You Are Not Alone
Pursuing Goals in the Face of Budget Cuts

University of Alaska Leadership Summit
Anchorage, Alaska
November 29, 2016
Alaska’s Overarching Goal:

65% of Alaska’s working age population will have a postsecondary education credential – a degree or certificate of value – by 2025.
States with Stated Postsecondary Attainment Goals

Source: Lumina Foundation/Strategy Labs.
## Attainment Goal Descriptions

<table>
<thead>
<tr>
<th>State</th>
<th>Goal</th>
<th>Target Ages</th>
<th>Goal Date</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>65%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Arizona</td>
<td>60%</td>
<td>25-64</td>
<td>2030</td>
<td></td>
</tr>
<tr>
<td>Arkansas</td>
<td>60%</td>
<td>25-64</td>
<td>2030</td>
<td>Arkansas has a goal of increasing the number of postsecondary</td>
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<td></td>
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<td></td>
<td>credentials by 40 percent over 2013-14 academic year levels.</td>
</tr>
<tr>
<td>Colorado</td>
<td>66%</td>
<td>25-34</td>
<td>2025</td>
<td>Reduce attainment gaps among underserved populations.</td>
</tr>
<tr>
<td>Connecticut</td>
<td>40% Bacc; 30% Assoc.</td>
<td>25-64</td>
<td>2025</td>
<td>Goal is 40% with a Baccalaureate and 30% with an Associate's Degree.</td>
</tr>
<tr>
<td>Georgia</td>
<td>60%</td>
<td>25-34</td>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>Hawaii</td>
<td>55%</td>
<td>25-64</td>
<td>2025</td>
<td>UH increase by 6-9% every year.</td>
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<tr>
<td>Idaho</td>
<td>60%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
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<tr>
<td>Illinois</td>
<td>60%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
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<tr>
<td>Indiana</td>
<td>60%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Iowa</td>
<td>70%</td>
<td>25-64</td>
<td>2025</td>
<td>Goal is &quot;education or training beyond high school&quot;</td>
</tr>
<tr>
<td>Kansas</td>
<td>60%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Kentucky</td>
<td>58%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Louisiana</td>
<td>42%</td>
<td>25-64</td>
<td>2025</td>
<td>Goal is 7.2% annual growth rate.</td>
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<tr>
<td>Maryland</td>
<td>55%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Massachusetts</td>
<td>60%</td>
<td>25-34</td>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>Minnesota</td>
<td>70%</td>
<td>25-44</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Missouri</td>
<td>60%</td>
<td>25-64</td>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>Montana</td>
<td>60%</td>
<td>25-64</td>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>Nevada</td>
<td>60%</td>
<td>25-64</td>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>New Hampshire</td>
<td>65%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Oregon</td>
<td>40-40-20</td>
<td>25-64</td>
<td>2025</td>
<td>40% with a Baccalaureate, 40% with an Associate Degree or Certificate,</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>and 20% with a High School Diploma.</td>
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<tr>
<td>Rhode Island</td>
<td>60%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>South Carolina</td>
<td>29% w/ Bachelor's or Higher</td>
<td>25-64</td>
<td>2030</td>
<td></td>
</tr>
<tr>
<td>Tennessee</td>
<td>55%</td>
<td>25-64</td>
<td>2025</td>
<td></td>
</tr>
<tr>
<td>Texas</td>
<td>60%</td>
<td>25-34</td>
<td>2030</td>
<td></td>
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<tr>
<td>Utah</td>
<td>66%</td>
<td>25-64</td>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>Virginia</td>
<td>60.50%</td>
<td>25-64</td>
<td>2030</td>
<td>Top 10% Benchmarks</td>
</tr>
<tr>
<td>Washington</td>
<td>70%</td>
<td>25-44</td>
<td>2023</td>
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</tbody>
</table>
State Revenue Shortfalls Have Become Increasingly Common Over the Past Decade

- States have not adapted to the “new normal”
- Tax structures haven’t kept pace with changes in underlying economies
- Tax collections falling short of budgeted figures – even when budget estimates are conservative

States behaving as if they’re in a recession, even though nation is in a prolonged period of (albeit modest) economic improvement.
State Tax Revenue Estimates

April-June 2015 vs. 2016, Percent Change

-32% to -5.0%
-4.9% to -0.1%
0% to 4.9%
5% to 13.8%
No Data

Data is estimated for New Mexico, Rhode Island, Connecticut, and New Jersey.

Source: USA Today, October 27, 2016, Frank Pompa, Jim Sergent.
• Most strategies for dealing with budget cuts really aren’t strategies. They’re steps of least institutional inconveniences.
  – Cuts are an aberration—wait a year or two and we can resume business as usual
  – Cuts seldom made in context of the long view
Level 1 Response

• **Raise Revenue.** This typically means taking steps to increase tuition revenue
  – Raise rates
  – Differential tuition for high cost programs
  – Enroll more out of state students
Student Share of Education Costs

Colorado

[Graph showing the student share of education costs in Colorado from 1980 to 2016.]
Level 2 Response

• **Make the easy cuts** – those that don’t involve people.
  – Don’t fill empty positions
  – Reduce expenditures on
    • Travel
    • Supplies
    • Maintenance
    • Equipment

  – There is nothing about such approaches that references/protects pursuit of goals
  – They are largely exercises in postponement, not reduction
Level 3 Response

• Make the harder, but easily defended cuts.
  – Cut programs that are least productive
  – Substitute PT employees for FT employees
  – Outsource functions that aren’t central to institutional mission
  – Eliminate services at remote sites

These are retrenchment strategies that likely result in serving fewer students – inconsistent with goal attainment
Level 4 Response

- **Redesign courses.**
  - Typically large, lower-division courses
  - Reengineer courses in a way similar to that advocated by the National Center for Academic Transformation (NCAT)
  - Evidence indicates this approach yields
    - Improved learning outcomes
    - At reduced costs ($\approx 40\%$ less)

An important tactic, but works best as part of a larger, deliberate process.
Level 5 Response

• Redesign programs and their delivery.
  – Redo general education
    • Substantially reduce the number of courses eligible for general education credit
      – Take cues from choices students are making
  – Standardize majors – remove options that result in small classes
  – Consider alternative delivery modes
    • Online
    • Competency-based

But don’t forget to keep focus on goal attainment.
Level 6 Response

• **Redesign the system**
  – Start with the proposition that needs of students and employers in all parts of the state must be met
  – Determine the array of assets needed to meet these needs
  – Differentiate the educational capacity on each campus
  – Use technology to deliver this capacity to
    • Students on other campuses
    • Remote sites
  – Ensure “high touch” services are available at each site
  – Standardize processes
  – Centralize back office operations