Presentation made possible with financial support from Strategy Labs, funded by Lumina Foundation for Education.

Views expressed are mine alone.
Overview

• Understanding Alaska viewpoints on postsecondary education and funding

• Aligning funding with postsecondary goals
  o US and Alaska goals for attainment
  o Funding trends

• Managing the boom and bust cycle
Get Out Your Phones

Text NJ18 to 22333 once to join, then A, B, C, D, E...

Practice question: What is your favorite spectator sport?

Football  A
Basketball  B
Baseball    C
Presidential Debates  D
Professional Wrestling  E
Ultimate Frisbee  F
Switch to Poll Everywhere Online

- Slides with results will be included in archive version of the presentation
Practice question: What is your favorite spectator sport?

- Football: 14
- Basketball: 7
- Baseball: 6
- Presidential Debates: 7
- Professional Wrestling: 2
- Ultimate Frisbee
What is your role in Alaska postsecondary education?

- Institution faculty/administrator: 32%
- Student: 5%
- Parent/family of student: 16%
- State or local government: 16%
- State or local community organization: 16%
- Other: 14%
What are the biggest challenges facing postsecondary education in Alaska?
What are the greatest strengths of postsecondary education in Alaska?
What is the maximum share of the cost of public postsecondary education should students and families be expected to pay, even if they can afford more?

- 0% - Universal free public college education: 13%
- 10%: 6%
- 20%: 16%
- 30%: 9%
- 40%: 6%
- 50%: 31%
- 60%: 3%
- 70%: 6%
- 80%: 9%
- 90%: 9%

100% - Tuition and fees should not be subsidized at all
What is the maximum debt that a bachelor's graduate should be expected to take on (not including graduate school)?

- $0 - Any debt is too much: 6%
- $5,000: 39%
- $10,000: 22%
- $15,000: 8%
- $20,000: 6%
- $25,000: 3%
- $30,000: 3%
- $35,000: 3%
- $40,000: 3%
- $45,000: 3%
- $50,000: 14%
- More than $50,000 or no limit: 6%
What is the maximum number of hours of outside work a full-time student should be expected to do while enrolled, to support themselves or pay for college?

- 0 (Any work is too much): 2
- 1-5 hours: 1
- 6-10 hours: 5
- 11-15 hours: 9
- 15-20 hours: 16
- 21-40 hours: 2
- More than 40 or no limit
In making difficult choices, do you think public funders of postsecondary education should

- Always place student interests first
- Usually place student interests first 27%
- Weigh student and state/community interests equally 59%
- Usually place state/community interests first 14%
- Always place state/community interests first
Aligning Funding and Goals

• Alaska and US Higher Education Goals
• Funding trends in US and Alaska
Alaska, Like Most States, Has Ambitious Attainment Goal

Lumina’s Goal: 60% of Americans hold degrees, certificates or other high-quality postsecondary credentials by 2025

And, Like Most States, a Long Way to Go!

AK Attainment Varies Geographically

Percent of Adults Age 25-64 with Associate or Higher Degree. Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics.
### AK Attainment Varies Geographically

<table>
<thead>
<tr>
<th></th>
<th>No schooling completed</th>
<th>Less than high school diploma</th>
<th>Regular high school diploma</th>
<th>GED or alternative credential</th>
<th>Some college, but less than 1 year</th>
<th>1 or more years of college credit, no degree</th>
<th>Associate's degree</th>
<th>Bachelor's degree</th>
<th>Graduate degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchorage Municipality (North)</td>
<td>1%</td>
<td>6%</td>
<td>19%</td>
<td>5%</td>
<td>7%</td>
<td>22%</td>
<td>9%</td>
<td>20%</td>
<td>11%</td>
</tr>
<tr>
<td>Anchorage Municipality (South)</td>
<td>1%</td>
<td>5%</td>
<td>17%</td>
<td>4%</td>
<td>7%</td>
<td>19%</td>
<td>8%</td>
<td>24%</td>
<td>15%</td>
</tr>
<tr>
<td>Greater Fairbanks, Greater Juneau, Ketchikan Gateway Borough &amp; Road-Connected Alaska</td>
<td>0%</td>
<td>5%</td>
<td>18%</td>
<td>5%</td>
<td>8%</td>
<td>23%</td>
<td>8%</td>
<td>21%</td>
<td>11%</td>
</tr>
<tr>
<td>Matanuska-Susitna &amp; Kenai Peninsula Boroughs</td>
<td>1%</td>
<td>6%</td>
<td>25%</td>
<td>7%</td>
<td>8%</td>
<td>22%</td>
<td>11%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>Subsistence Alaska</td>
<td>0%</td>
<td>11%</td>
<td>34%</td>
<td>6%</td>
<td>7%</td>
<td>19%</td>
<td>6%</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>0%</td>
<td>6%</td>
<td>22%</td>
<td>5%</td>
<td>7%</td>
<td>21%</td>
<td>9%</td>
<td>18%</td>
<td>10%</td>
</tr>
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Attainment of Adults Age 25-64, 2012-16. Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics.
AK Attainment Varies by Race/Ethnicity

Attainment of Adults Age 25-64, 2012-16. Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics
# AK Attainment Varies by Race/Ethnicity

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<th>Bachelor's degree</th>
<th>Graduate degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Native alone</td>
<td>0%</td>
<td>15%</td>
<td>38%</td>
<td>9%</td>
<td>9%</td>
<td>18%</td>
<td>3%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Other race/ethnicity</td>
<td>1%</td>
<td>11%</td>
<td>24%</td>
<td>5%</td>
<td>7%</td>
<td>23%</td>
<td>9%</td>
<td>15%</td>
<td>6%</td>
</tr>
<tr>
<td>White alone</td>
<td>0%</td>
<td>4%</td>
<td>19%</td>
<td>5%</td>
<td>7%</td>
<td>21%</td>
<td>9%</td>
<td>22%</td>
<td>13%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>0%</td>
<td>6%</td>
<td>22%</td>
<td>5%</td>
<td>7%</td>
<td>21%</td>
<td>9%</td>
<td>18%</td>
<td>10%</td>
</tr>
</tbody>
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Attainment of Adults Age 25-64, 2012-16. Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics
Attainment Rates
Lowest for those Who Stay in State

<table>
<thead>
<tr>
<th></th>
<th>Alaska-born</th>
<th>Born outside Alaska</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska Resident</td>
<td>45%</td>
<td>42%</td>
</tr>
<tr>
<td>Other State Resident</td>
<td>26%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Percent of Adults Age 25-64 with Associate or Higher Degree. Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics
Especially Alaska Natives

Percent of Alaska Natives Age 25-64 with Associate or Higher Degree. Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics.
Appropriations and Completions Peaked Around 2015
National Trend Not Like Alaska’s
Tuition Accounts for Smaller Share of Revenue than in US

Permanent Fund and Postsecondary Education are Primary Discretionary Expenditures

Official Projections Include Modest Growth in Key Age Groups

Sources: Alaska Department of Labor, Middle Series Population Projections 2017-2045, and Historical Population by Age and Sex 2000-2010.
Some Enrollment Patterns Correlate Closely with Economic Cycles

Sources: Bureau of Labor Statistics and Digest of Education Statistics

[Graph showing the correlation between enrollment patterns and economic cycles.]
Change in state and local appropriations for higher education, 2007–2012

1. Least affected $0.6
2. Less affected $-2.1
3. More affected $-1.4
4. Most affected $-5.6

Source: Analysis of BLS employment and SHEEO State Higher Education Finance Survey data
Changes in residential public tuition rates—states most and least affected by recession, 2007–08 to 2012–13

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Two-Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition Increase</td>
<td>$380</td>
<td>$620</td>
<td>$650</td>
<td>$680</td>
</tr>
<tr>
<td><strong>Four-Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition Increase</td>
<td>$1,200</td>
<td>$1,300</td>
<td>$1,800</td>
<td>$2,800</td>
</tr>
</tbody>
</table>

Source: Analysis of BLS Unemployment data and Trends in College Pricing 2013
Where Next?

2020 2040
Linear Planning v. Multiple Futures

• Planning for multiple possible futures
• 3-4 plausible alternative scenarios
• Relevant example, *Research Futures*
Elsevier/Ipsos Project on Research

- Brave Open World
- Tech Titans
- Eastern ascendance
Revenue Strategies

• Diversification consistent with mission
• Emphasizing unique assets
• Maintaining fiduciary responsibility for all Alaskans, present and future
• Maximizing outside/federal resources
Diversification Consistent with Mission

• Out-of-state / international students
• Online / hybrid learning
• Lifelong learning
• Sponsored research / service
Emphasizing Unique Assets

• Geography
• Personnel
• Patents / physical assets
Maintaining Fiduciary Responsibility

• for tuition/fee and tax/PF funds
• to present and future Alaskans
• recognize that postsecondary education is not always the best investment
Maximizing external/federal resources

• Private philanthropy, consistent with mission

• Federal resources
  o Pell grants
  o SNAP benefits
  o Other federal programs for individuals and institutions
  o Tax benefits
Maximizing Federal Tax Advantages

• American Opportunity and Lifelong Learning Credits (18,420 Alaskans received $30.4 million in 2017)

• Finance postsecondary ed, as much as possible, with pre-federal tax dollars
Maximizing Federal Tax Advantages

Less tax advantaged (more expensive for Alaskans)

- Tuition over $3,500
- Personal state sales/income tax

More tax advantaged (less expensive for Alaskans)

- Tuition under $3,500
- Charitable gifts
- Reduction in PF dividend
- State business / payroll tax
Spending Strategies

• Keep the lights on where they need to be on
• Consolidate, share services
• Treat revenue as non-recurring, invest in long-term, countercyclical assets
• Create reserve funds
• Link funds to students
• Plan across budget cycles
Questions?
Discussion?