

CSU Academic Council Meeting 2012

Current Issues in Higher Education: Living With “The New Normal”

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We Mean Business in Higher Education

Four “D’s” that Shape the Future

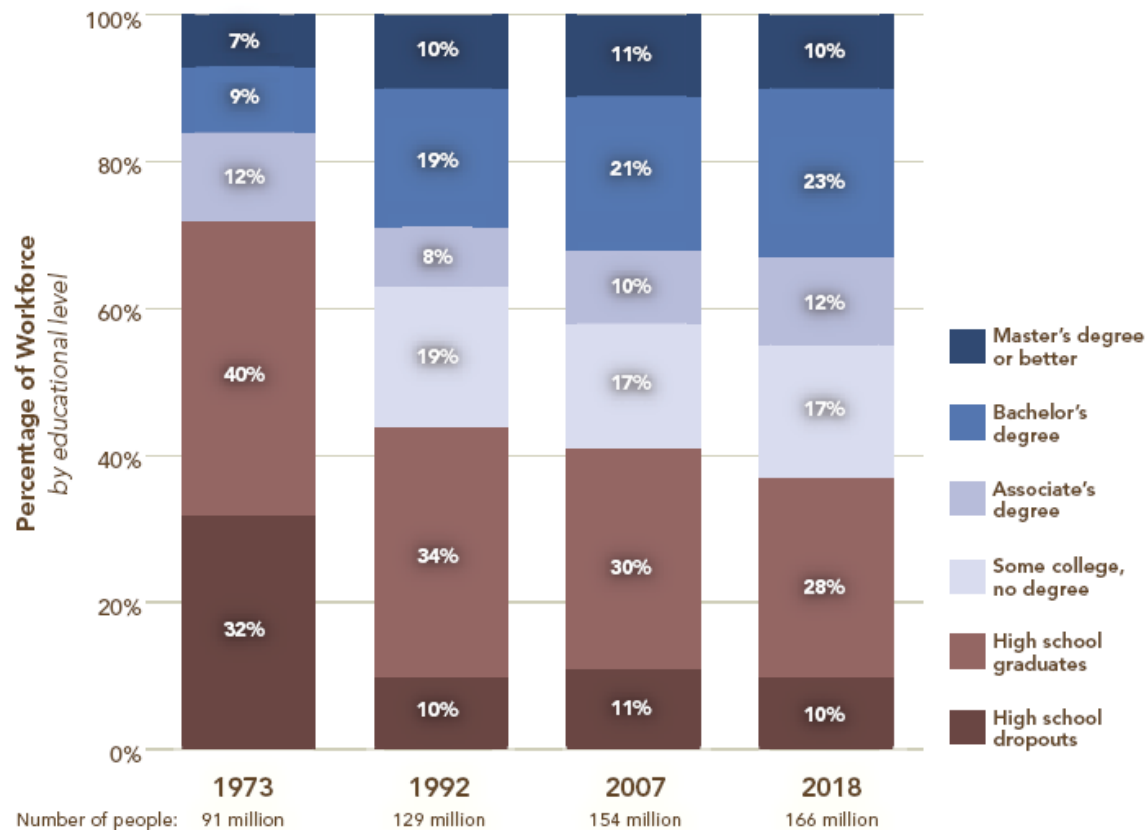
- Demand
- Demographics
- Diminished Revenue
- Dynamic Competition

Dramatically Increased Demand for Workers with Postsecondary Education by 2018

FIGURE 2.2

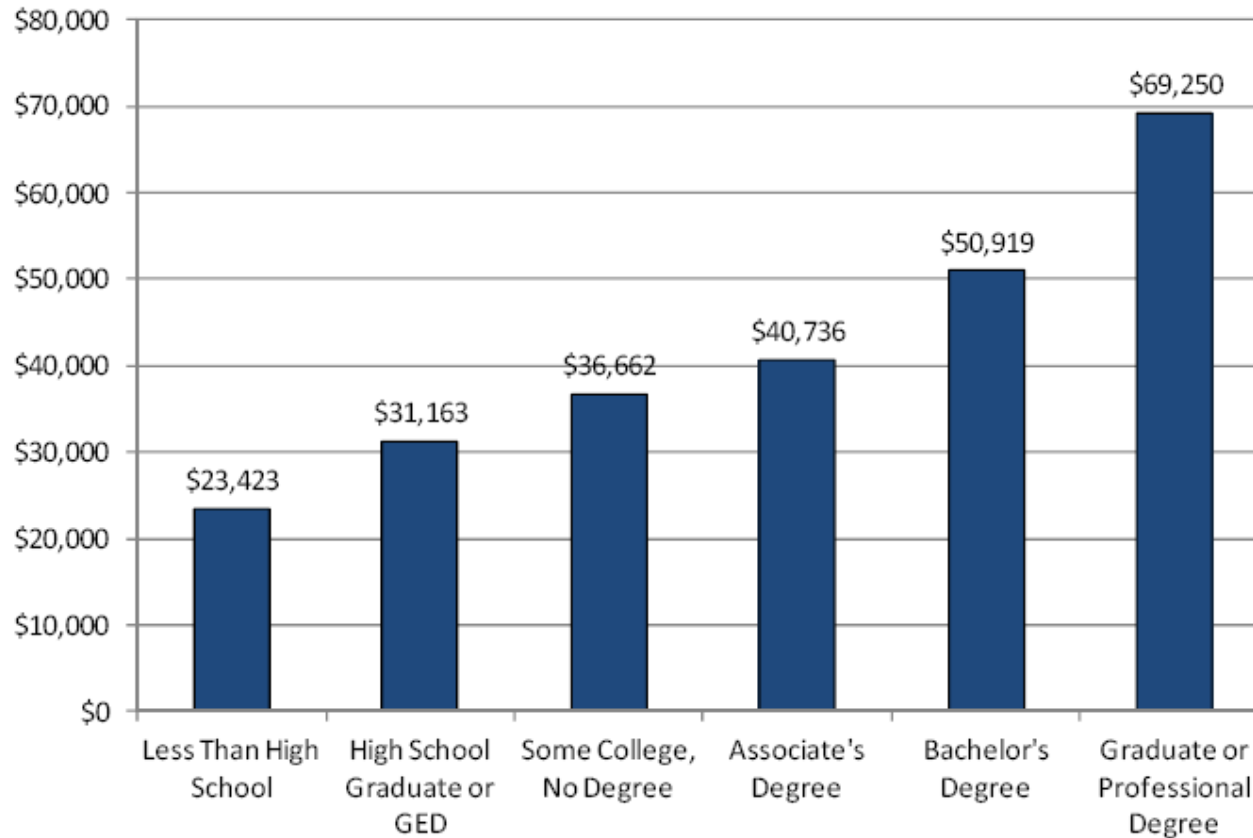
By 2018, about two-thirds of all employment will require some college education or better.

Source: Authors' analysis of March CPS data, various years; Center on Education and the Workforce forecast of educational demand to 2018



Level of Education Affects Income

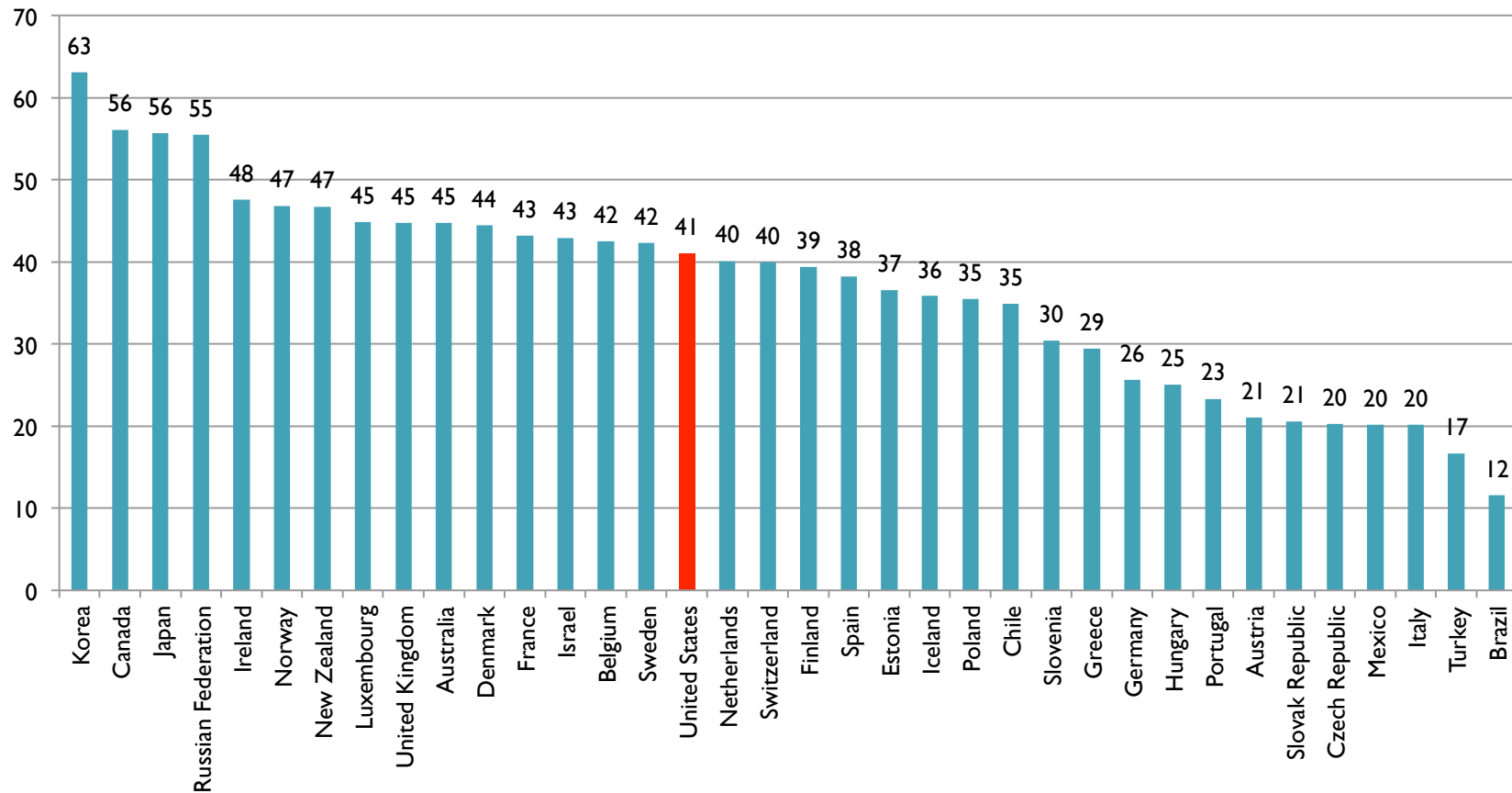
Figure 1. Income By Level of Education – National



Source: U.S. Census Bureau, 2008 American Community Survey PUMS File.

Percentage of Adults Age 25-34 with Postsecondary Education

(Associate Degree or Higher in U.S. per 2009 Current Population Survey, U.S. Census Bureau)

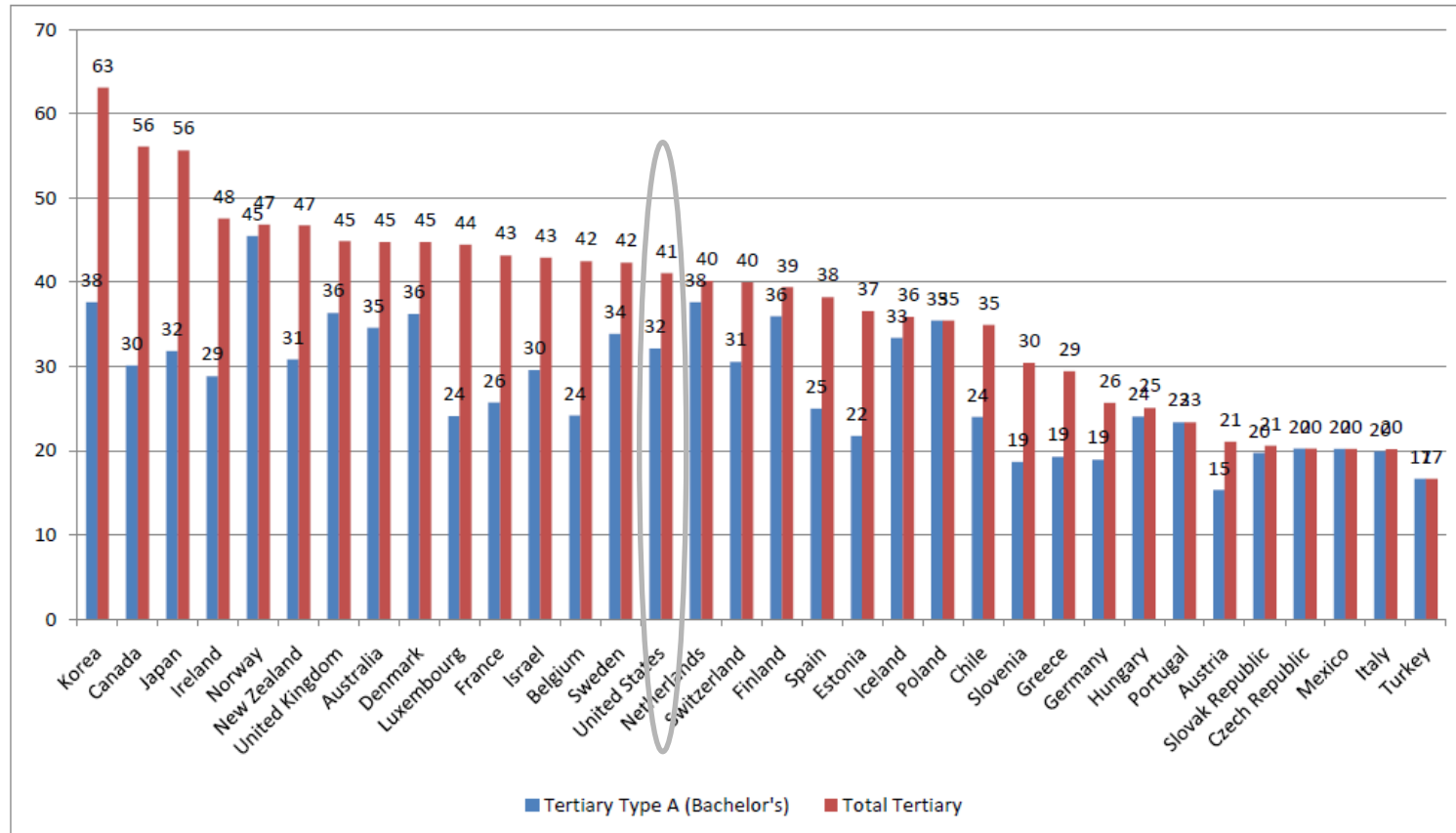


OECD Education at a Glance 2011

Table A1.3a Population with tertiary education (2009)

Total Tertiary Education

With percentage of Tertiary Type A (bachelor's), 25- to 34-year olds



OECD Education at a Glance 2011
Table A1.3a. Population with tertiary education (2009)

President Obama's 2020 Strategic Vision and Goals

Goal

- 10 million more graduates from community colleges, four-year colleges and universities by 2020 (beyond 2+ million expected due to growth)

Goal

- Every American completes one year or more of higher education or advanced training in his/her lifetime

Result

- “Best educated, most competitive workforce in the world”

Achieving the 2020 College Completion Goal

Where will the additional 10 million come from?

A third will come from high schools

- 3.7 million more high school graduates will become college graduates

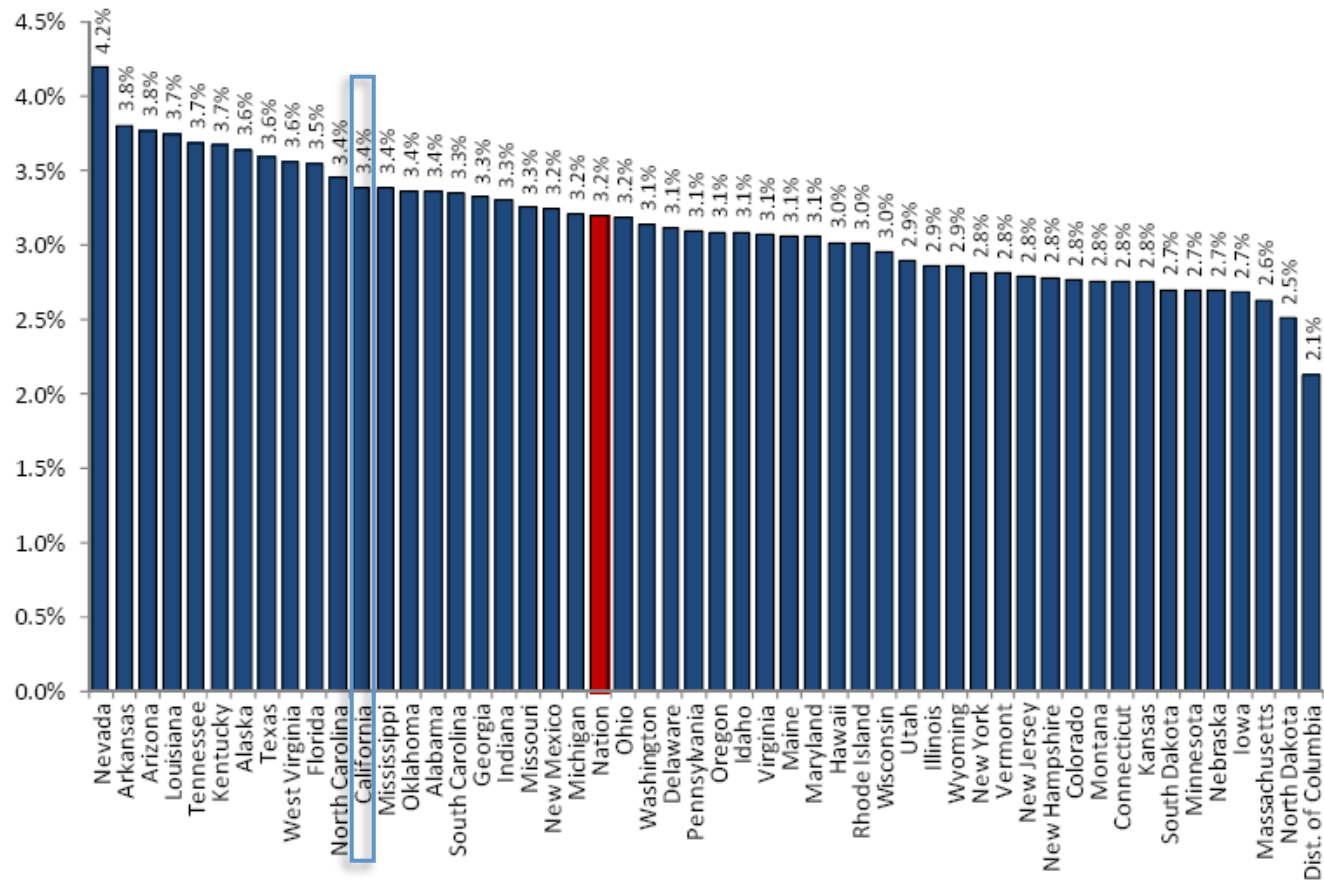
Two thirds will be adult learners

- 6.3 million adults will become college graduates

Note: The **attainment rate** reflects the number of individuals in the population who have attained the degree or diploma. This differs from the **graduation/completion rate**, which measures the number of individuals within a cohort who graduate or complete their program within a certain amount of time.

Degree Production

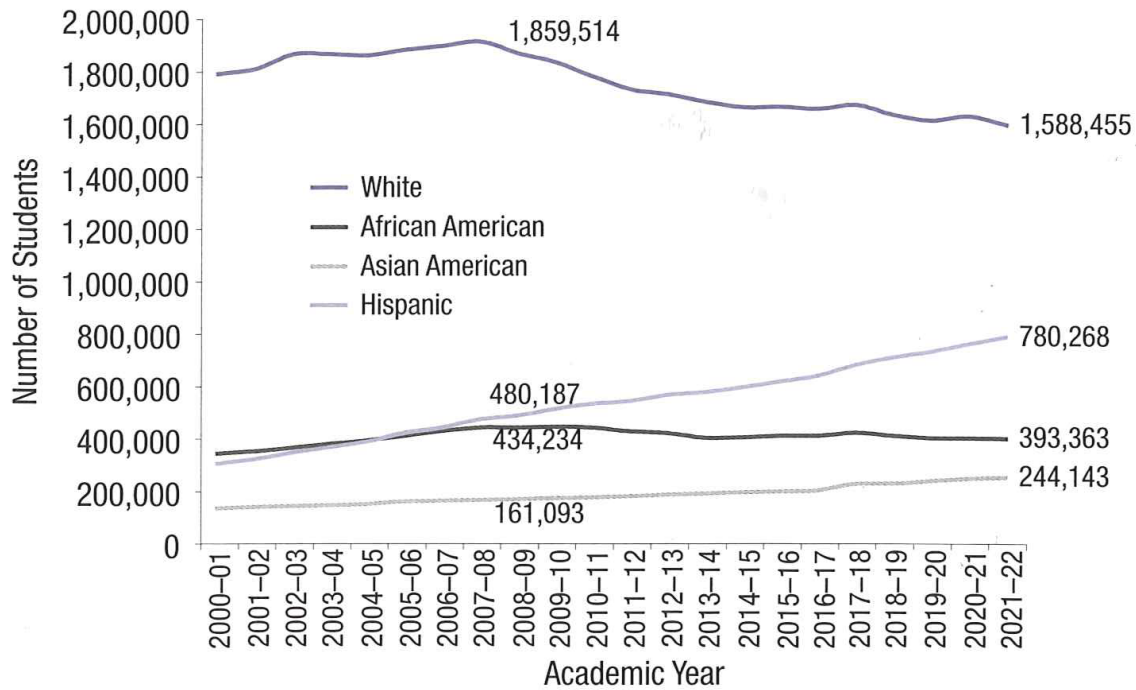
Figure 4. Average Annual Percentage Increase In Degree Production Needed



Demographics

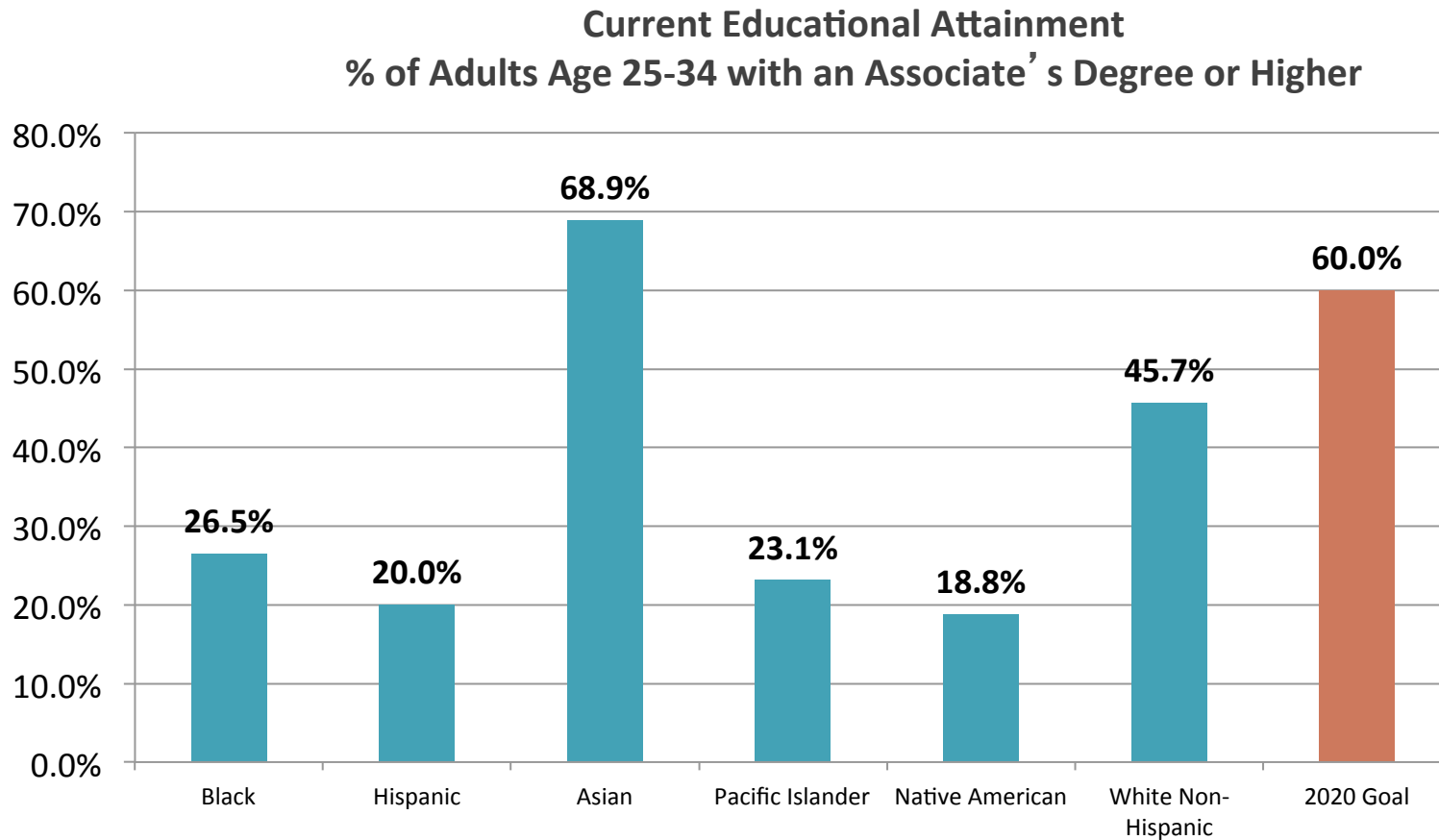
Student Demographics in the U.S. Are Changing - Ethnicity

Figure 1
Public High School Graduates, by Race/Ethnicity: 2001 to 2022



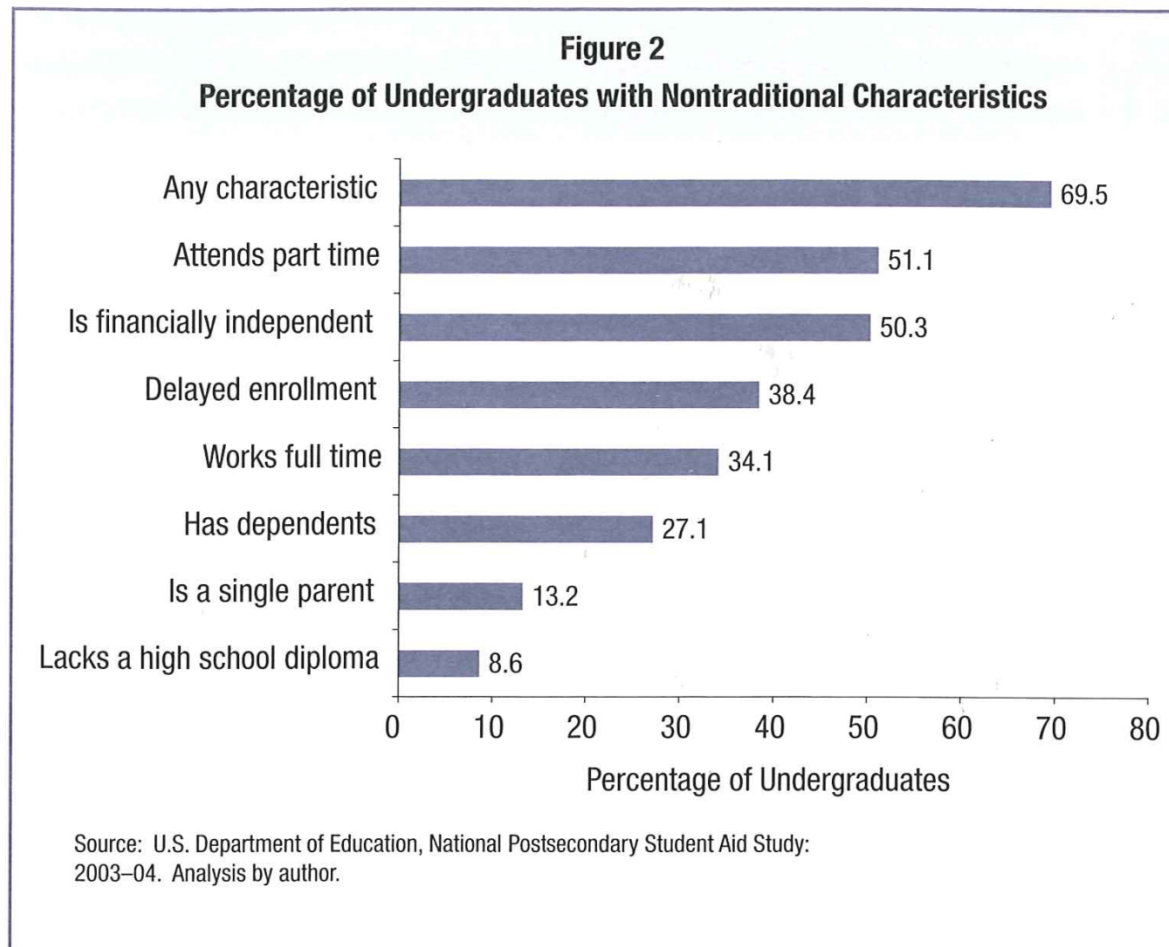
Source: WICHE, *Knocking at the College Door*.

The Achievement Gap Persists



American Community Survey 2007-2009

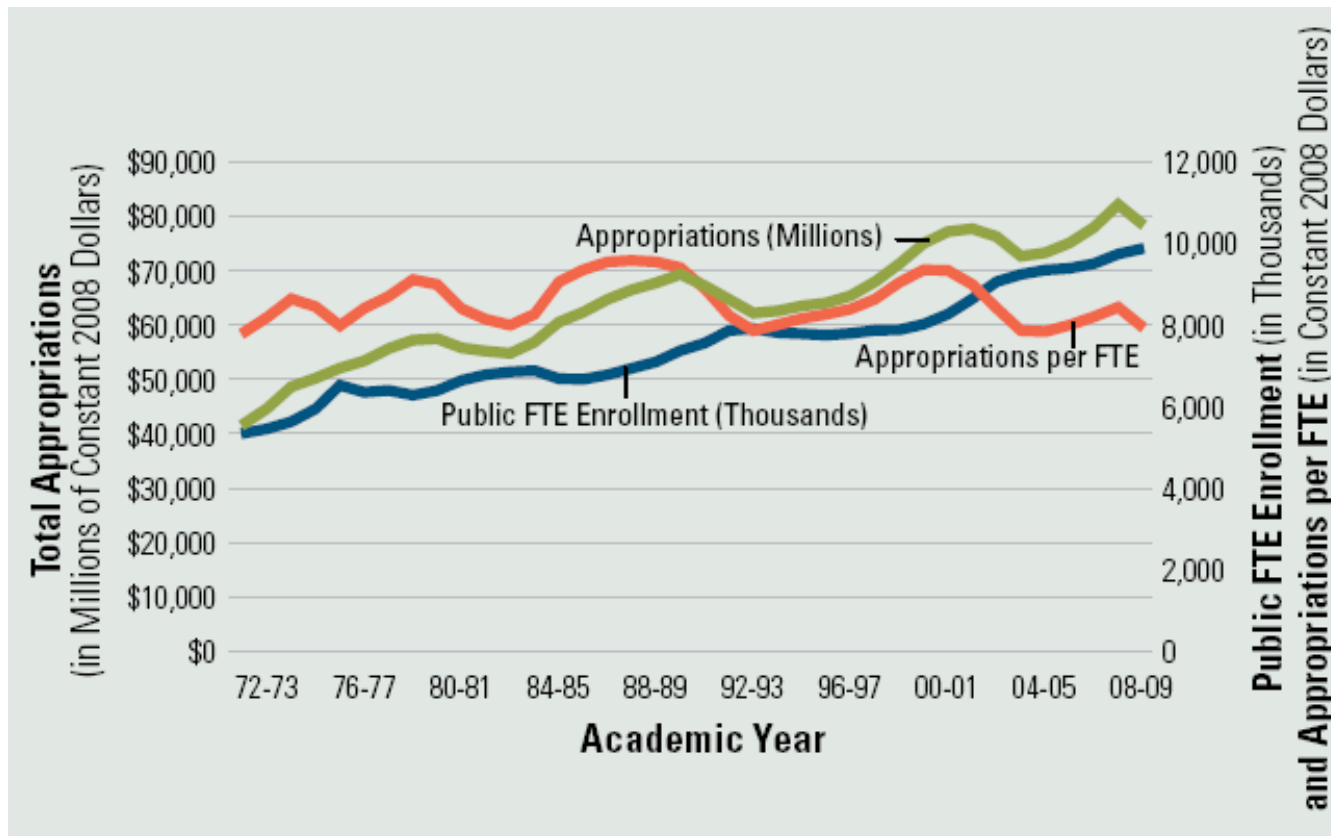
Student Demographics in the U.S. Are Changing - Characteristics



Diminished Revenue

Public Universities: Trend of Disinvestment

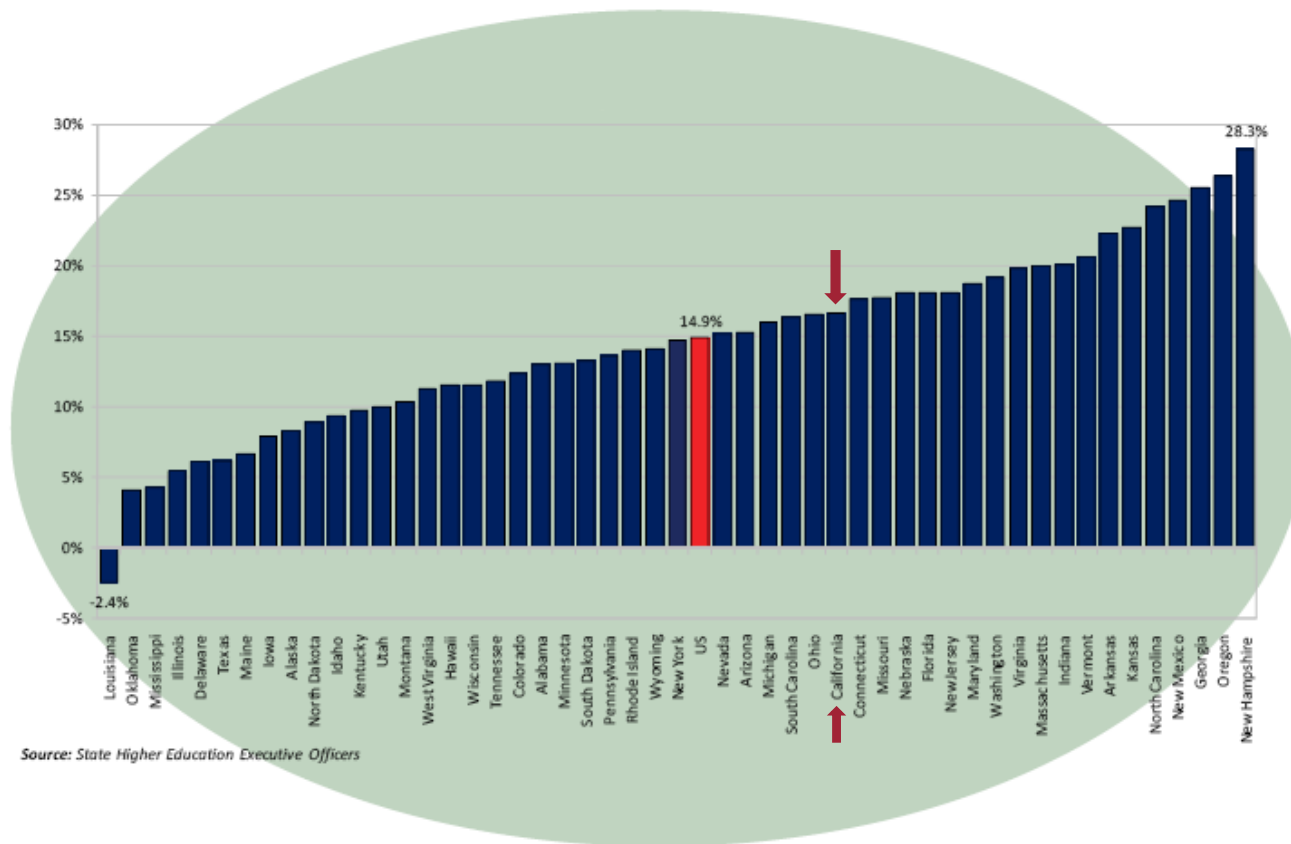
State Tax Appropriations for Higher Education: Total Appropriations in Constant 2008 Dollars (in Millions), Appropriations per Public FTE Student in Constant 2008 Dollars, and Public FTE Enrollment (in Thousands), 1971-72 to 2008-09



Full-Time-Equivalent (FTE) Enrollment in Public Higher Education Percent Change by State, Fiscal 2005-2010

Figure 5

Full-Time-Equivalent (FTE) Enrollment in Public Higher Education
Percent Change by State, Fiscal 2005-2010

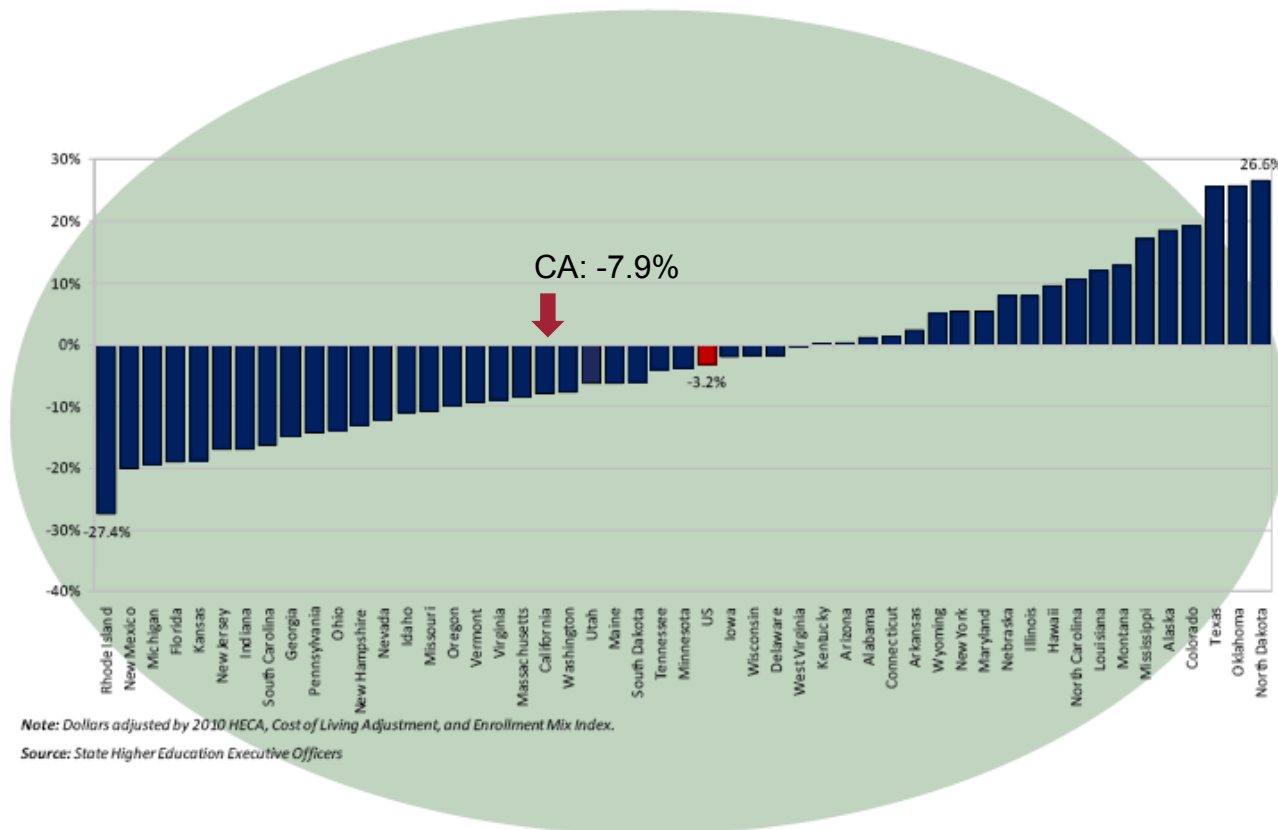


Source: State Higher Education Executive Officers

Educational Appropriations per FTE Percent Change by State, Fiscal 2005-2010

Figure 6

Educational Appropriations per FTE
Percent Change by State, Fiscal 2005-2010

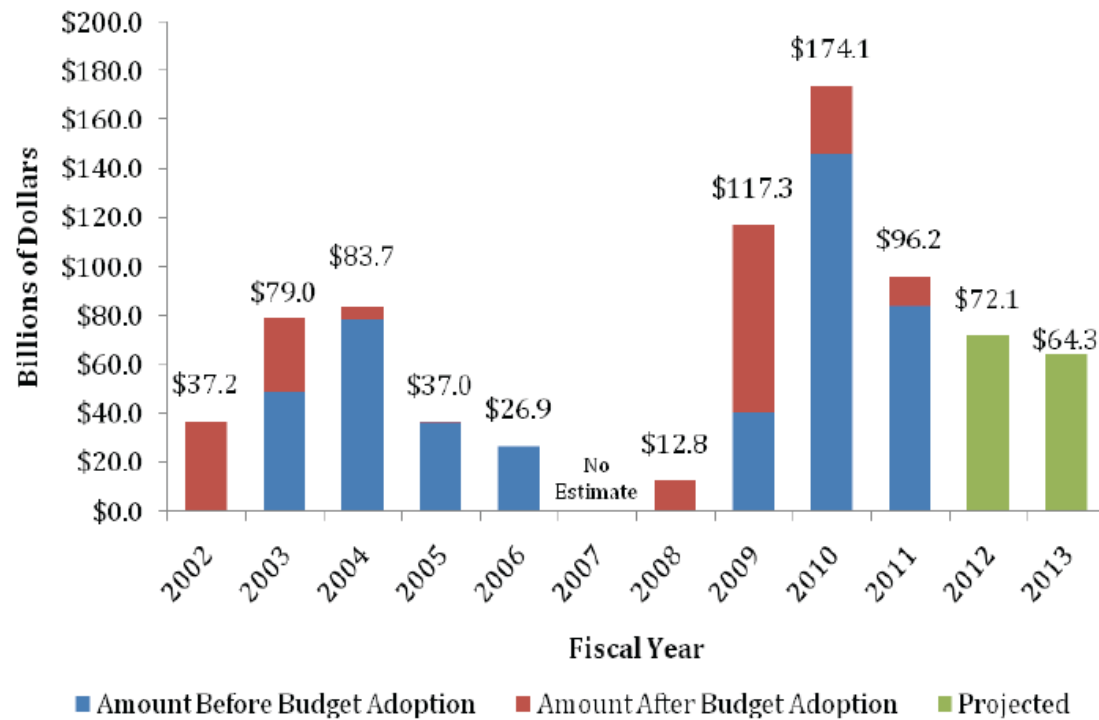


Note: Dollars adjusted by 2010 HECA, Cost of Living Adjustment, and Enrollment Mix Index.

Source: State Higher Education Executive Officers

State Budget Gaps Projected Into 2013

Figure 2: State Budget Gaps FY 2002-FY 2013 (projected)

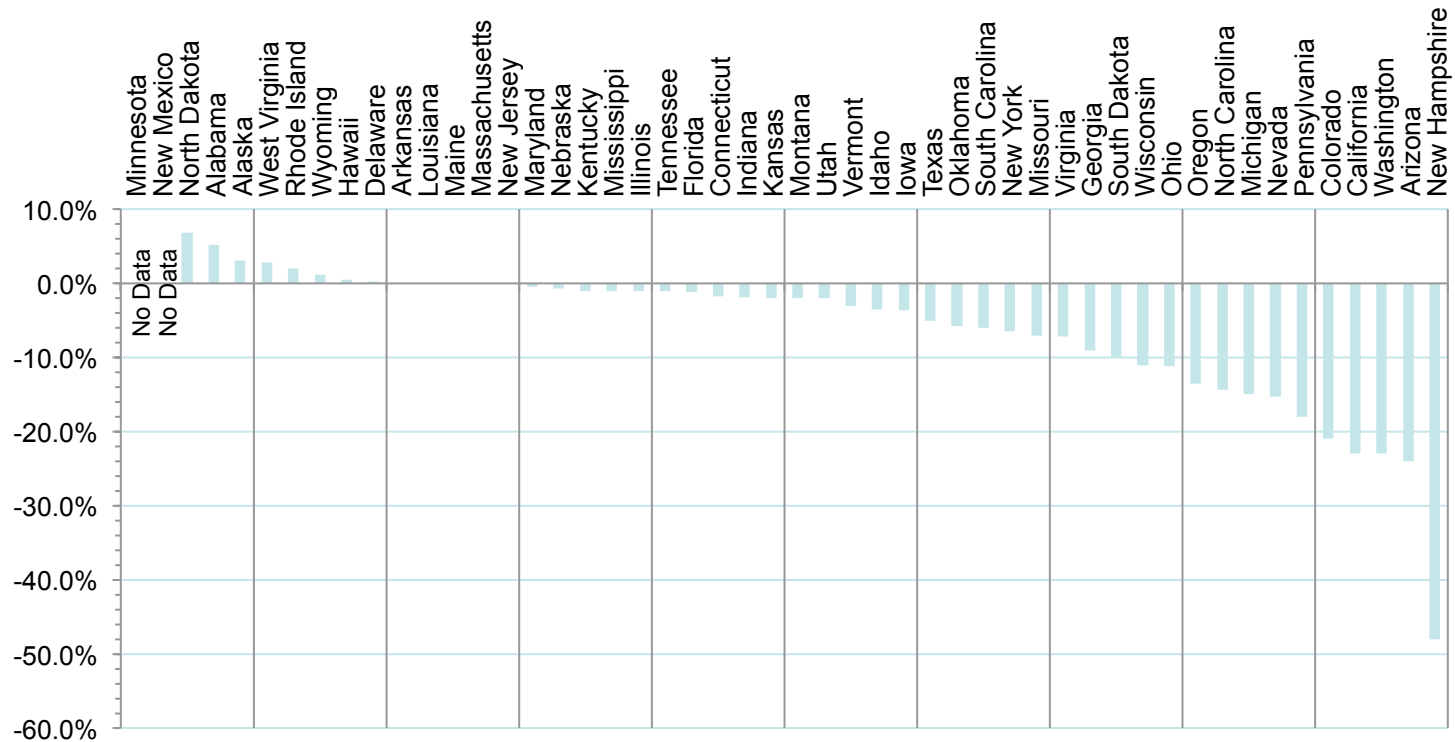


Source: NCSL survey of state legislative fiscal offices, various years.

Challenges to the Completion Agenda

Reductions in State Funding

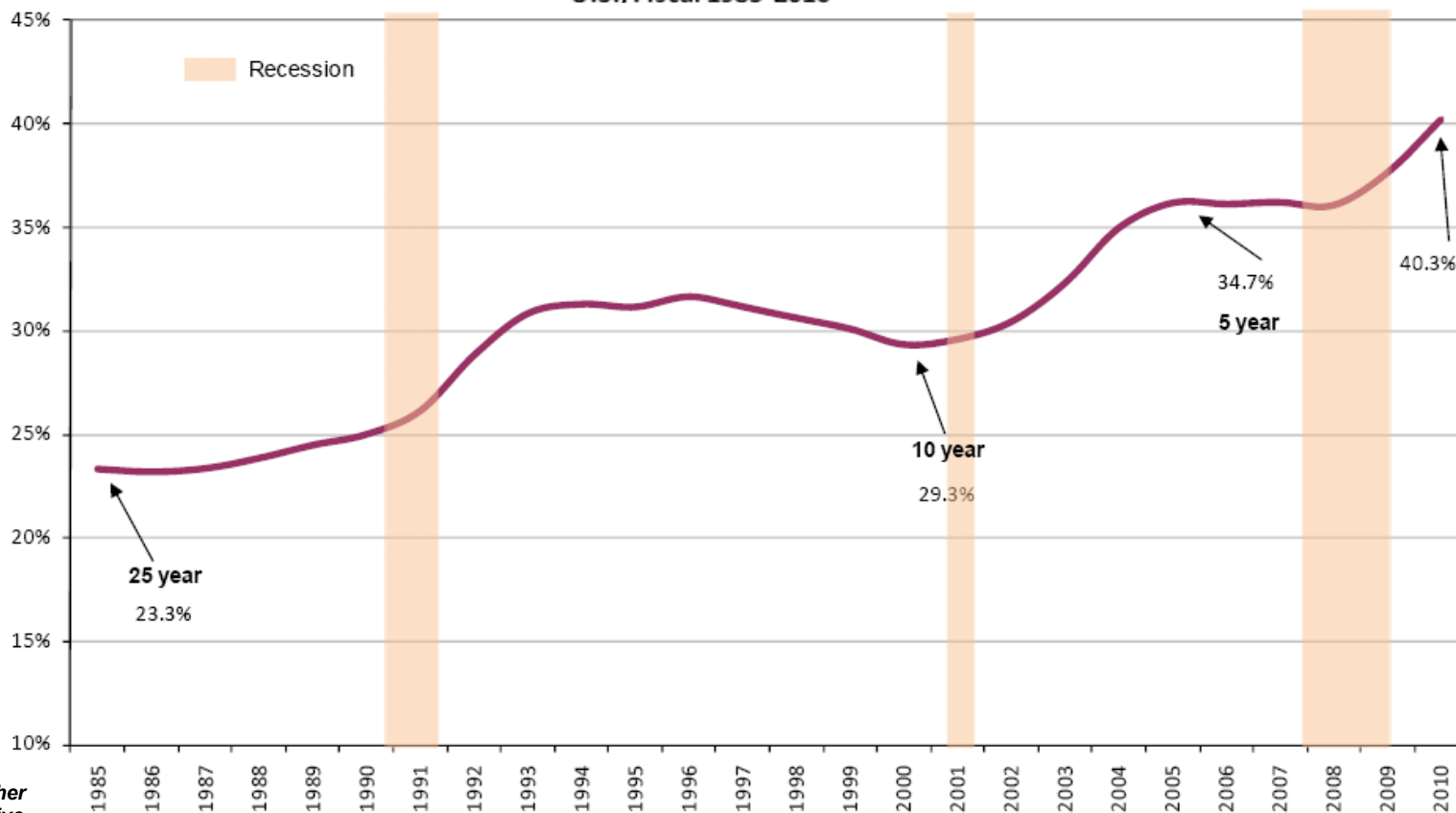
Approximate Percentage Change in FY 2012 State Operating Support for Four-Year Public Universities
(AASCU, 7-2011)



Net Tuition as a Percent of Public Higher Education Total Educational Revenue, U.S., Fiscal 1985-2010

Figure 4

Net Tuition as a Percent of Public Higher Education Total Educational Revenue, U.S., Fiscal 1985-2010



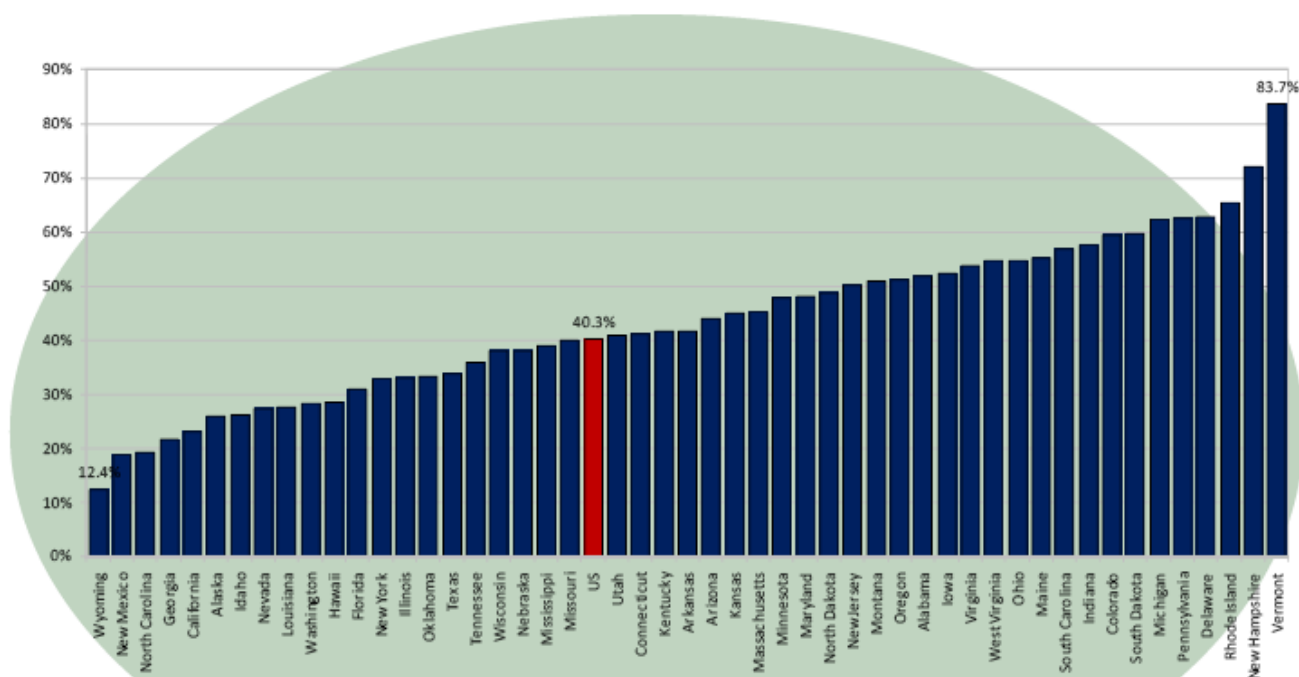
Source: State Higher Education Executive Officers

Note: Net tuition revenue used for capital debt service is included in net tuition revenue, but excluded from total educational revenue in calculating the above figures.

Net Tuition as a Percent of Public Higher Education Total Educational Revenue by State, Fiscal 2010

Figure 7

Net Tuition as a Percent of Public Higher Education Total Educational Revenue by State, Fiscal 2010



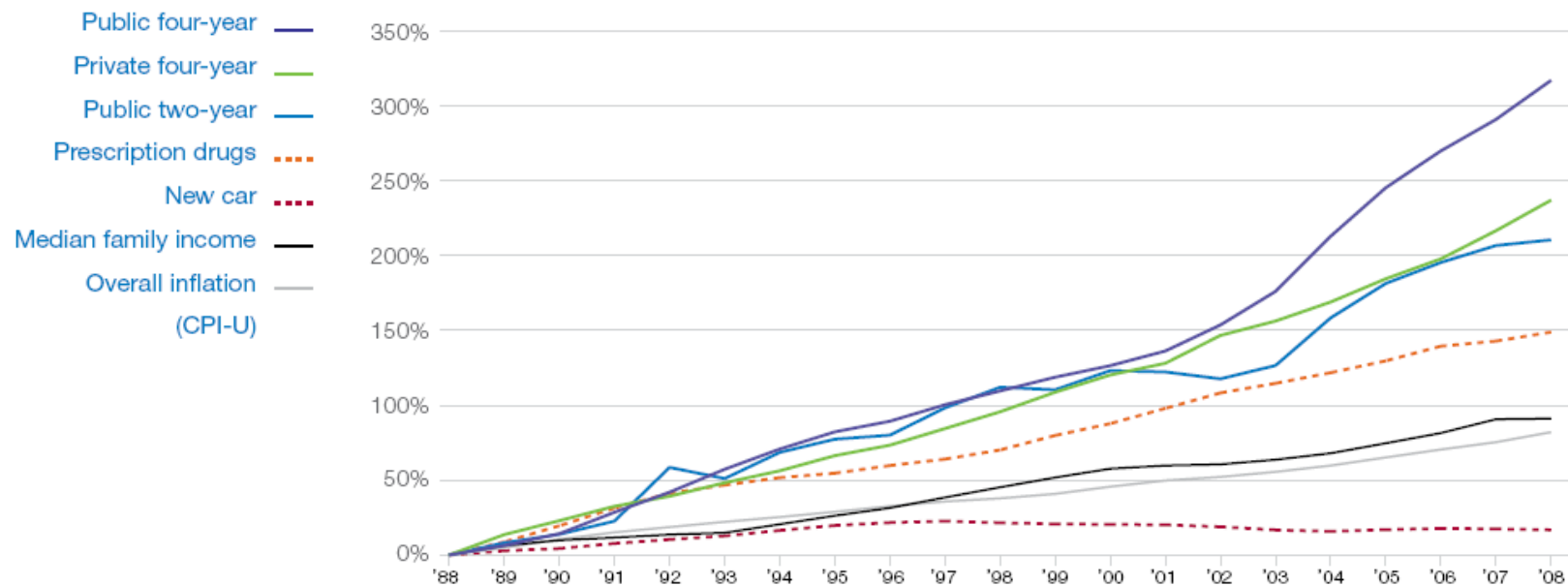
Note: Dollars adjusted by 2010 HECA, Cost of Living Adjustment, and Enrollment Mix.

Source: State Higher Education Executive Officers

College Tuition, Inflation, Family Incomes

College tuitions continue to rise—at a rate faster than inflation and family incomes

Cumulative change in the price of college, 1988–2008 (current dollar change)



Sources: College Board, *Trends in College Pricing*, 2009. Available at www.trends-collegeboard.com/college_pricing/ (Table 4a); U.S. Bureau of the Census, *Census Historical Income Tables, Families*. Available at www.census.gov/hhes/www/income/histinc/incfamdet.html (Table F-6, All Races); U.S. Bureau of Labor Statistics, Consumer Price Index Databases. Available at www.bls.gov/cpi/.

Source: Trends in College Spending 1998-2008

Endowment Returns

Average Annual One-, Three, Five, and Ten-Year Total Returns* for U.S. Higher Education Endowments and Affiliated Foundations for Periods Ending June 30, 2011 (Preliminary results as of 12/2011)

Size of Fund	1-year % N=791	3-year % N=700	5-year % N=668	10-year % N=472
Over \$1 Billion	20.1	2.4	5.4	6.9
\$501 Million to \$1 Billion	18.8	2.6	4.8	6.0
\$101 Million to \$500 Million	19.7	2.6	4.4	5.3
\$51 Million to \$100 Million	19.3	2.8	4.4	5.1
\$25 Million to \$50 Million	19.4	4.2	4.7	5.0
Under \$25 Million	17.6	4.6	5.2	4.9
Average	19.2	3.1	4.7	5.6
Median	19.8	3.1	4.6	5.5

*Net of management fees and expenses.

Source: Preliminary Results for 2011 NACUBO-Commonfund Study of Endowments

Philanthropy Increased Slightly in 2010

Voluntary Support by Type of Institution, 2009 and 2010

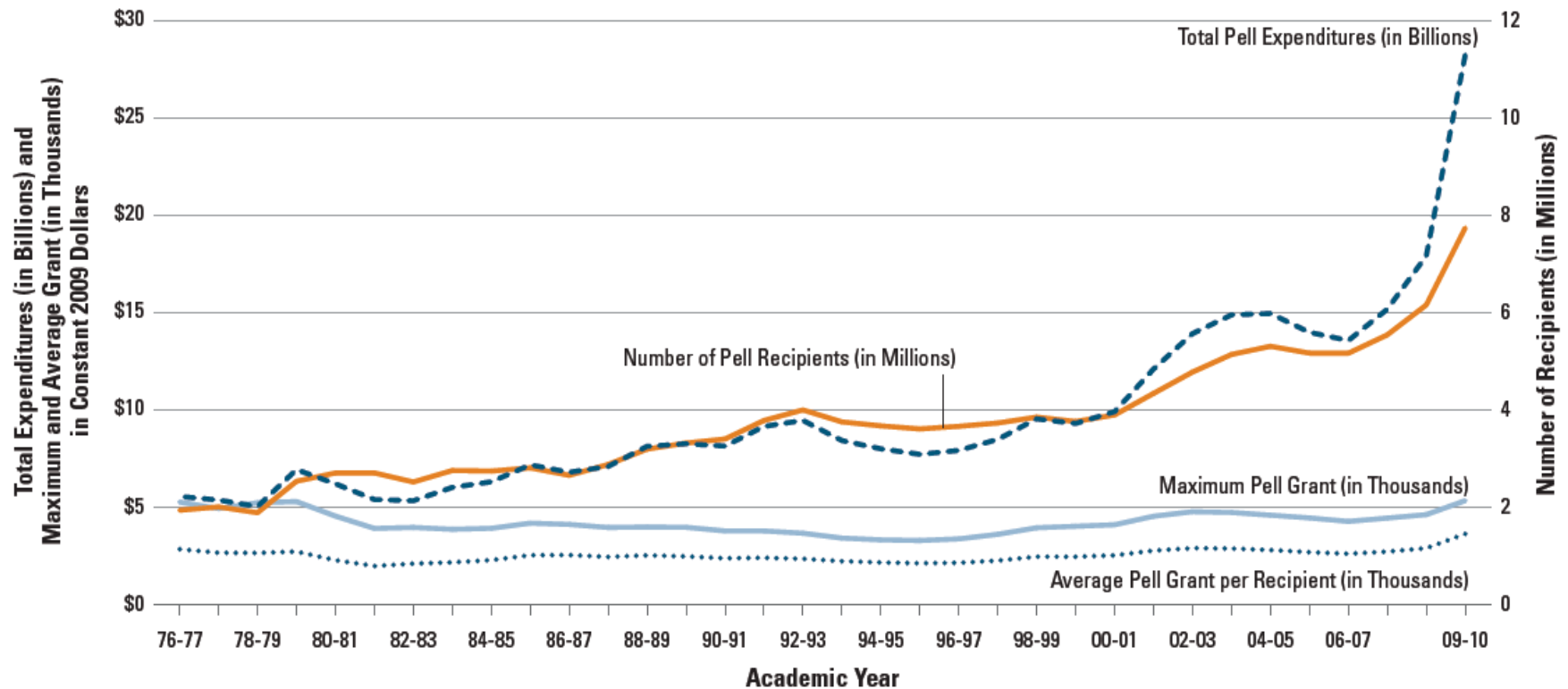
(Dollars in Thousands)

Type of Institution	All Institutions Reporting							Core Group	
	2009			2010				% Change in Total Support	Number
	Number	Amount	Average per Institution	Number	Amount	Average per Institution	% Change in Average		
Research/Doctoral	218	\$17,787,241	\$81,593	210	\$17,795,934	\$84,743	3.9	0.3	198
Private	74	8,407,644	113,617	73	8,415,971	115,287	1.5	-0.2	68
Public	144	9,379,597	65,136	137	9,379,963	68,467	5.1	0.7	130
Master's	329	2,157,936	6,559	320	2,038,105	6,369	-2.9	-3.7	300
Private	169	1,333,384	7,890	164	1,231,737	7,511	-4.8	-5.7	154
Public	160	824,553	5,153	156	806,368	5,169	0.3	-0.5	146
Baccalaureate	265	2,322,880	8,766	260	2,366,980	9,104	3.9	2.3	239
Private	228	2,171,389	9,524	224	2,231,451	9,962	4.6	2.9	207
Public	37	151,492	4,094	36	135,529	3,765	-8.1	-6.7	32
Specialized	54	1,224,200	22,670	51	1,101,635	21,601	-4.7	-4.9	45
Private	37	438,458	11,850	36	309,928	8,609	-27.4	-19.9	31
Public	17	785,742	46,220	15	791,707	52,780	14.2	1.5	14
Associate's	161	200,513	1,245	155	184,798	1,192	-4.3	-5.1	134
Private	2	4,517	2,258	0					
Public	159	195,996	1,233	155	184,798	1,192	-3.3	-5.1	134
Total All Institutions	1,027	\$23,692,771	\$23,070	996	\$23,487,452	\$23,582	2.2	-0.2	916

Source: Council for Aid to Education, 2011

Pell Grant Funding

FIGURE 13A Total Pell Expenditures (in Billions), Maximum Pell Grant and Average Pell Grant in Constant 2009 Dollars (in Thousands), and Number of Recipients (in Millions), 1976-77 to 2009-10

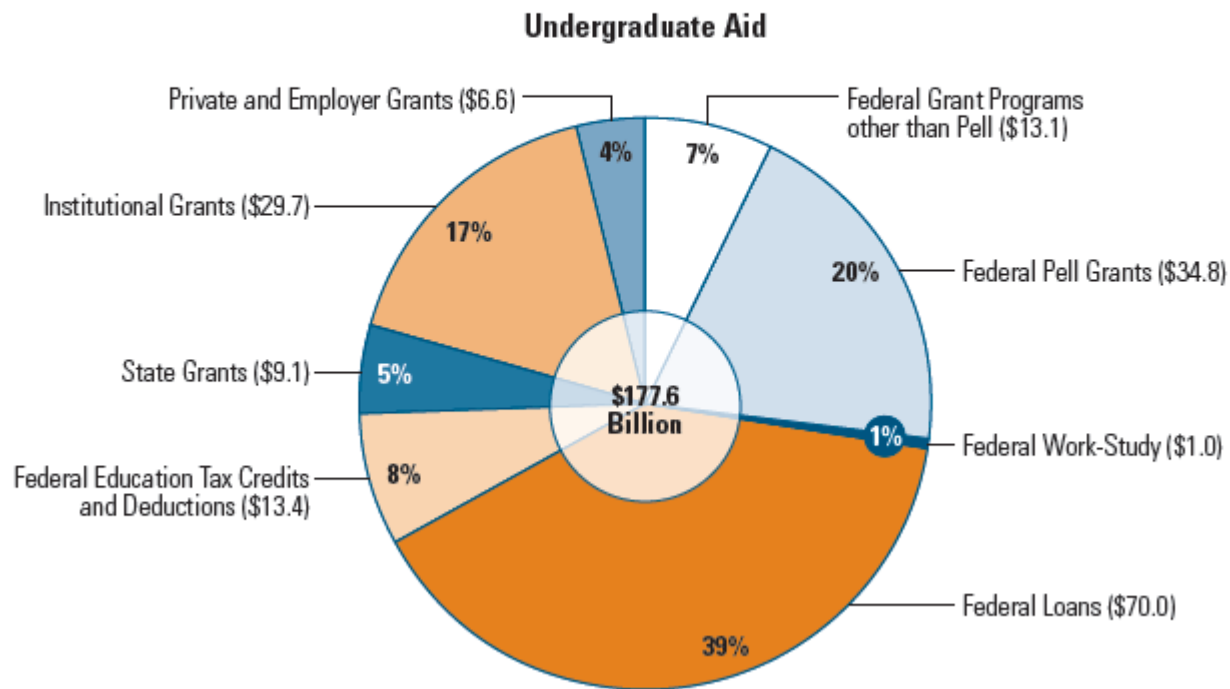


Source: College Board, based on ED data

Undergraduate and Graduate Student Aid by Source and Type

FIGURE 2A

Undergraduate Student Aid by Source and Type (in Billions), 2010-11

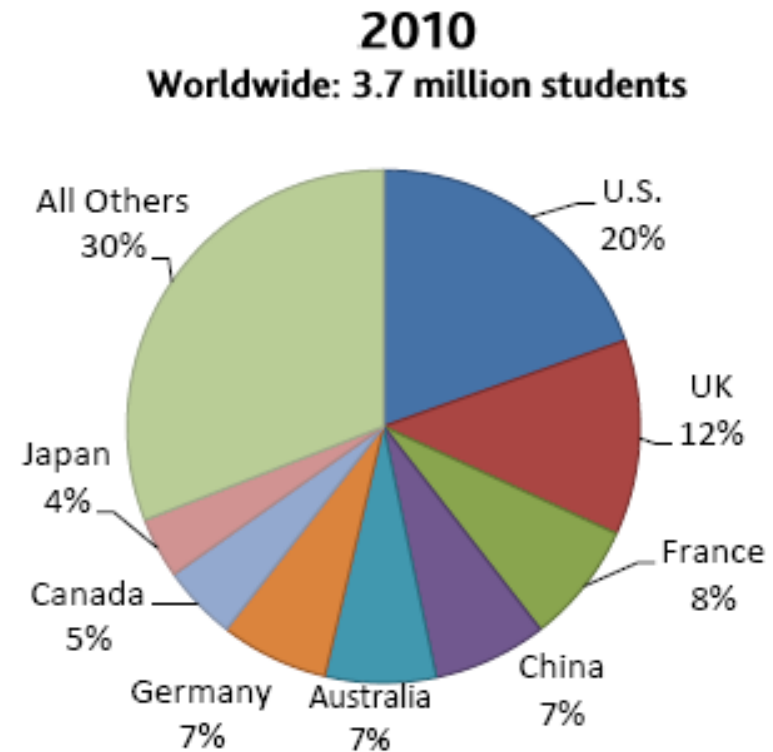
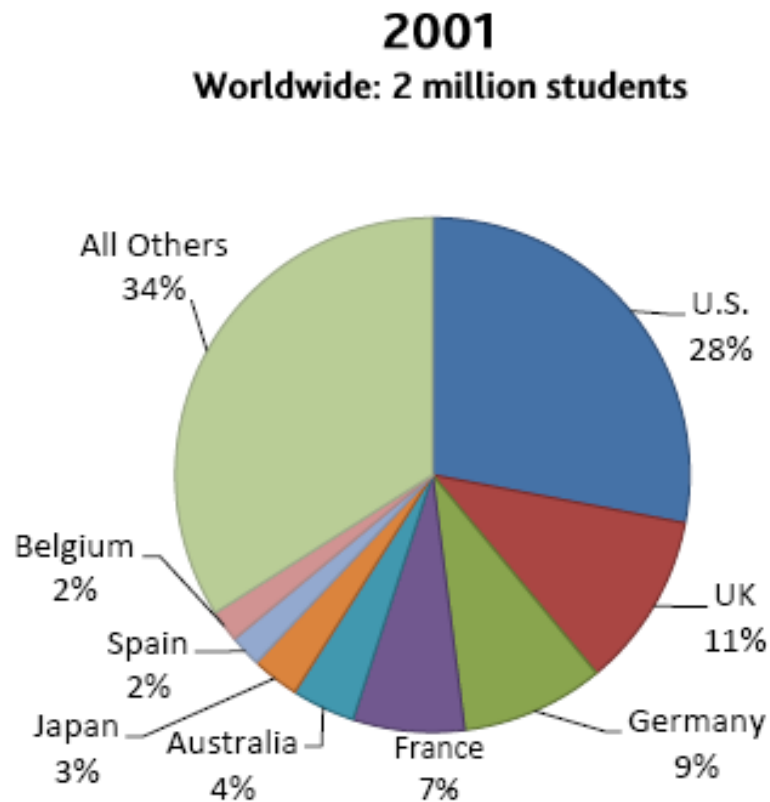


Source: Trends In Student Aid 2011

Dynamic Competition

International Students – Where They Study

Top 8 Host Countries of Globally Mobile Students, 2001 & 2010



Source: *Atlas of Student Mobility*
<http://www.iie.org/projectatlas>

For-Profits

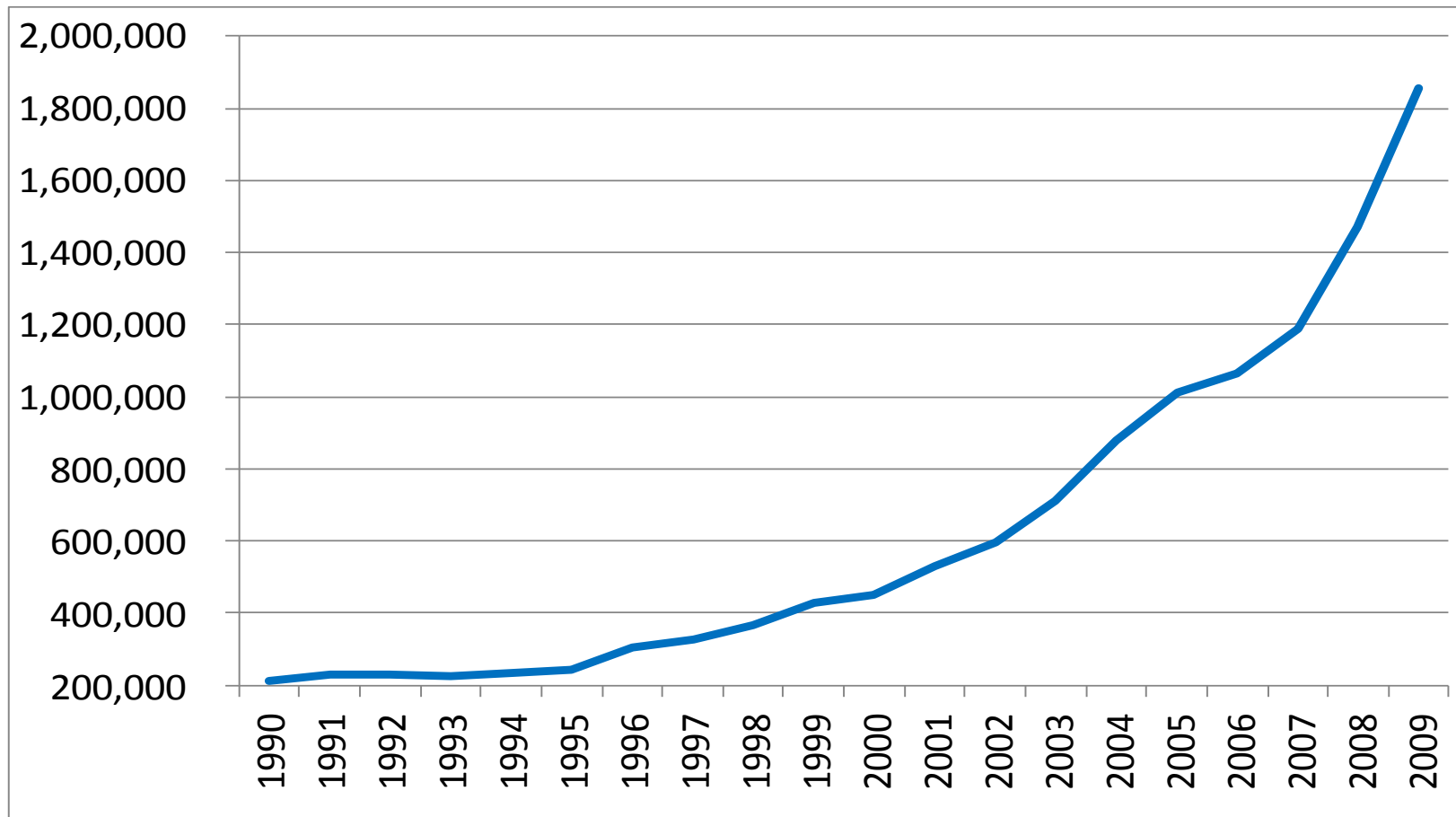
Number of Degree-Granting Institutions in the U.S. *11-Year Trend*

	1999–2000	2009–10	% Change
Public 4-Year	614	672	9.4%
Public 2-Year	1,068	1,000	-6.4%
Private NFP 4-Year	1,531	1,539	0.5%
Private NFP 2-Year	150	85	-43.3%
Private FP 4-Year	218	563	158.3%
Private FP 2-Year	503	636	26.4%

Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, Table 275, Chapter 3

Fall Enrollment in For-Profits

(Degree-granting Institutions)

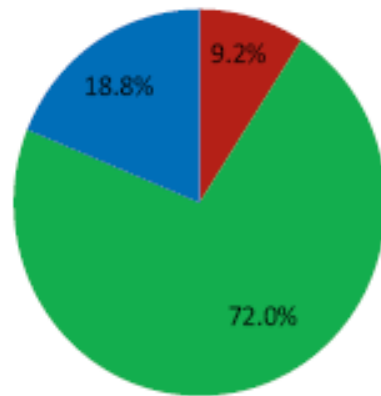


Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, Table 204, Chapter 3

Enrollment and Share of Federal Student Aid

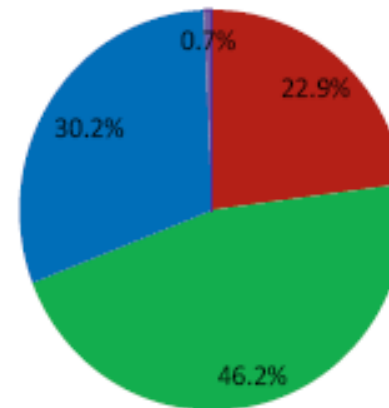
Comparison of Enrollment and Share of Federal Student Aid

Higher Education Enrollment (2008)



■ Private For-Profit ■ Public
■ Private Non-Profit

Federal Student Aid (2008-2009)



■ Private For-Profit ■ Public
■ Private Non-Profit ■ Foreign

Source: Majority staff analysis of U.S. Department of Education data