



Policy Brief

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Capacity Not Currently a Problem at Four-Year Schools

BRIEFLY

The most recent Applications Match Study finds that nearly every qualified undergraduate applicant is able to gain admission to a public college, though perhaps not to his or her first choice.

Over the next decade, a growing college-age population will seek access to the state's higher-education system.

At the same time, the state will face increasing pressures to maintain the quality of our institutions by increasing faculty pay.

With its limited resources, the state must achieve the proper balance between expanding capacity and protecting quality.

Advocates of expansion have plucked a statistic from a recent Office of Financial Management study to support their contention that there is currently significant unmet demand for higher education in the state, and thus that increasing capacity should be the state's first priority.

A careful reading of the study, however, does not support their conclusion. Although a significant number of applicants are turned away from the state's most selective public universities, very few students are unable to find a spot if they are willing to forgo their first choice.

The study in question is the annual Applications Match Study. It links the applications records of Washington's public four-year institutions with the enrollment records of those schools, the community colleges and a number of the state's independent colleges and universities. With this linkage, it is possible to see whether an applicant who was denied entry to one institution found space at another.

The most recent study provides a thorough analysis of individuals who applied for the 1996-97 academic year, with follow-up through 1997-98. The study also provides an initial analysis of fall 1997 applications.

For the 1997 fall term, 37,117 residents applied for entry to at least one of Washington's public colleges and universities.

Of those, 66.4 percent (24,631) enrolled at one of the state's public or private four-year institutions, and 8.2 percent (3,054) at a community college.

Another 14.8 percent (5,488) were offered admission to a four-year school but chose not to enroll.

Of the remainder, 1,589 applications were not acted upon (because they were withdrawn or incomplete, for example) and 2,355 applications were denied. Of the denied applicants, 1,540 had acceptable grade-point averages or admission index scores. OFM could not determine the qualifications of 480 of the denied applicants. Thus OFM

TABLE 1

1996-97 Undergraduate Applicants Unserved through 1997-98

Application Type	Applied to							Total
	UW	WWU	EWU	TESC	CWU	WSU	Multiple	
							Schools	
Two-Year Transfer	142	48	0	9	9	15	5	228
Four-Year Transfer	80	33	1	5	2	5	3	129
Returning	24	3	0	0	0	0	0	27
High School Senior	75	48	2	6	4	8	7	150
Special or Unclassified	19	1	1	0	0	0	0	21
Total	340	133	4	20	15	28	15	555

Source: OFM

concludes that potentially 2,020 acceptable applicants were unserved in the fall of 1997. Of these, 916 were undergraduate applicants.

But it would be a mistake to interpret this number, derived from the preliminary analysis of fall 1997 data, as the shortfall in the capacity of our higher education system. The complete analysis of 1996-97 applications, which tracks reapplications and enrollments through 1997-98, shows that the unserved are almost all applying to graduates programs or to the state's most selective undergraduate programs.

In fall 1996, there were 1,961 potentially unserved applicants. Including the rest of the academic year raises the number to 2,313. By the end of the 1997-98 academic year, 613 had enrolled in a college in the state, another 24 had been admitted but had not yet enrolled, 105 had been rejected a second time, and 1,571 had not applied again.

Thus, after accounting for reapplication the number of unserved dropped from 2,313 to 1,676. And two thirds of these, 1,121, were applying to graduate school, mostly at the University of Washington.

Only 555 of the potentially unserved were undergraduate applicants. Only 15 of these applied to more than one of the four-year schools. Table 1 provides information on these applicants.

Most of the unserved applicants wanted to attend the University of Washington or Western Washington University, which are the most selective of the state's public four-year schools. As Table 2 indicates, freshmen entering UW and WWU have higher high-school GPAs than freshmen entering the state's other public four-year schools.

	UW	WWU	EWU	TESC	CWU	WSU
Average GPA	3.6	3.5	3.3	3.1	3.2	3.3
Percent below 2.5	0.3%	1.0%	5.3%	8.8%	4.7%	2.9%

Source: OFM

The fact that these two schools turn away qualified applicants is not a sign that there is a shortage of places overall. As Charles Clotfelter, an economist who has written extensively on higher education, observes "The market for places in college does not clear in the usual sense. Instead, equilibrium is characterized by substantial non-price rationing: excess demand for places is the *sine qua non* of selectivity in admissions."

As long as our less-selective institutions are not turning away large numbers of applicants, excess demand at UW and WWU is no indication that the state is failing to meet the demand for higher education. Surely most of the unserved applicants to UW and WWU have chosen out-of-state schools over the in-state alternatives.

To meet the unserved demand at UW and WWU would require lowering the schools' admission standards. By itself, funding additional student enrollments is not likely to solve the problem. Ultimately, the question is whether the state wants to maintain the selectivity of these schools.

The danger is that the focus on expanding access will absorb funds that would be better spent on increasing faculty compensation.

Average faculty salaries at the state's research universities have fallen significantly below those of peer institutions. The UW in particular reports that it is increasingly difficult to recruit and retain quality faculty.

To save money, the community colleges rely inordinately on low paid part-time faculty. The quality of education consequently suffers.

Additional resources for higher education would be better targeted at addressing these compensation shortfalls than at chasing phantom demand.

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