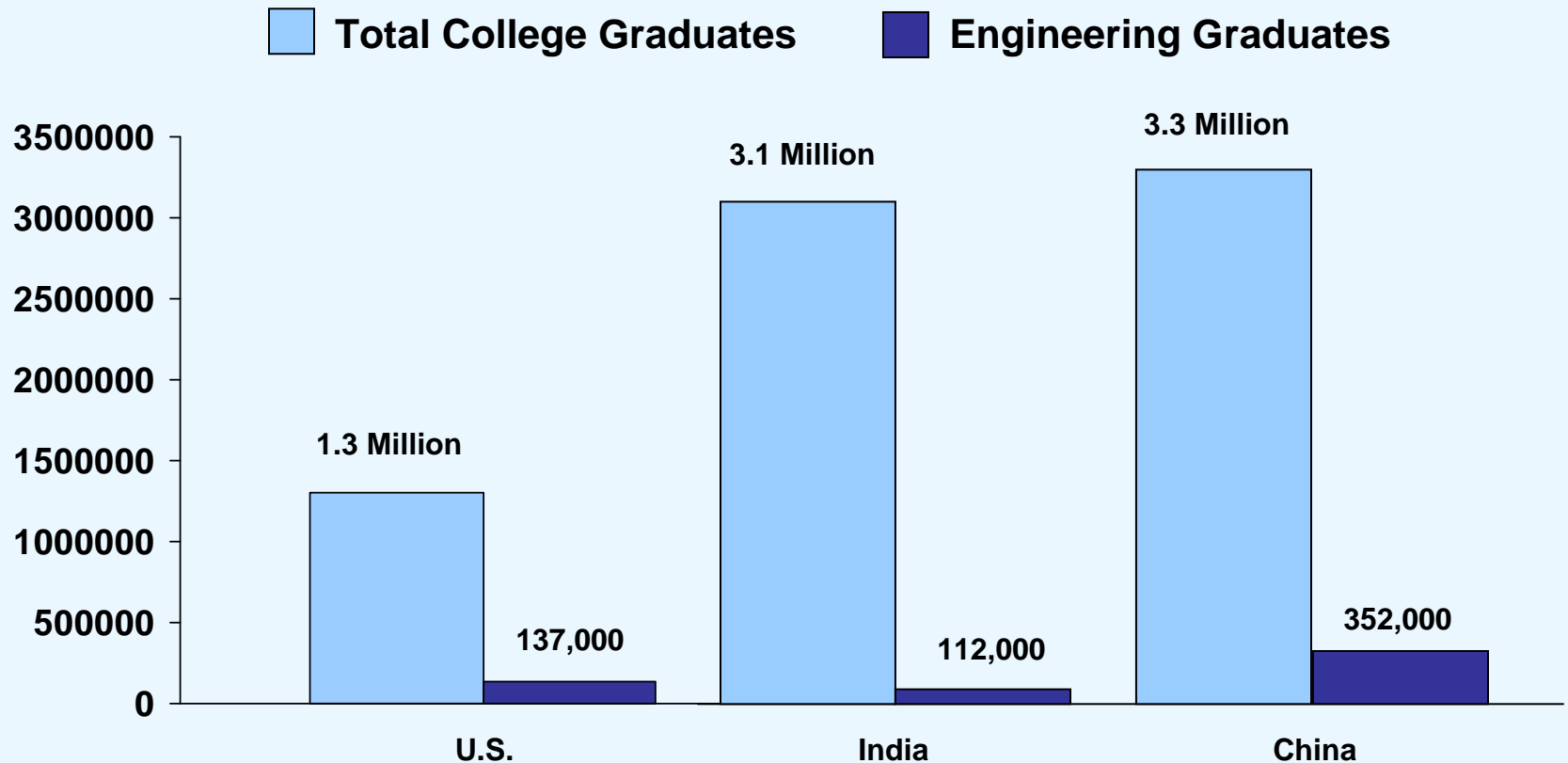
Why More Attainment?

College graduates this year:



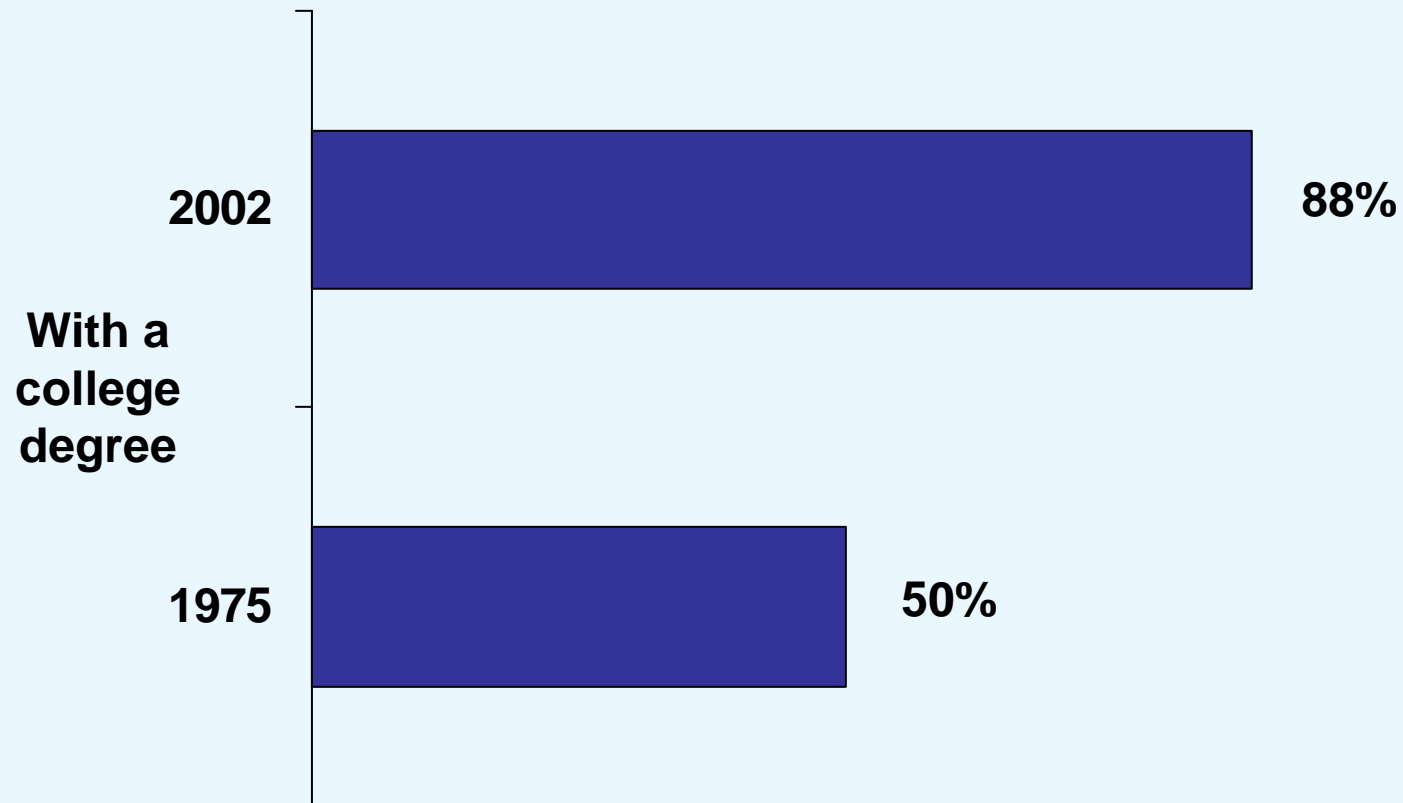
Why More Attainment?

REVISED DATA : 4 year degrees



Why More Attainment?

The economic benefits of a college degree over a high school education are large and growing





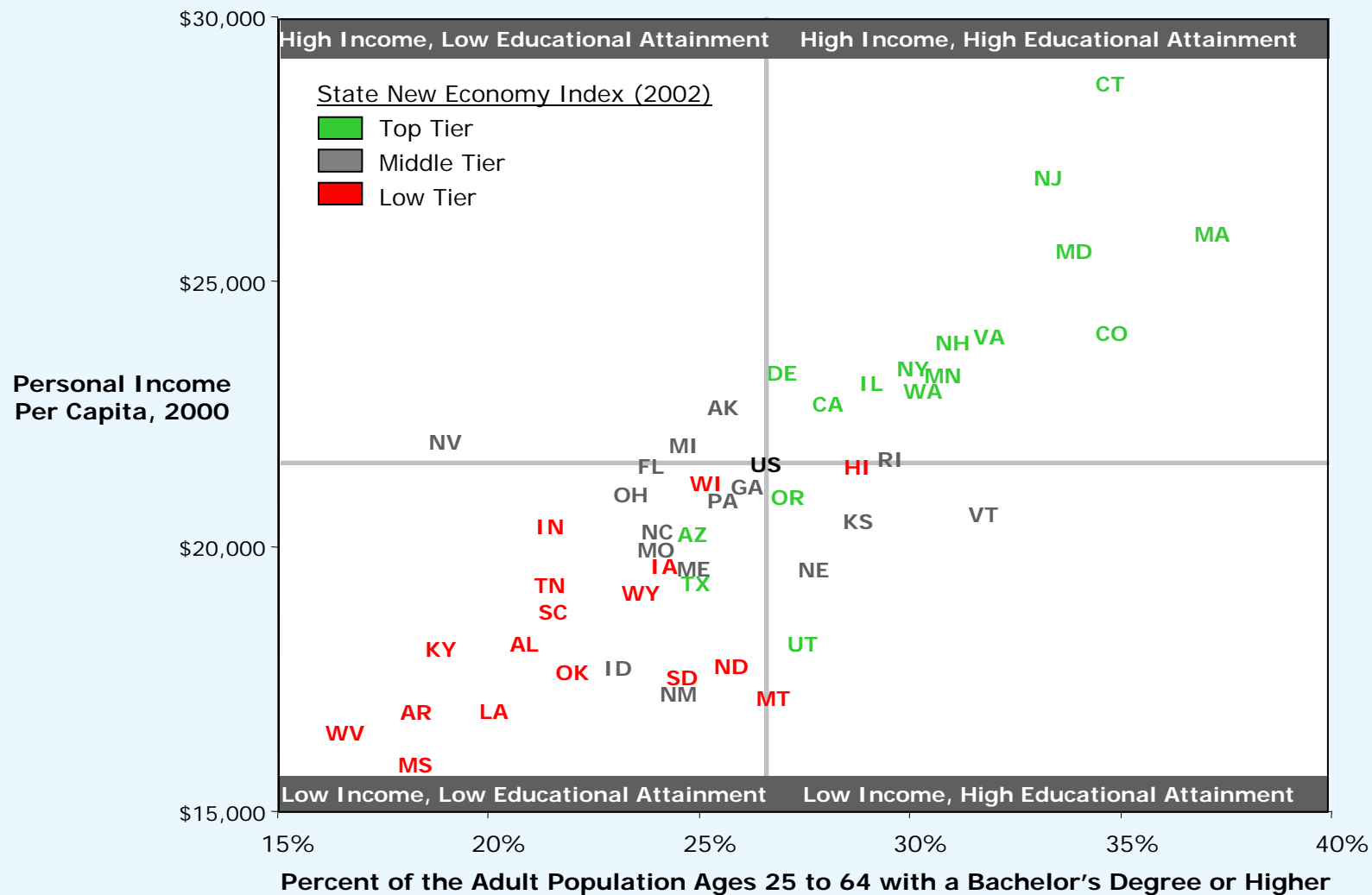
Why More Attainment?

2002 High School Sophomores Plan:

- At least a baccalaureate degree – 80%
- A graduate or professional degree – 40%
- Some postsecondary education – 11%
- No postsecondary education – 9%

Why More Attainment?

Educational Attainment, Personal Income, and Economic Strength



Source: Patrick Kelly, NCHEMS



What Does The Public Need?

Double the percentage
of degrees produced
in the 1960s with
no compromise in quality.

Is the Public Willing to Pay?

IS THE PUBLIC

ABLE

TO PAY?

Is the Public Willing to Pay?

Dimensions of college costs:

- Competition for students and faculty
- “Shrinking” state funding
- Growing demands on public funds
- CPI vs. Higher Education Prices
- Demand exceeds supply

Is the Public Willing to Pay?

Data and public perception:

- U.S. spending on Higher Education over \$22,000 / FTE twice the OECD average

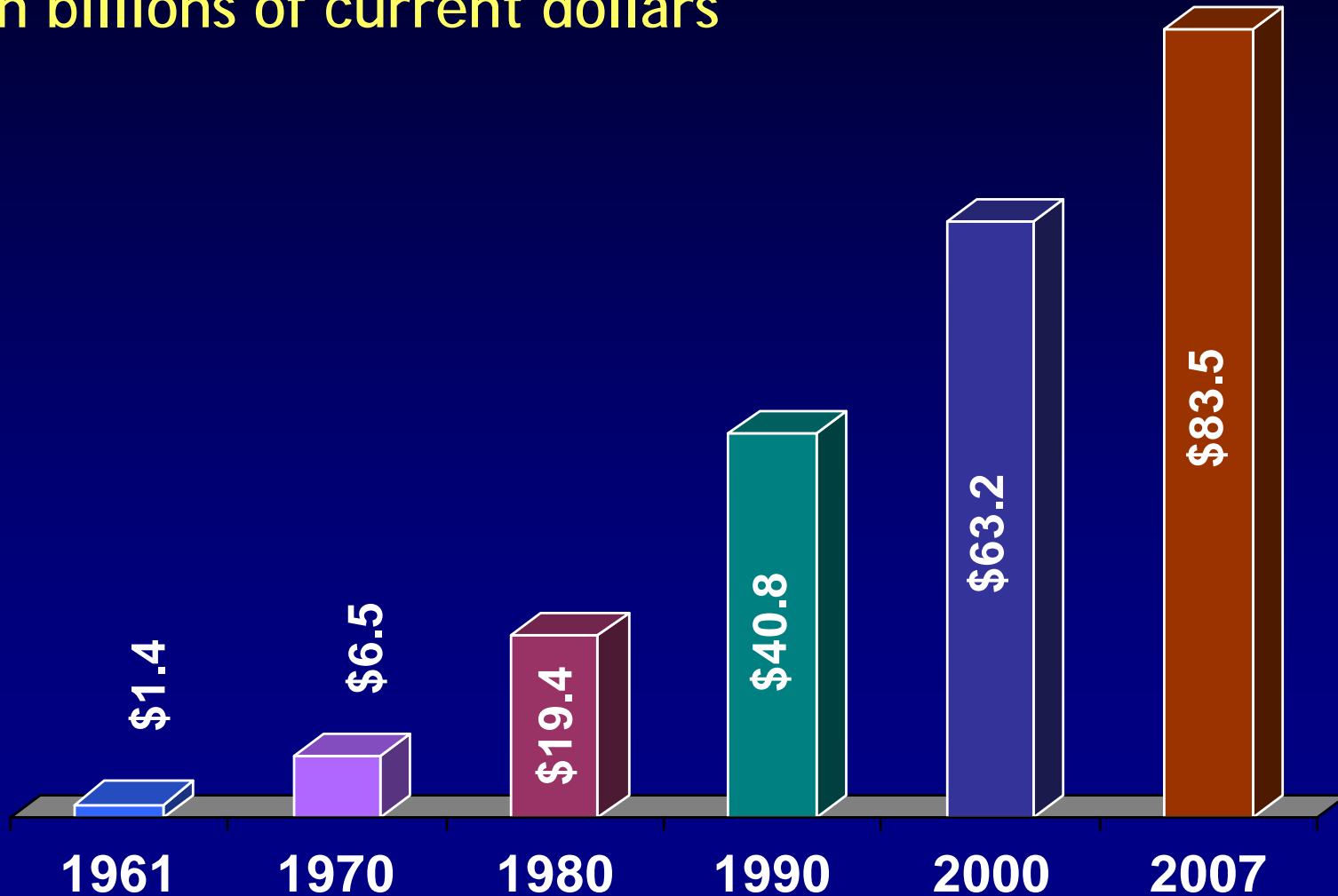
(Wellman study for Spellings Commission)

- Public 4 year tuitions rose 51% faster than inflation (CPI) from 1995 to 2005

(Spellings Commission citing College Board Study)

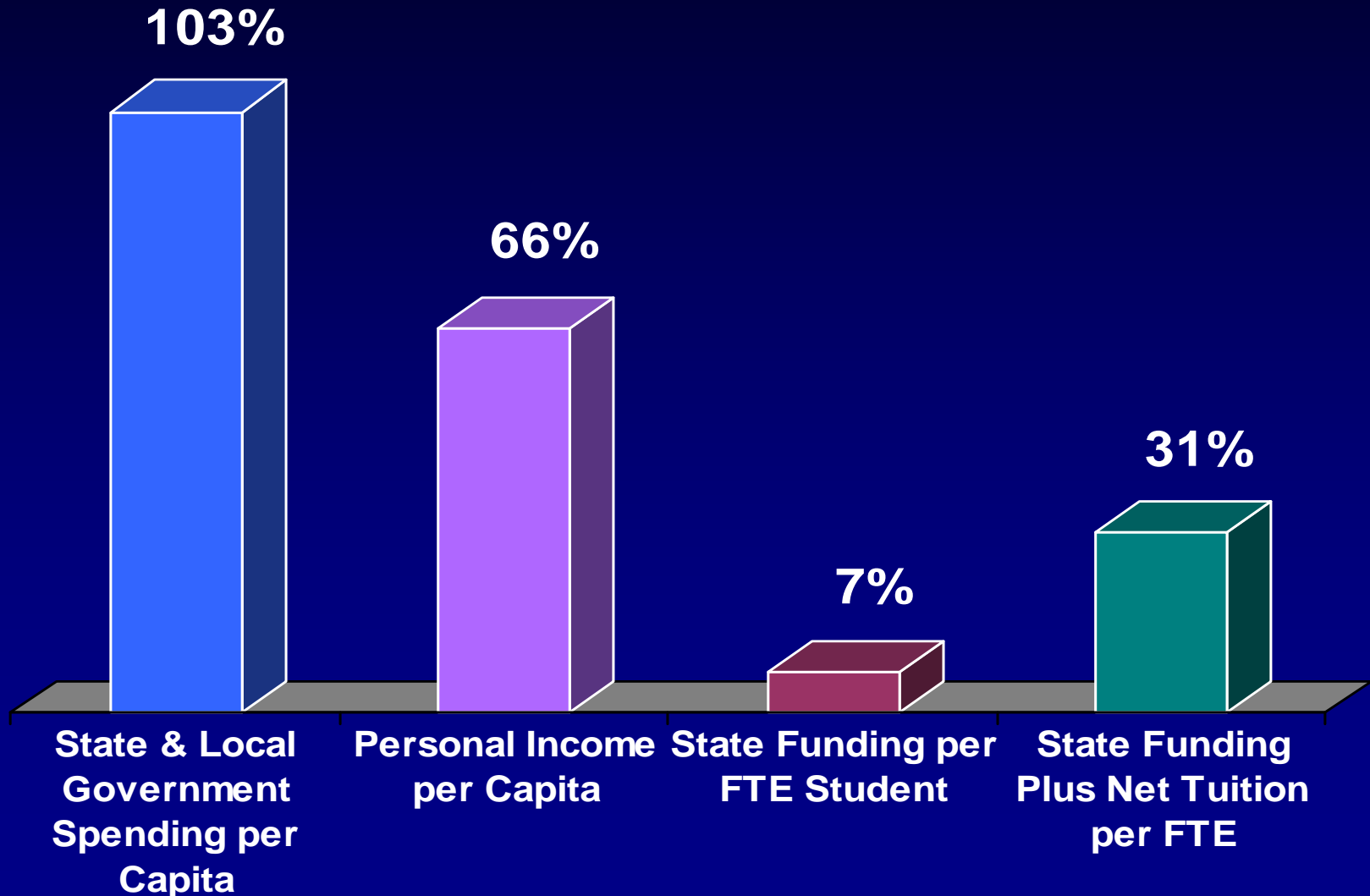
State Support for Higher Education

in billions of current dollars



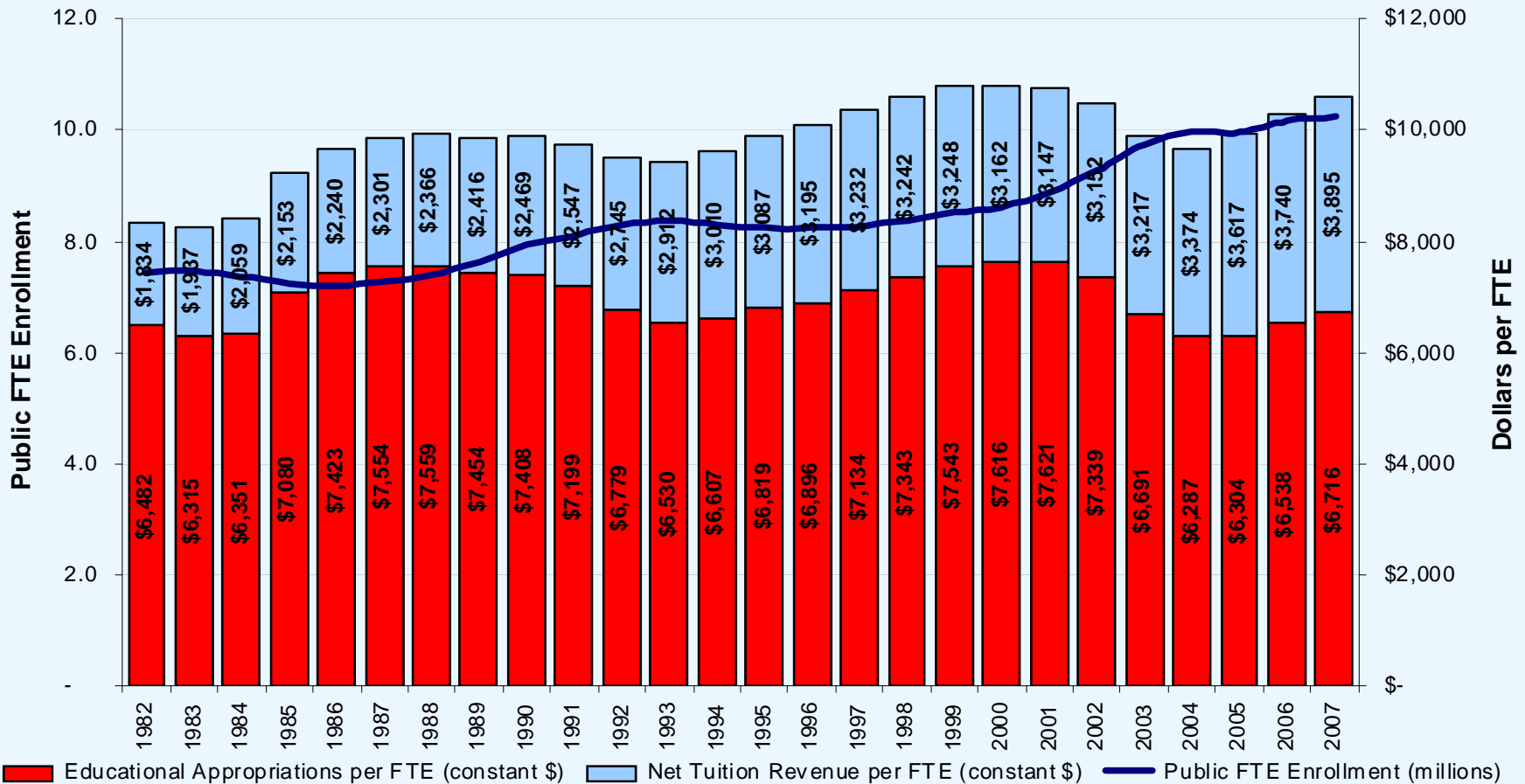
Key Indicators

Constant Dollar Growth (CPI) 1970 to 2005



Is the Public Able to Pay?

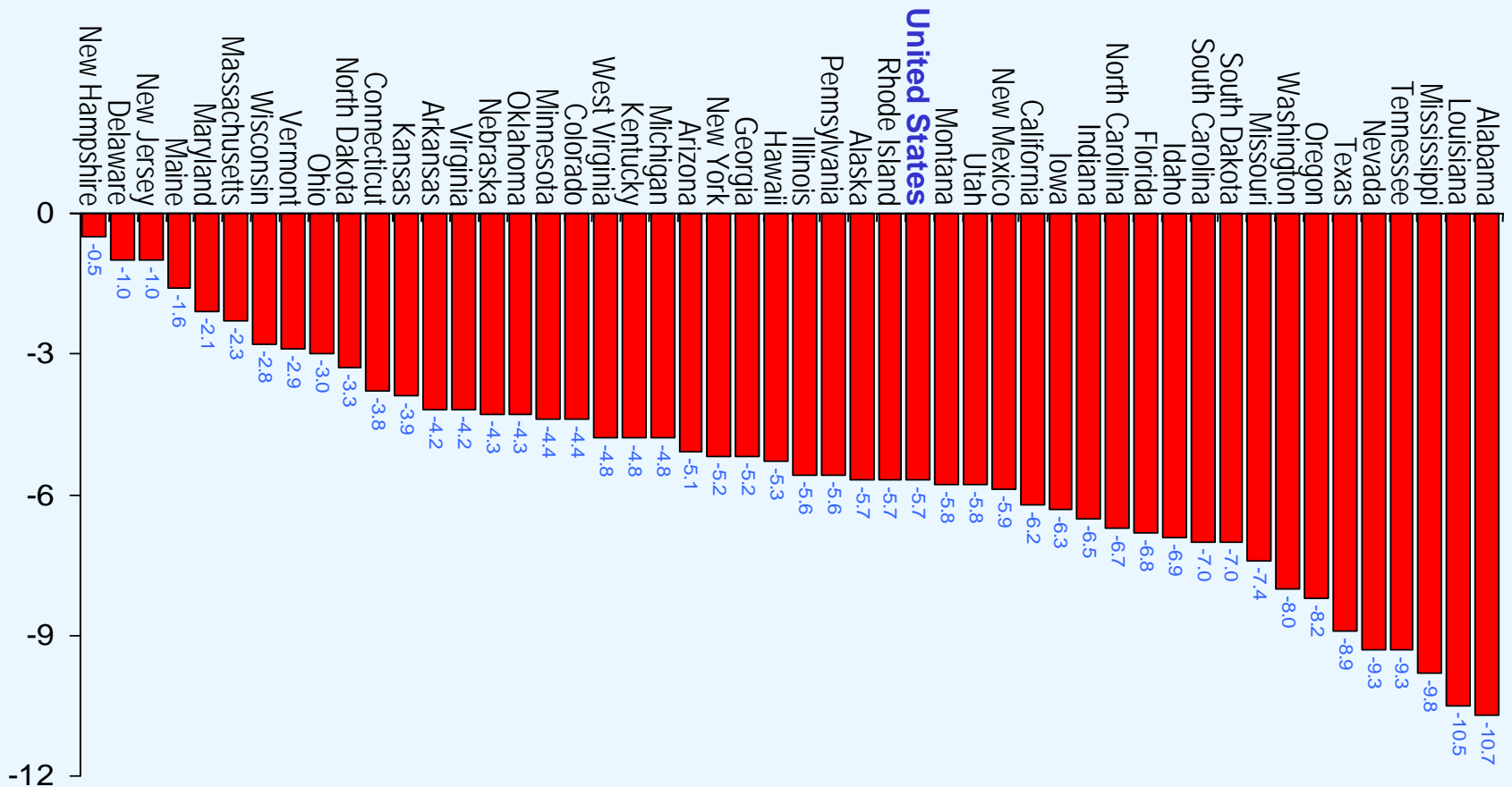
Public FTE Enrollment, Educational Appropriations and Total Educational Revenue per FTE, U.S., Fiscal 1982-2007



Source: SHEEO SHEF 2007 Early Release

Is the Public Able to Pay?

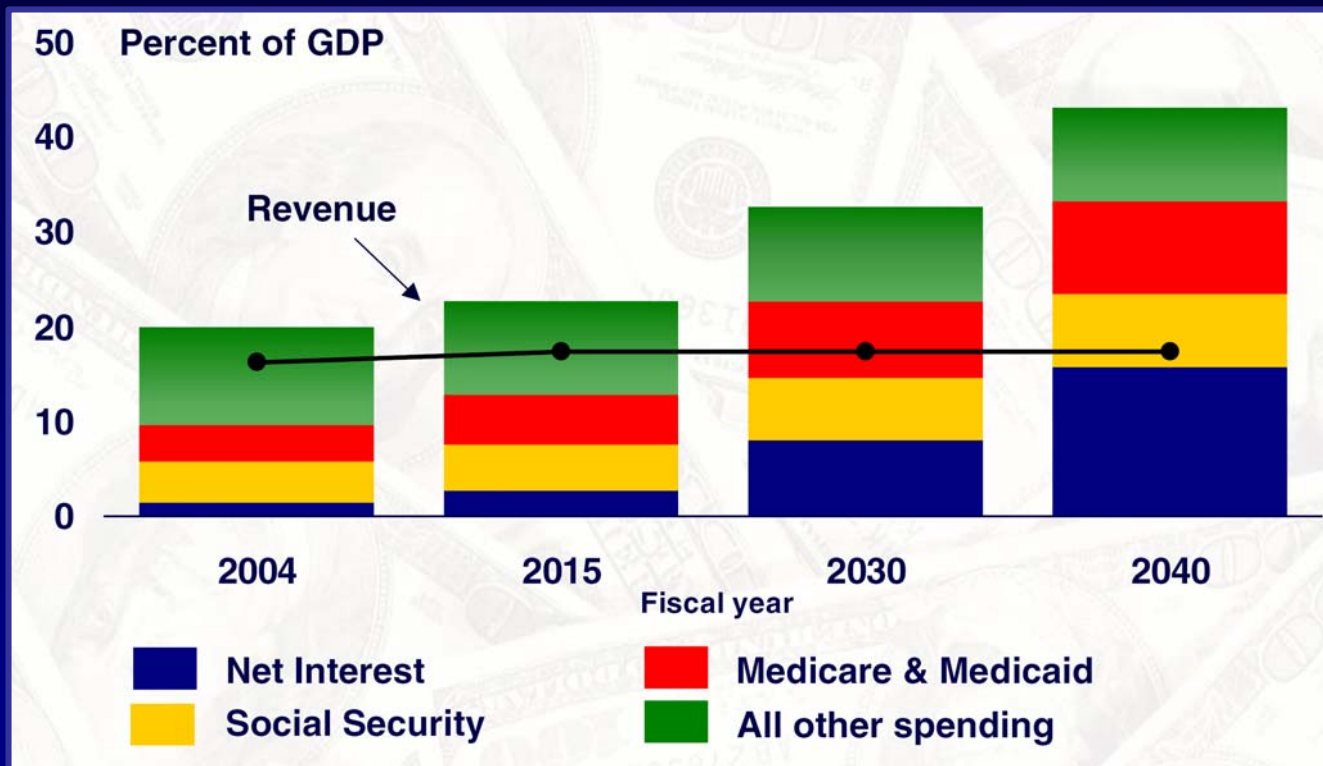
Projected State and Local Budget Deficits as a Percent of Revenues, 2013



Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2005

Is the Public Able to Pay?

Composition of Spending as a Share of GDP Assuming Discretionary Spending Grows with GDP after 2005 and All Expiring Tax Provisions are Extended



Notes: Although expiring tax provisions are extended, revenue as a share of GDP increases through 2015 due to (1) real bracket creep, (2) more taxpayers becoming subject to the AMT, and (3) increased revenue from tax-deferred retirement accounts. After 2015, revenue as a share of GDP is held constant.

Source: GAO's August 2005 analysis.

Three Wrong Ideas

**There is a “right amount;”
we can create the perfect formula.**

**The only way to get improved
performance is to spend more money.**

**We can get the results we need
without spending more money.**

Three “Right” Questions

What does the public need from higher education?

What can higher education do better with the money we have now?

Where can strategic investments help us get the results we need?

Responses to the Need

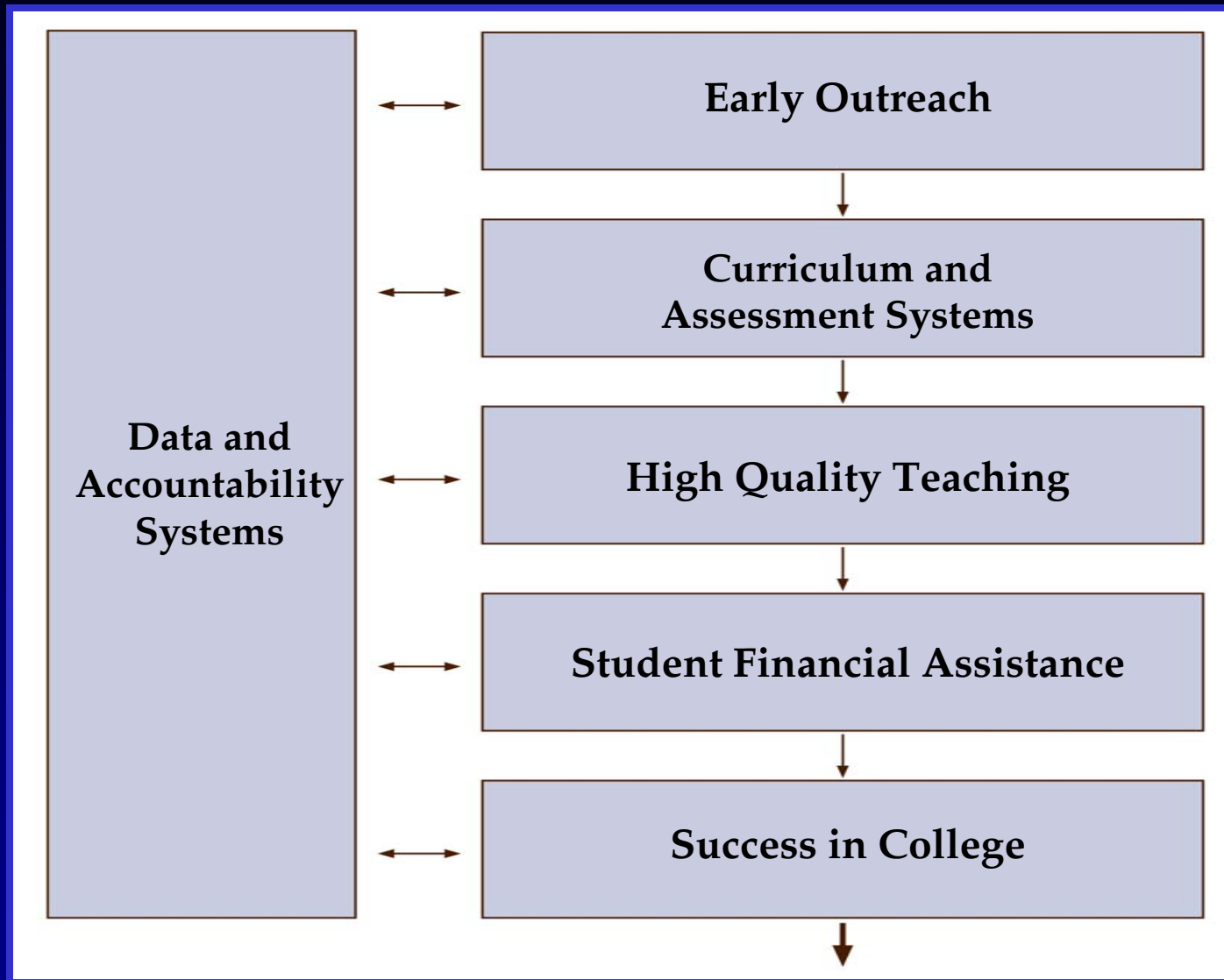
- A systemic strategy for more student success
- Focus on attainment gaps
- Designing instruction and support to yield more student success

MORE STUDENT SUCCESS



A Systemic Solution

A Systemic Solution for . . .



. . . More Student Success

A Systemic Solution for More Student Success

Early Outreach

High school
curriculum and
assessment
systems

K-12 teachers

Student
financial aid

Postsecondary
teaching and
learning
environments

Data and
accountability
systems

Postsecondary teaching and learning environments must foster the success of all students with high, attainable standards; communities of learners; and effective support systems.

Contact Information

Paul Lingenfelter, President

State Higher Education
Executive Officers

(303) 541-1605

paul@sheeo.org