WHERE NEXT FOR POSTSECONDARY EDUCATION IN ALASKA?

Anchorage, Alaska
November 18, 2019

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Postsecondary Analytics

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Views expressed are mine alone.

Overview

- Understanding Alaska viewpoints on postsecondary education and funding
- Aligning funding with postsecondary goals
  - US and Alaska goals for attainment
  - 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...**

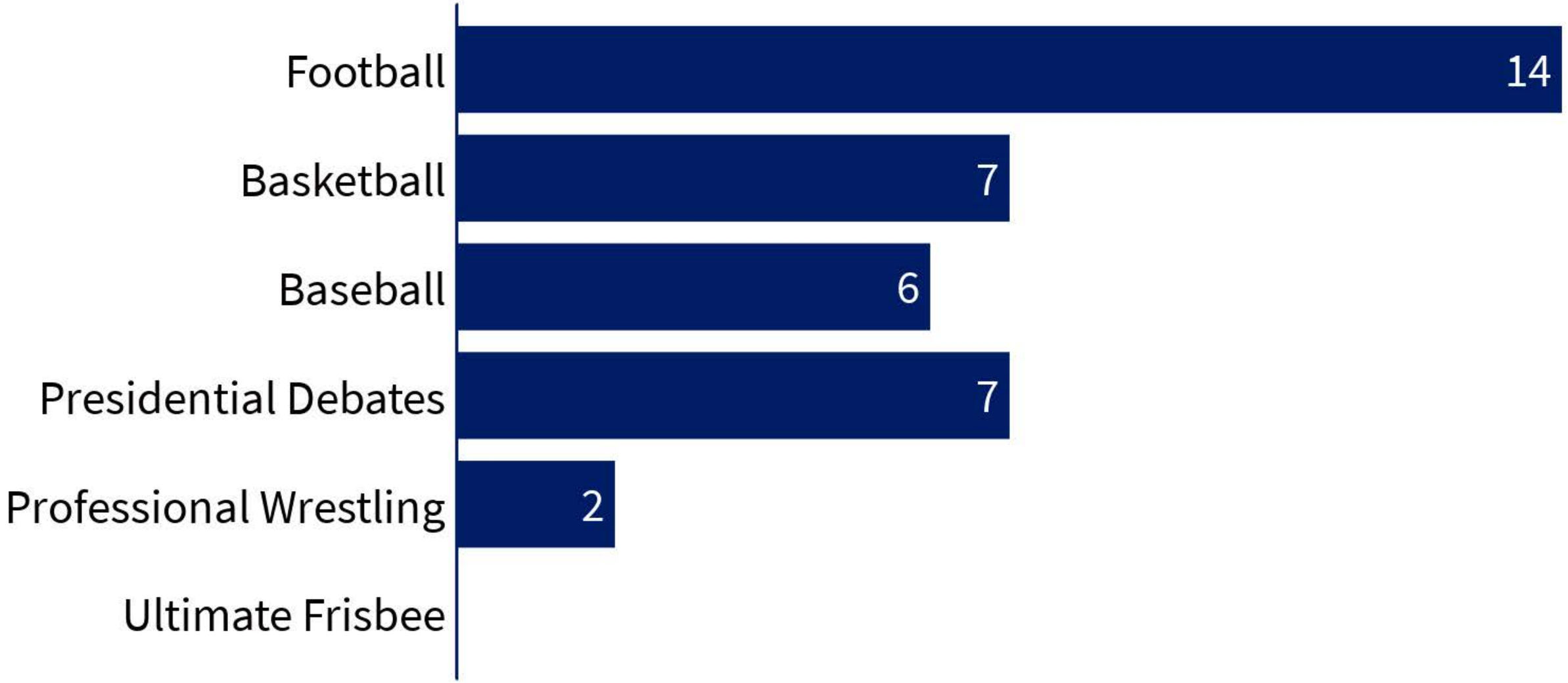
Practice question: What is your favorite spectator sport?

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?



When poll is active, respond at **PollEv.com/nj18**

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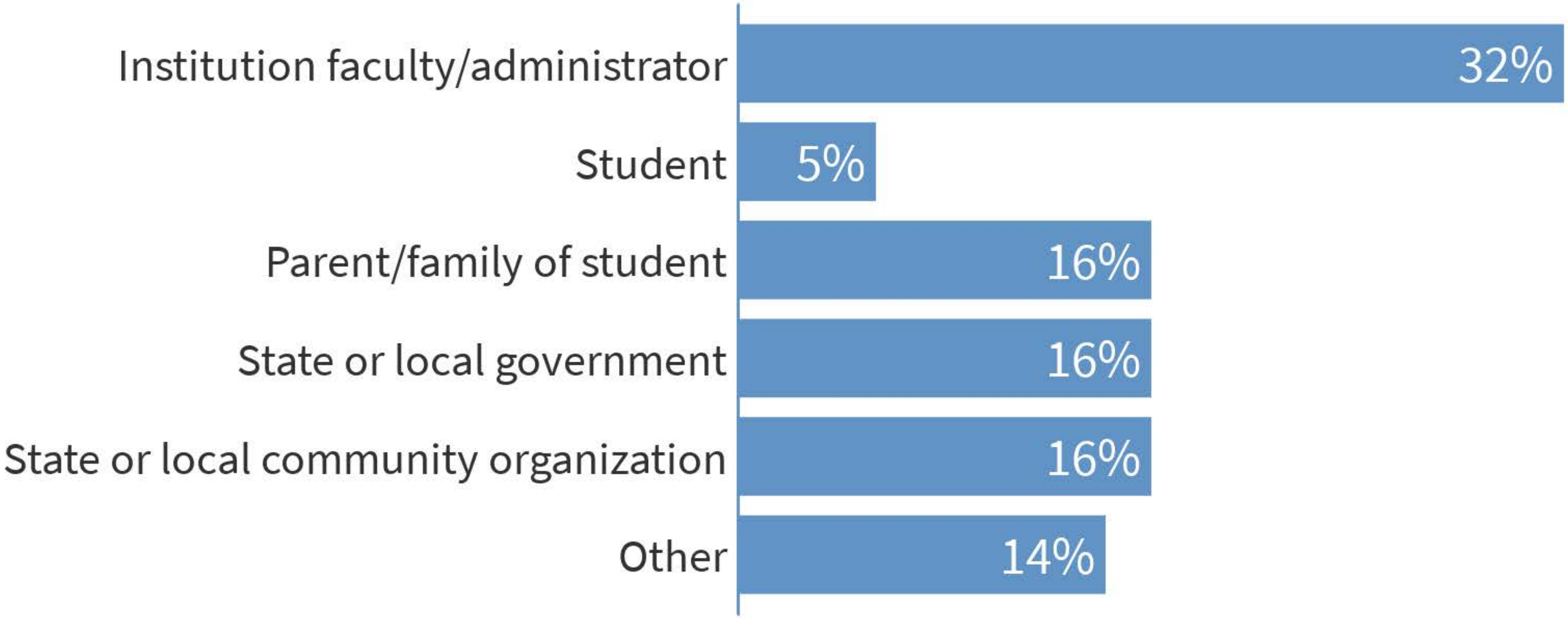
What is your role in Alaska postsecondary education?



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What are the biggest challenges facing postsecondary education in Alaska?

When poll is active, respond at **PollEv.com/nj18**

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What are the the greatest strengths of postsecondary education in Alaska?

When poll is active, respond at **PollEv.com/nj18**

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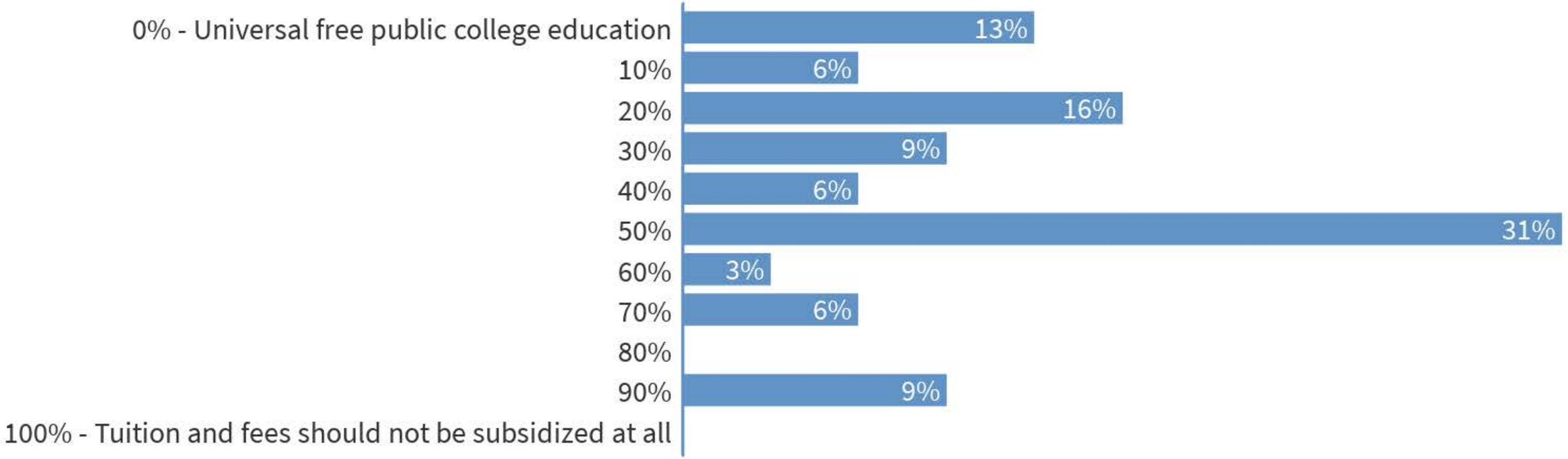
What is the maximum share of the cost of public postsecondary education should students and families be expected to pay, even if they can afford more?



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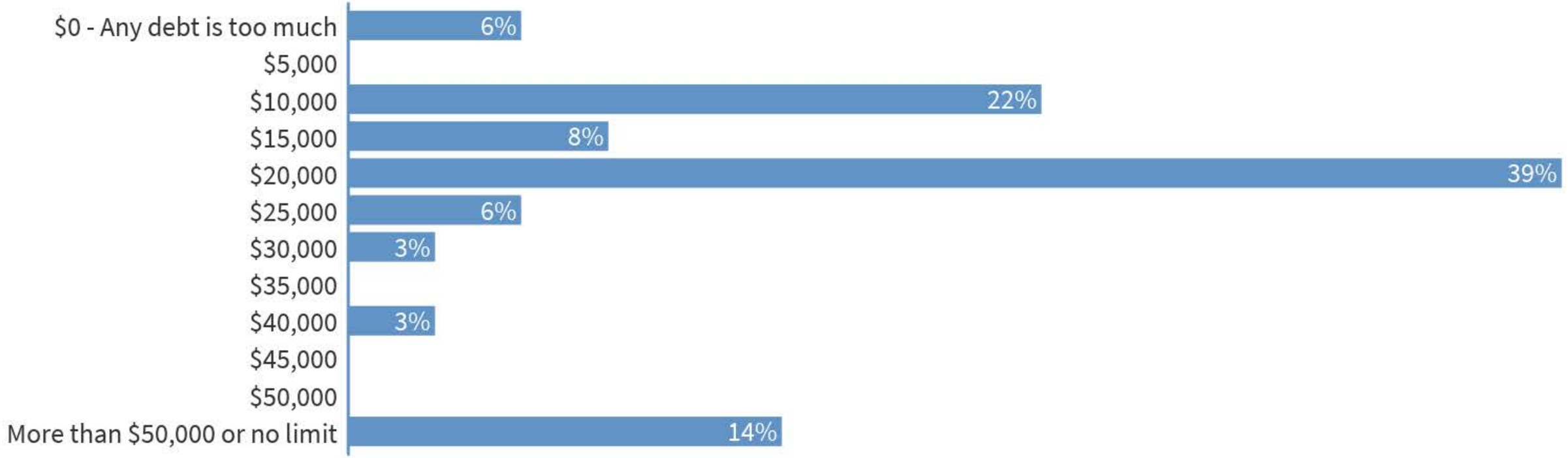
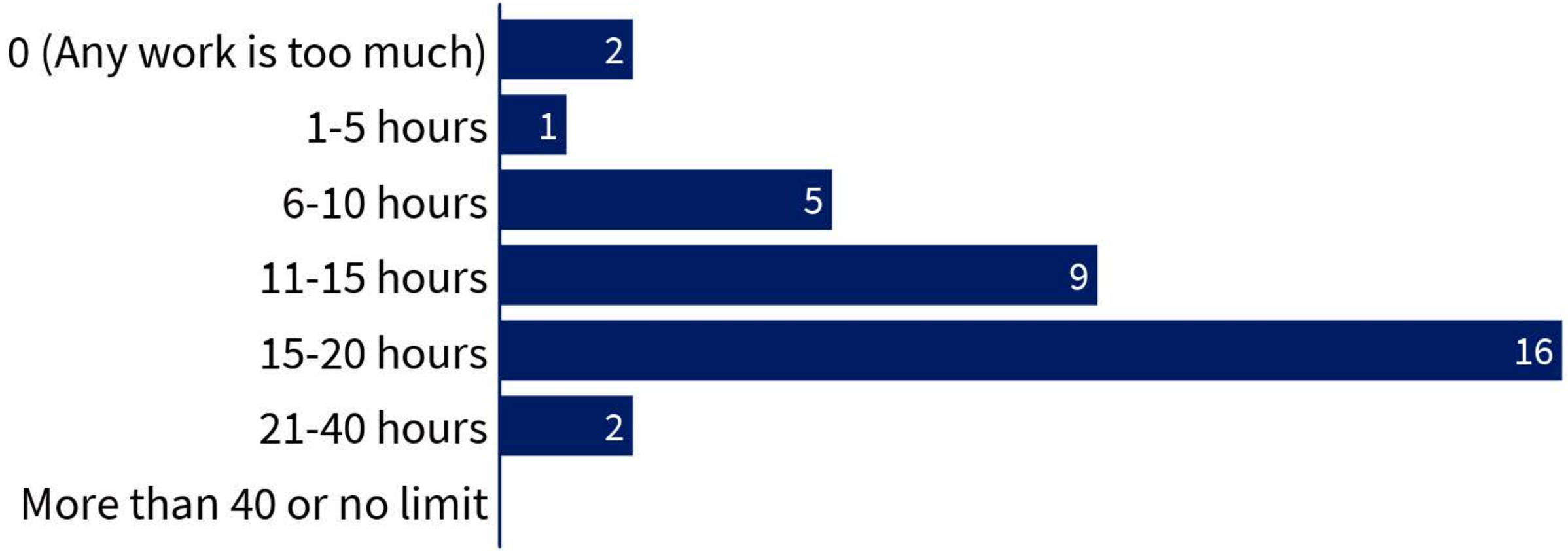
What is the maximum debt that a bachelor's graduate should be expected to take on (not including graduate school)?



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?



Respond at **PollEv.com/nj18**

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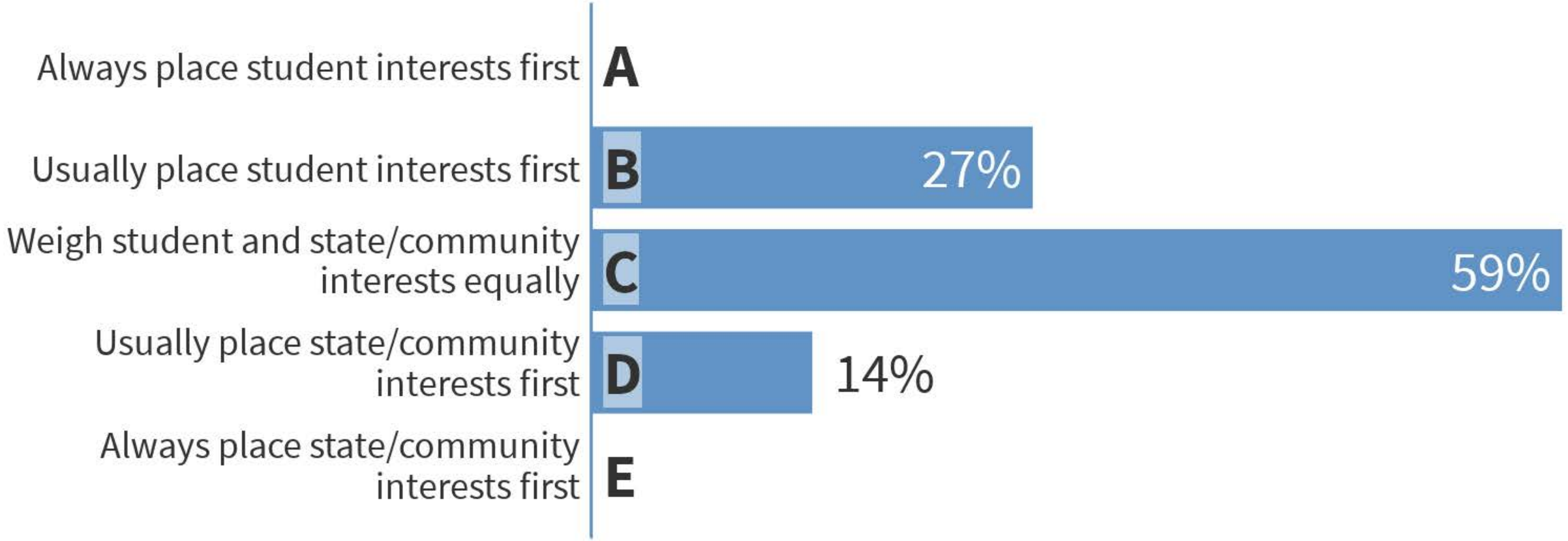
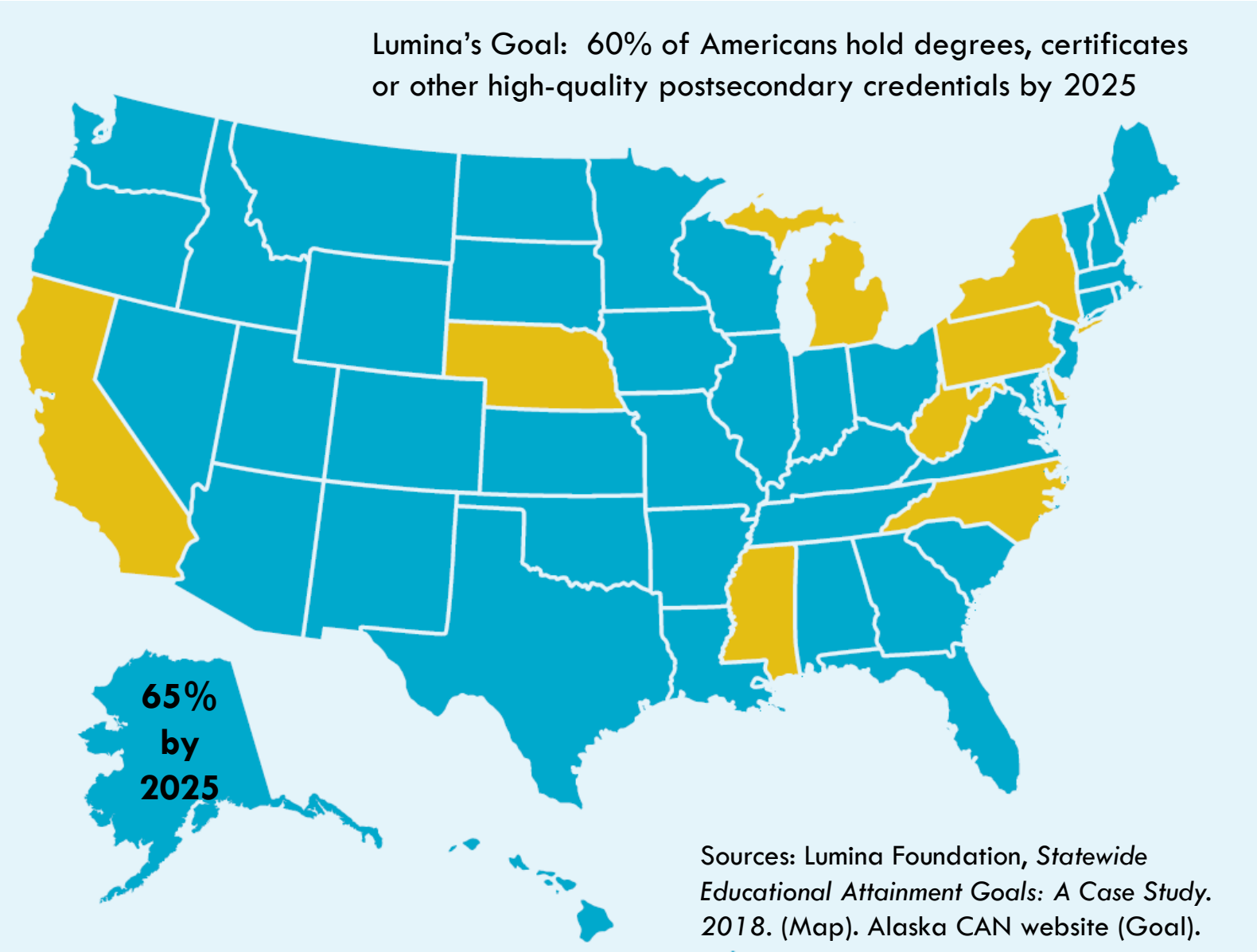
In making difficult choices, do you think public funders of postsecondary education should



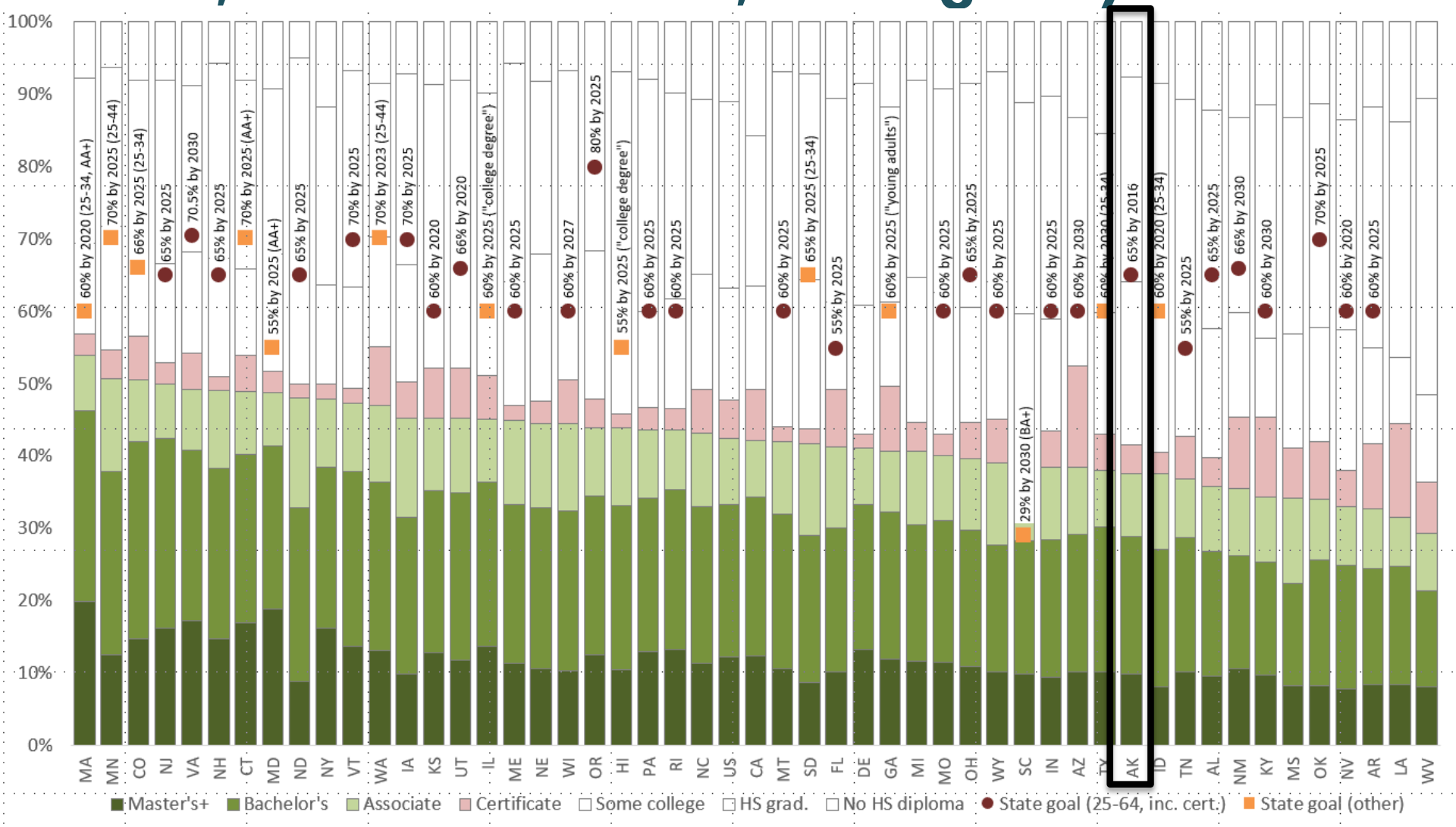
Aligning Funding and Goals

- Alaska and US Higher Education Goals
- Funding trends in US and Alaska

Alaska, Like Most States, Has Ambitious Attainment Goal



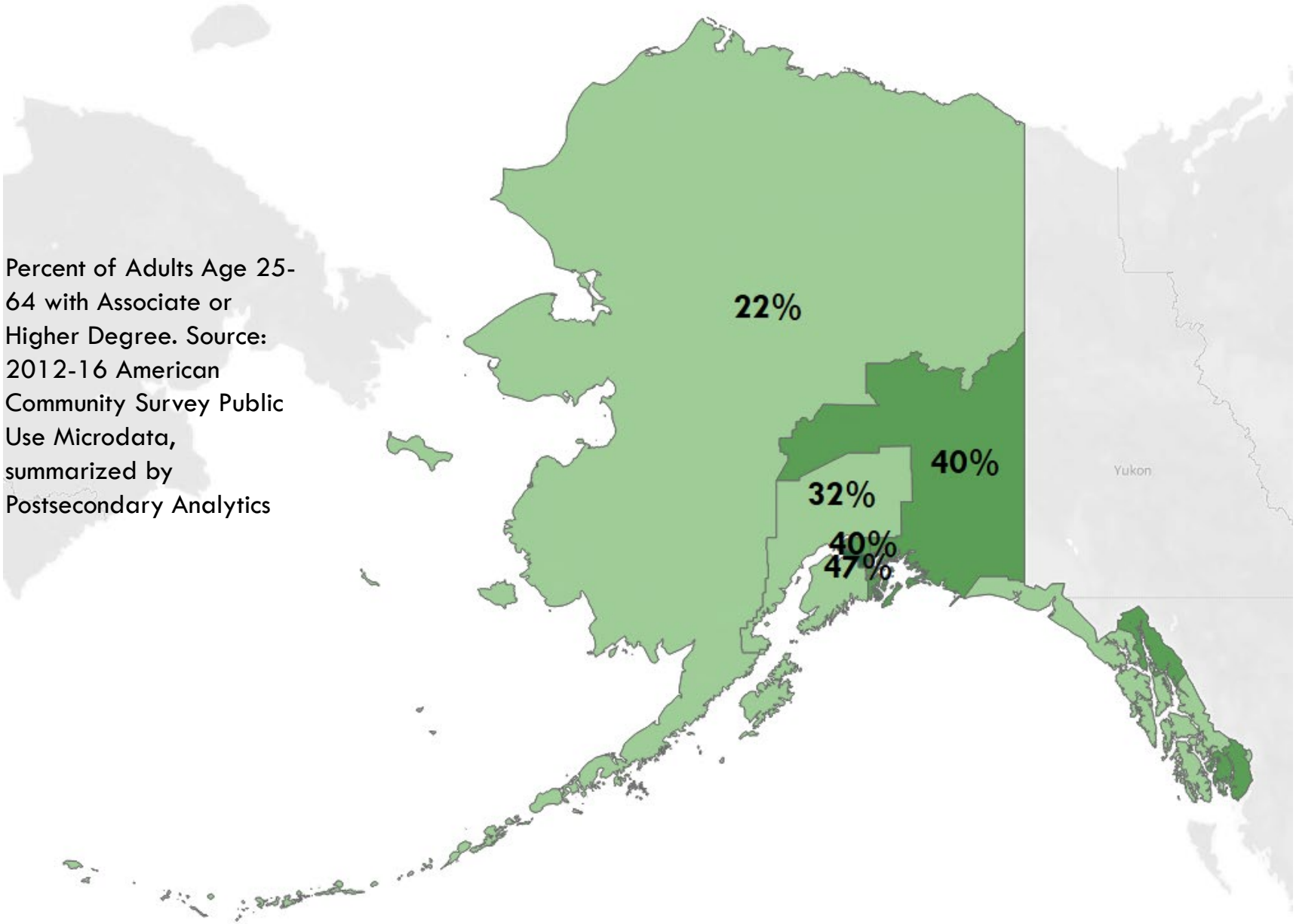
And, Like Most States, a Long Way to Go!



Source: Le, C., Pisacreta, E. D., Ward, J. D., & Margolis, J. (2019, June 12). *Setting a North Star: Motivations, Implications, and Approaches to State Postsecondary Attainment Goals*. https://doi.org/10.18665/sr.311539

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

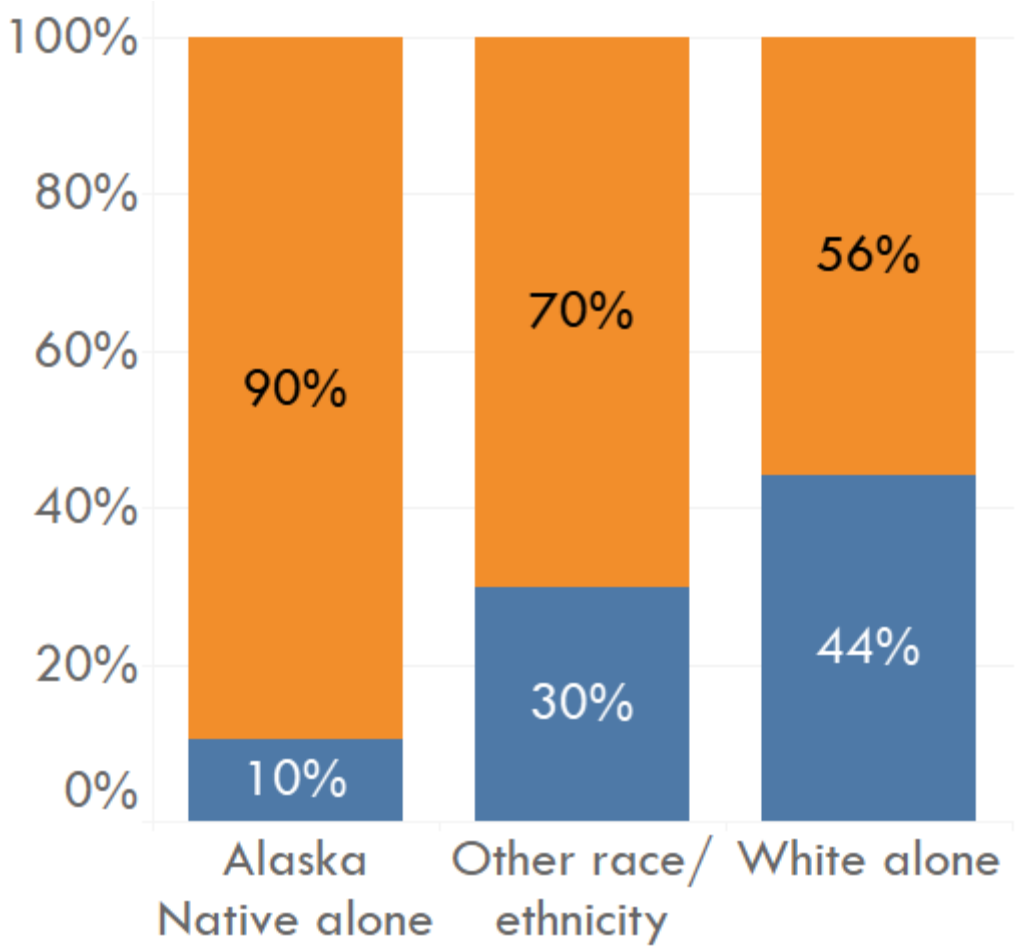


AK Attainment Varies Geographically

	No schooling completed	Less than high school diploma	Regular high school diploma	GED or alternative credential	Some college, but less than 1 year	1 or more years of college credit, no degree	Associate's degree	Bachelor's degree	Graduate degree
Anchorage Municipality (North)	1%	6%	19%	5%	7%	22%	9%	20%	11%
Anchorage Municipality (South)	1%	5%	17%	4%	7%	19%	8%	24%	15%
Greater Fairbanks, Greater Juneau, Ketchikan Gateway Borough & Road-Connected Alaska	0%	5%	18%	5%	8%	23%	8%	21%	11%
Matanuska-Susitna & Kenai Peninsula Boroughs	1%	6%	25%	7%	8%	22%	11%	14%	7%
Subsistence Alaska	0%	11%	34%	6%	7%	19%	6%	11%	5%
Grand Total	0%	6%	22%	5%	7%	21%	9%	18%	10%

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



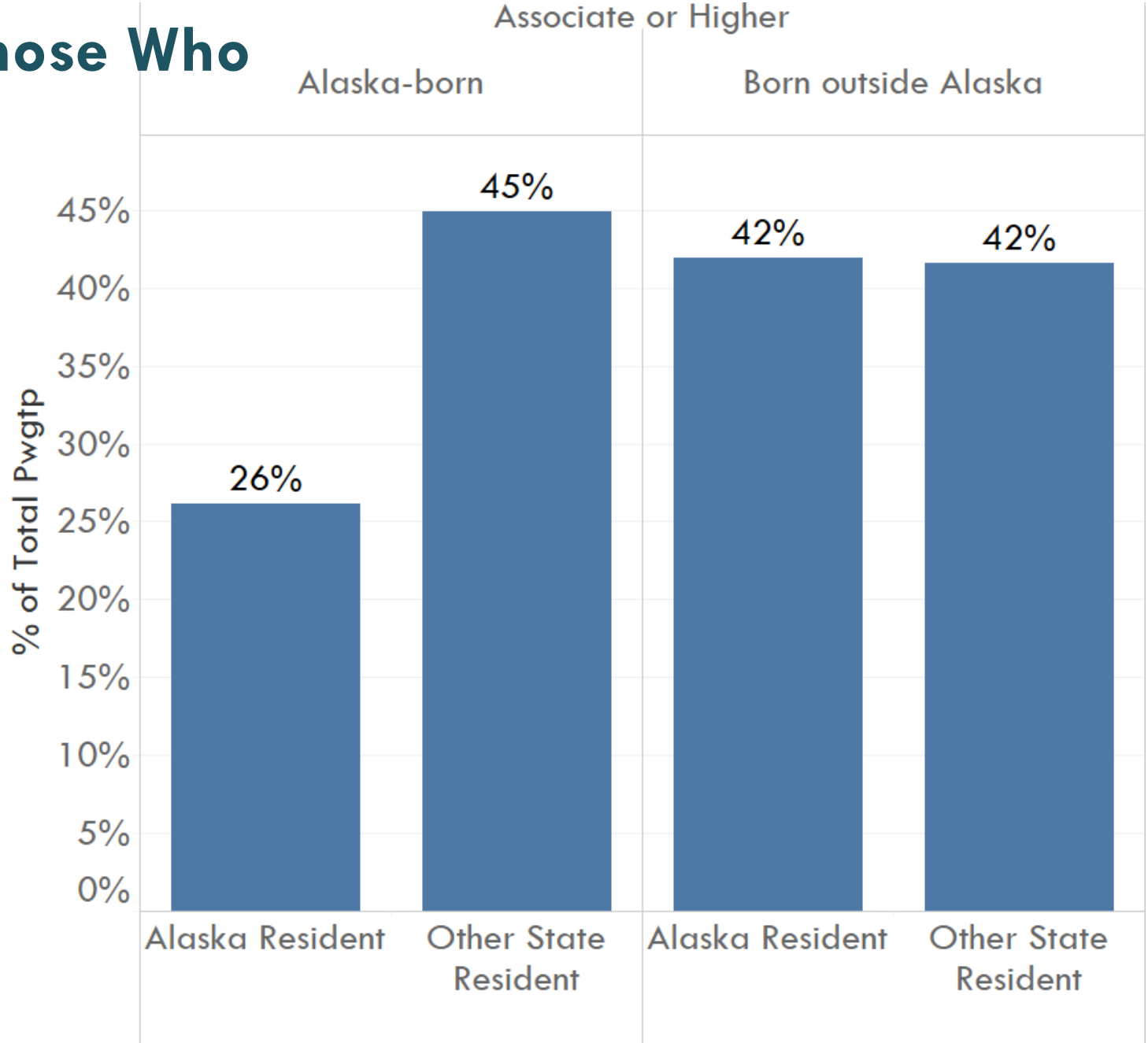
Attainment of Adults Age 25-64, 2012-16. Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics

AK Attainment Varies by Race/Ethnicity

	No schooling completed	Less than high school diploma	Regular high school diploma	GED or alternative credential	Some college, but less than 1 year	1 or more years of college credit, no degree	Associate's degree	Bachelor's degree	Graduate degree
Alaska Native alone	0%	15%	38%	9%	9%	18%	3%	6%	2%
Other race/ethnicity	1%	11%	24%	5%	7%	23%	9%	15%	6%
White alone	0%	4%	19%	5%	7%	21%	9%	22%	13%
Grand Total	0%	6%	22%	5%	7%	21%	9%	18%	10%

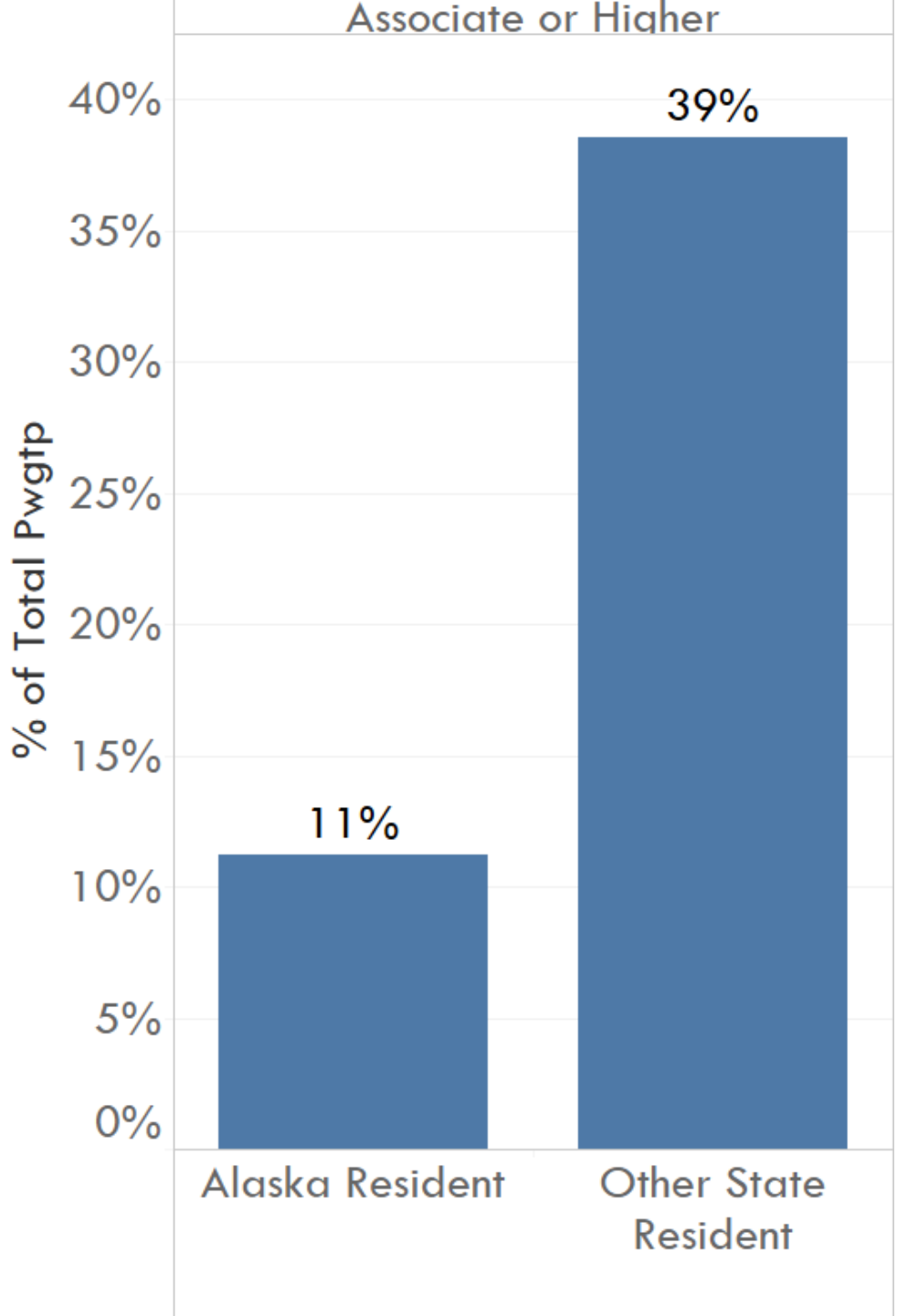
Attainment of Adults Age 25-64, 2012-16. Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics

Attainment Rates Lowest for those Who Stay in State



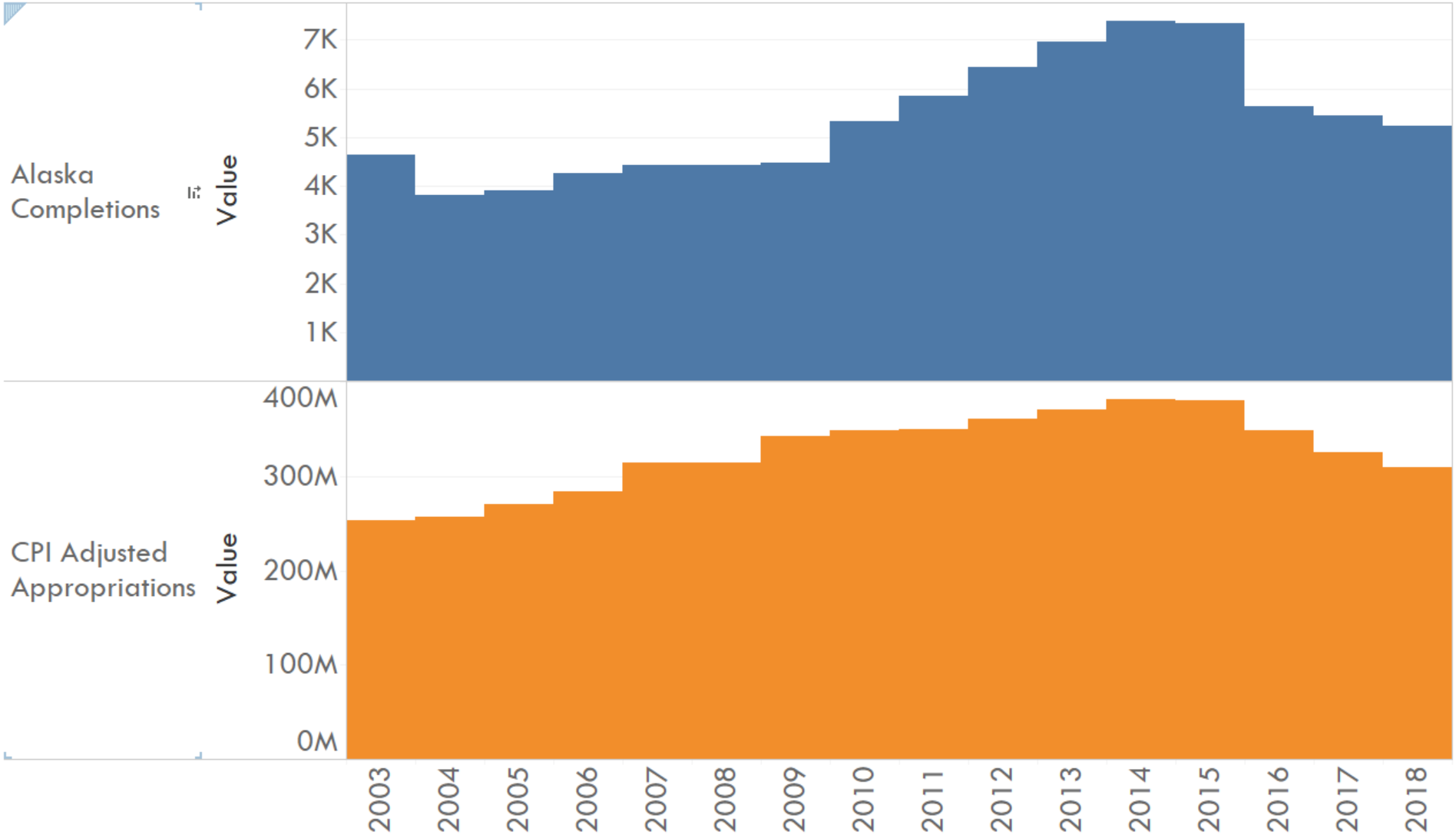
Percent of Adults Age 25-64 with Associate or Higher Degree. Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics

Especially Alaska Natives

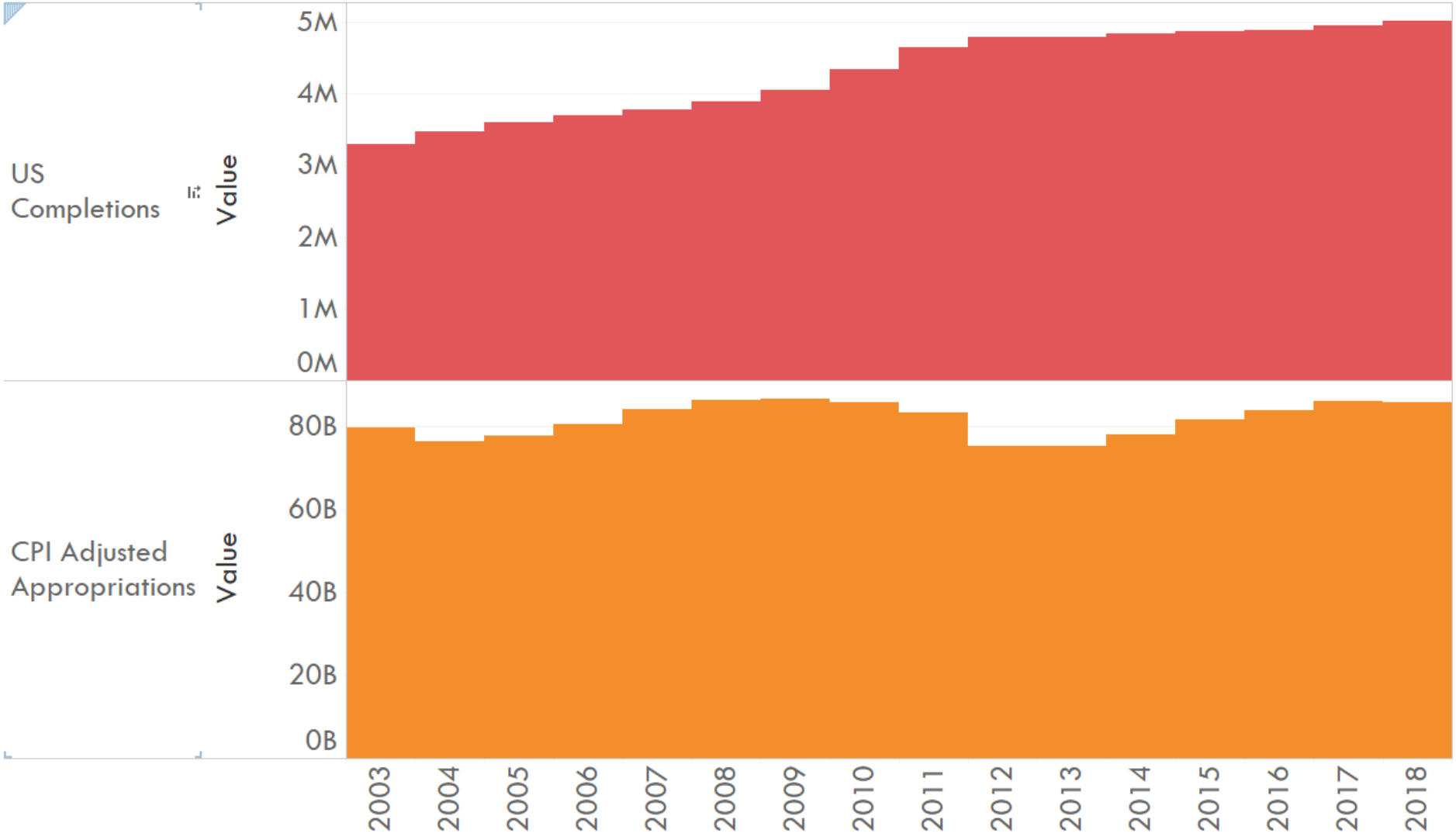


Percent of Alaska Natives Age 25-64 with Associate or Higher Degree.
Source: 2012-16 American Community Survey Public Use Microdata, summarized by Postsecondary Analytics

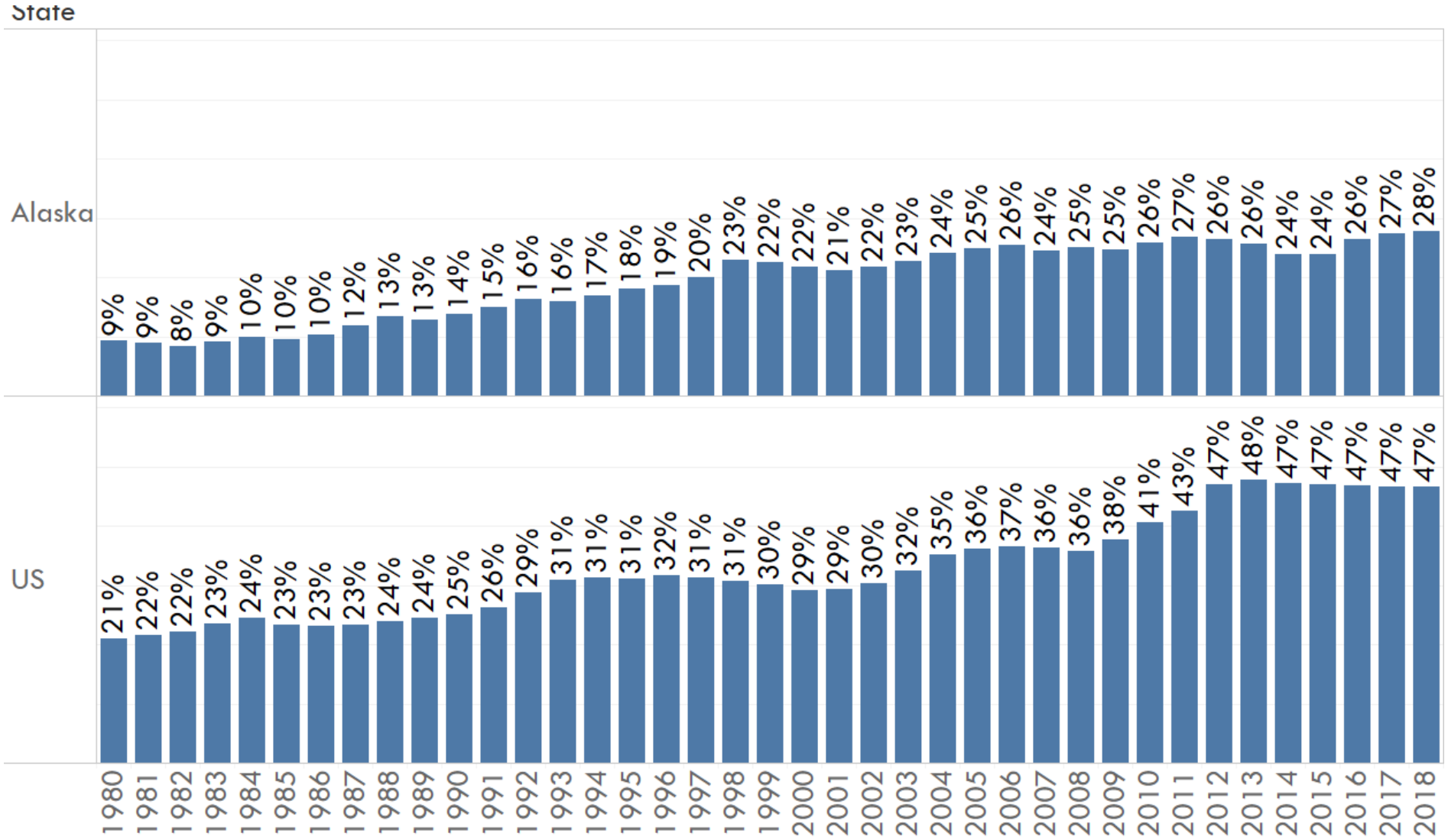
Appropriations and Completions Peaked Around 2015



National Trend Not Like Alaska's

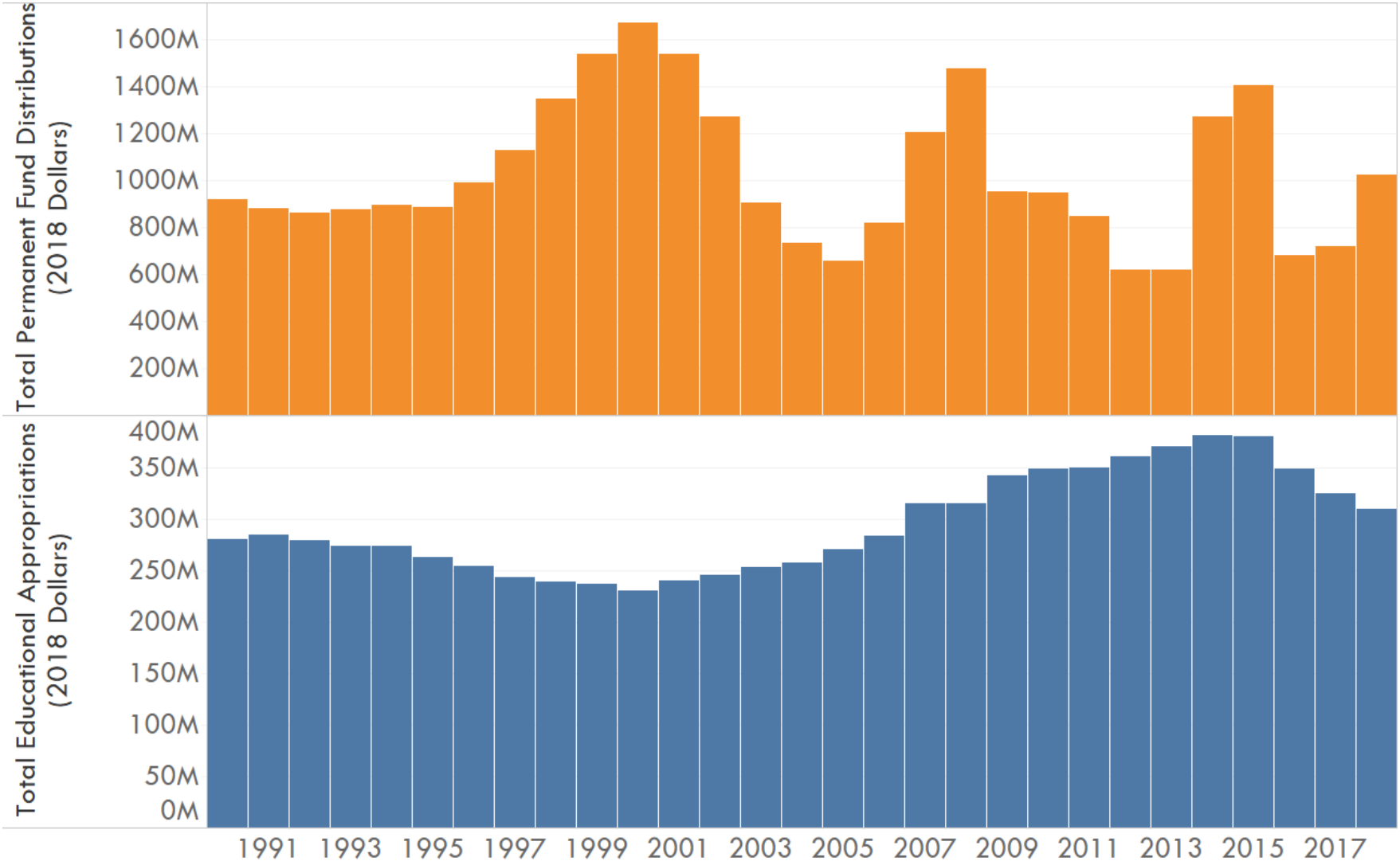


Tuition Accounts for Smaller Share of Revenue than in US



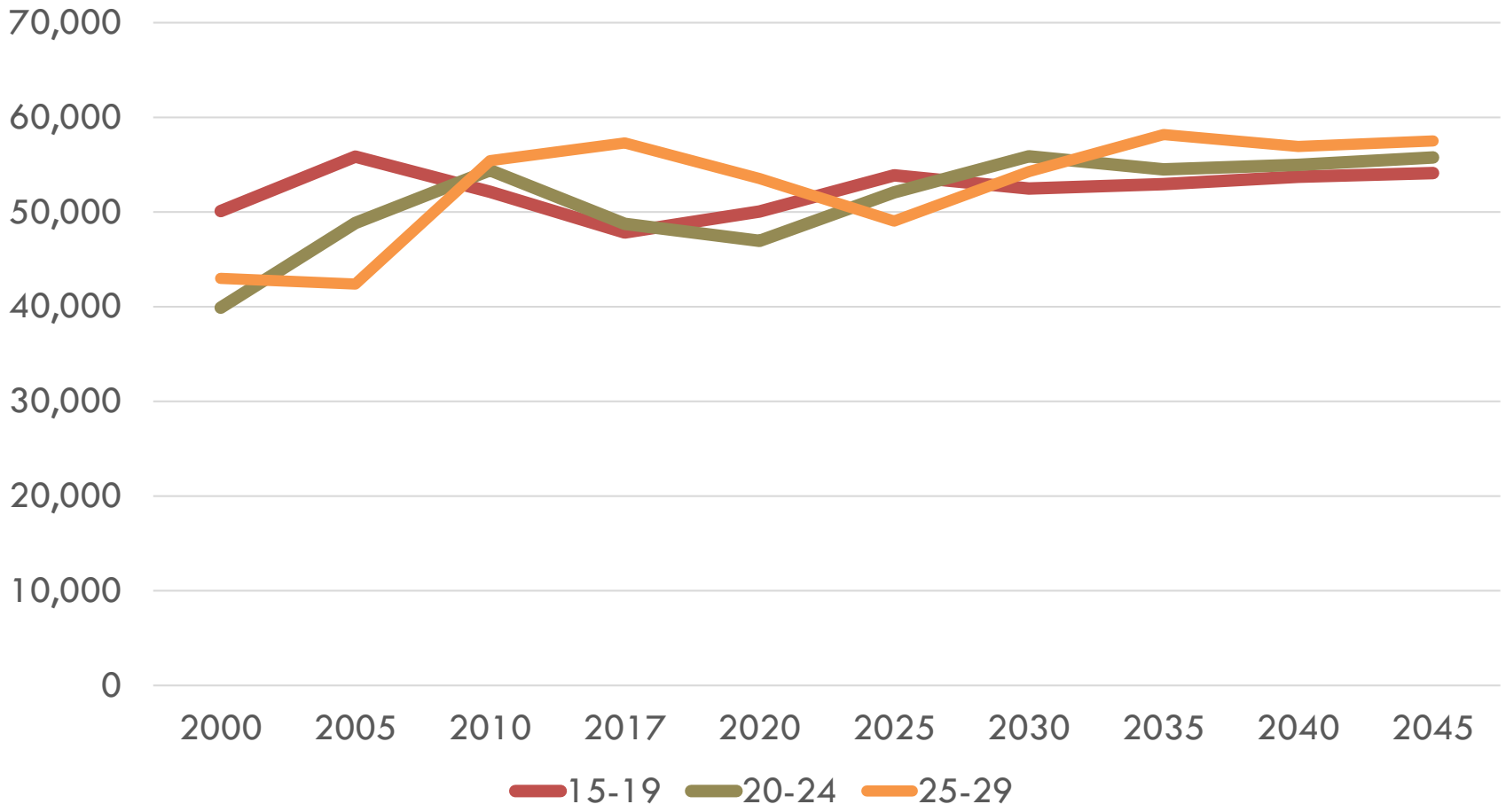
Net Tuition as Share of Total Educational Revenues. Source: 2019 State Higher Education Finance Survey, SHEEO

Permanent Fund and Postsecondary Education are Primary Discretionary Expenditures



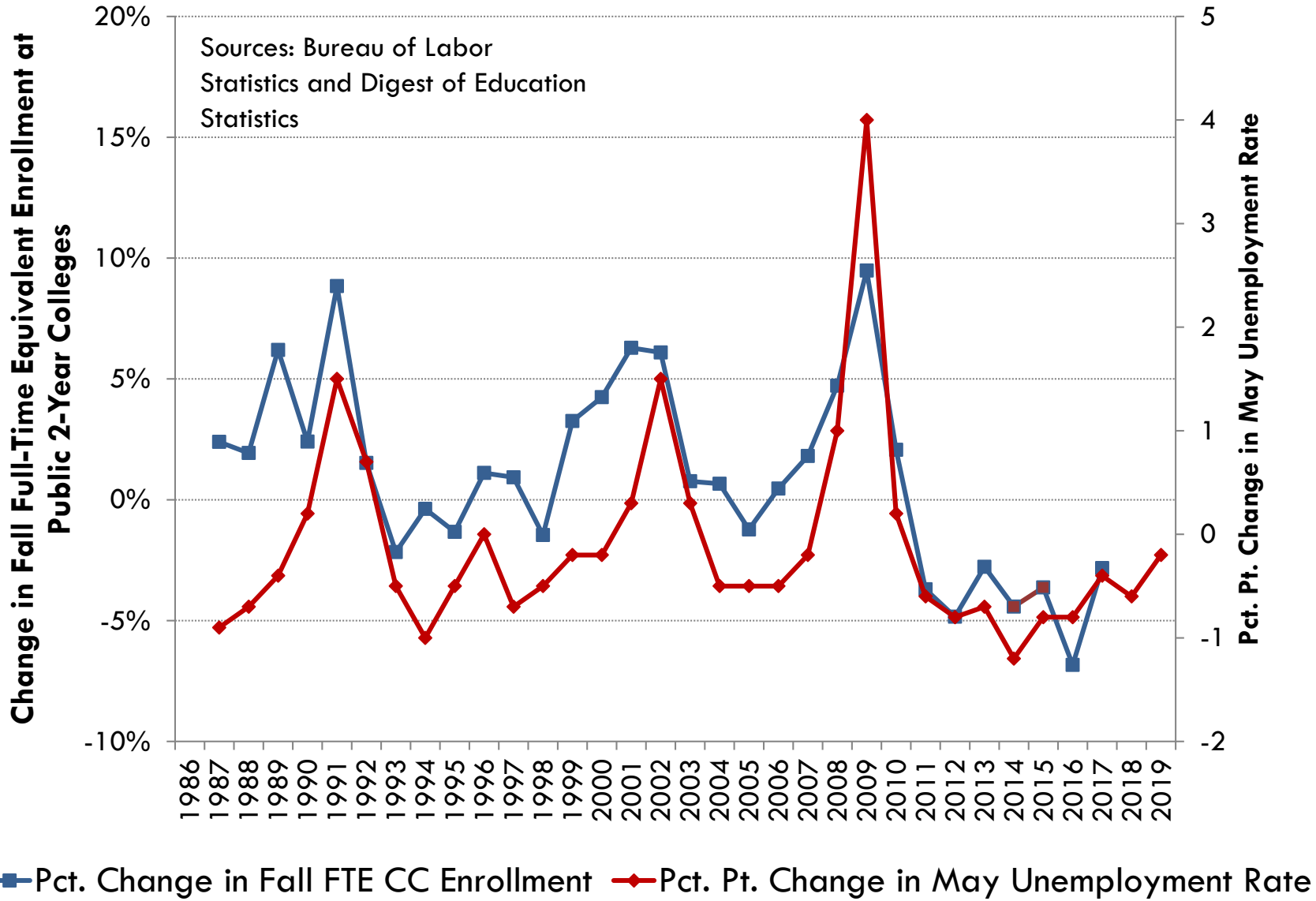
Sources: 2019 State Higher Education Finance Survey, SHEEO. Alaska Department of Revenue, Summary of Dividend Application and Payments, accessed November 2019.

Official Projections Include Modest Growth in Key Age Groups

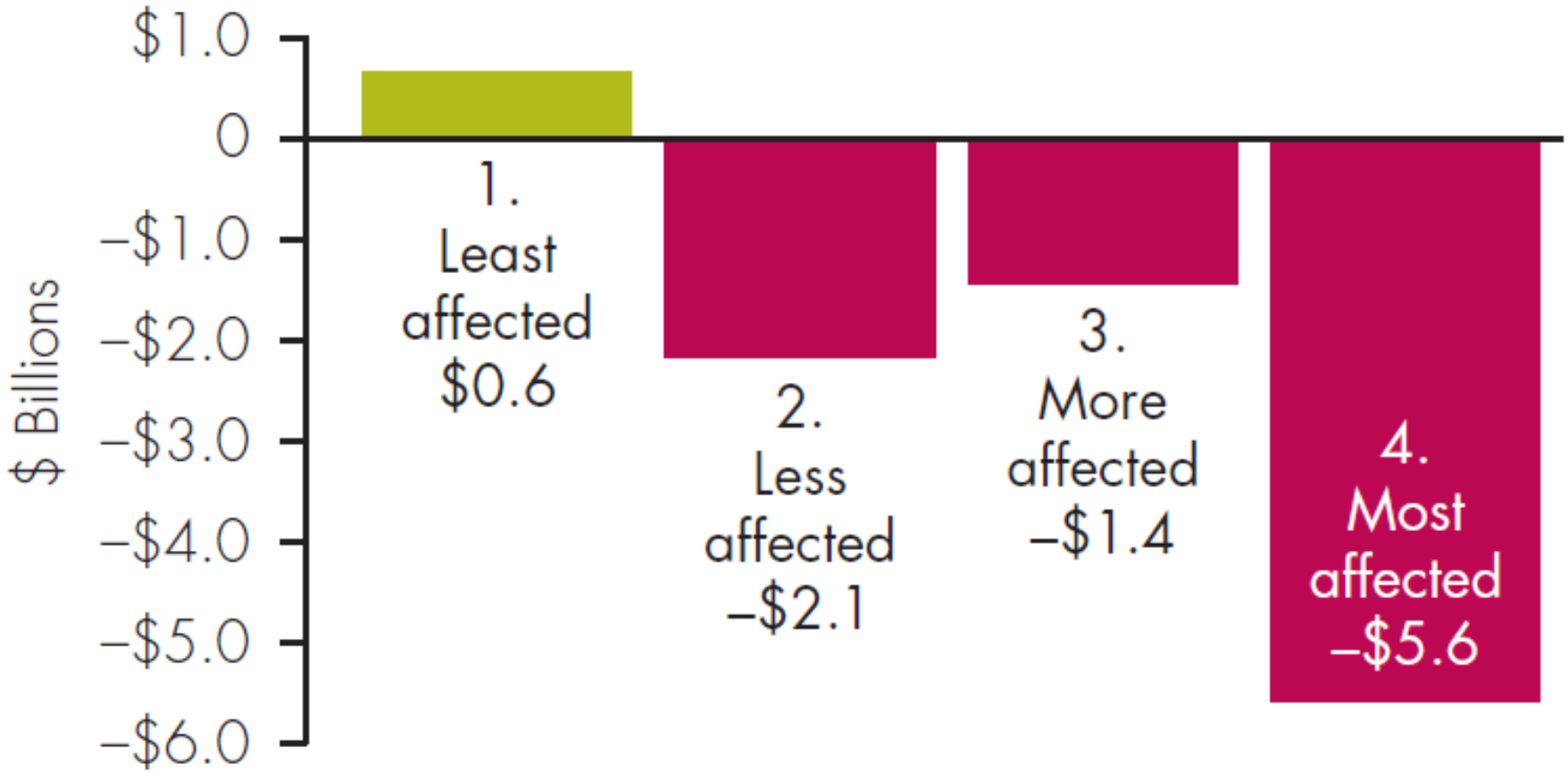


Sources: Alaska Department of Labor, Middle Series Population Projections 2017-2045, and Historical Population by Age and Sex 2000-2010.

Some Enrollment Patterns Correlate Closely with Economic Cycles

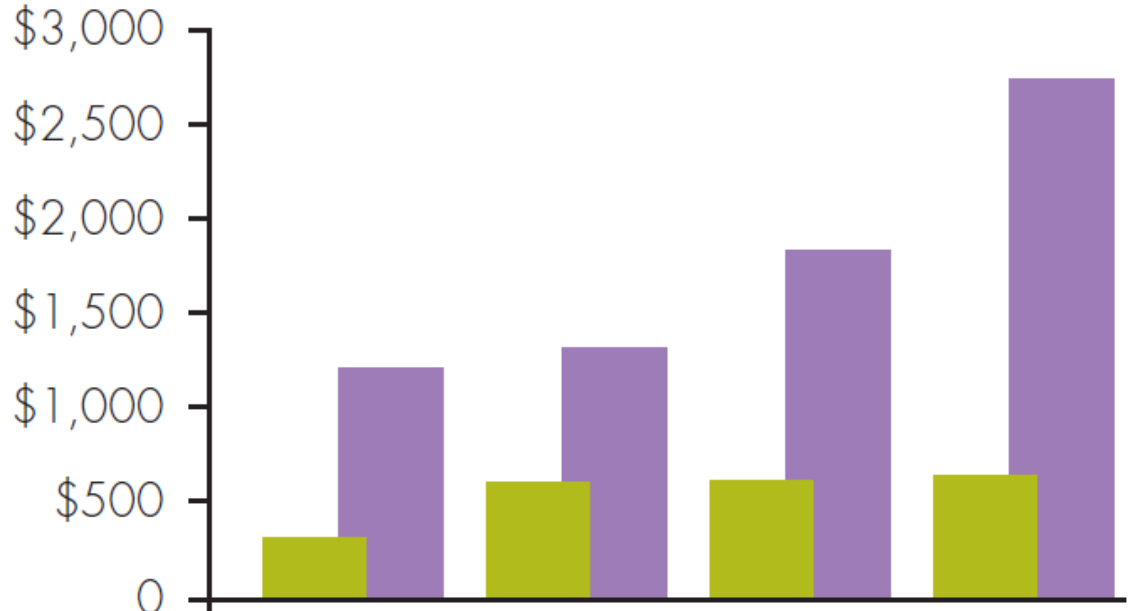


Change in state and local appropriations for higher education, 2007–2012



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



	1. Least affected	2. Less affected	3. More affected	4. Most affected
Two-Year Tuition Increase	$380	$620	$650	$680
Four-Year Tuition Increase	$1,200	$1,300	$1,800	$2,800

Source: Analysis of BLS Unemployment data and *Trends in College Pricing* 2013

Where Next?

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
  - Pell grants
  - SNAP benefits
  - Other federal programs for individuals and institutions
  - 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

Tuition over $3,500

Tuition under $3,500

Charitable gifts

Personal state sales/income tax

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?