Key Trends in New England Higher Education
&
The Case for Public Investment

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About NEBHE

• Mission: Expand education opportunities and resources

• Key areas:
  
  • Cost savings & affordability
  
  • College readiness & success
  
  • Policy leadership on key issues related to education & economy
  
  • Strengthening higher education’s link to local and regional economic development
About NEBHE

• Regional Student Program “Tuition Break”
• College Ready New England
• Issue-oriented Conferences & Annual Excellence Awards
• Professional Development in STEM
• *The New England Journal of Higher Education*
• Policy & Research Reports, including “Trends & Indicators”
• Master Property Insurance Cost-saving Collaborative
New England at a Glance

- 260 non-profit postsecondary institutions
- Contributes an estimated $100 billion annually in overall impact
- Employs over 185,000 people
- 971,618 students enrolled Fall 2010
- Regional institutions grant almost 200,000 degrees annually
Critical Crossroads

- Prolonged global economic recession
- Continued decline of public support for higher education
- Increased demand and constrained capacity
- Clear national mandate to radically expand the number of citizens with postsecondary credentials
- Projected increase in demand for individuals with postsecondary credentials, suggesting that in New England, 64% of jobs will require some postsecondary education by 2018; of these jobs, 72% or 3.7 million jobs will require a postsecondary degree
Degree Completion in Context

New England states generally have higher-than-average degree attainment rates.

Degree attainment rates among young(er) adults, age 25-34, are also generally higher-than-average in New England (with the exception of Maine).

Even so, the 55% degree attainment goal will not be reached with current rates of degree attainment.

Source: SREB Fact Book, 2011
The emphasis on increasing college participation and completion rates...
What is the cost of college?

- Actual cost
  - (Institutional) Spending per FTE, per degree, etc.
  - (Student) Tuition share of education and related costs
  - (Public) State appropriations

### Educational Appropriations per FTE (Constant 2010 Dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY 2005</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>1 Year % Change</th>
<th>FY2010 Index to US Average</th>
<th>5 Year % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>$8,329</td>
<td>$8,430</td>
<td>$8,450</td>
<td>0.2%</td>
<td>1.31</td>
<td>1.4%</td>
</tr>
<tr>
<td>Maine</td>
<td>$6,628</td>
<td>$6,586</td>
<td>$6,215</td>
<td>-5.6%</td>
<td>0.96</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>$6,564</td>
<td>$6,530</td>
<td>$6,006</td>
<td>-8.0%</td>
<td>0.93</td>
<td>-8.5%</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>$3,317</td>
<td>$3,173</td>
<td>$2,884</td>
<td>-9.1%</td>
<td>0.45</td>
<td>-13.1%</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>$6,633</td>
<td>$4,818</td>
<td>$4,817</td>
<td>0.0%</td>
<td>0.75</td>
<td>-27.4%</td>
</tr>
<tr>
<td>Vermont</td>
<td>$3,035</td>
<td>$2,690</td>
<td>$2,754</td>
<td>2.4%</td>
<td>0.43</td>
<td>-9.3%</td>
</tr>
<tr>
<td>US</td>
<td>$6,662</td>
<td>$6,951</td>
<td>$6,451</td>
<td>-7.2%</td>
<td>0.43</td>
<td>-3.2%</td>
</tr>
</tbody>
</table>

Source: SHEEO FY 2010 SHEF report, March 2011
What is the cost of college?

• Actual cost
  – (Institutional) Spending per FTE, per degree, etc.
  – (Student) Tuition share of institutional spending
  – (Public) State appropriations

• Opportunity Cost for not investing in higher education
  – Return on Investment (ROI)
If Rhode Island produced an additional 100 Undergraduate Certificates, 100 Associate Degrees, and 100 Bachelor’s Degrees…

An additional $939,750 in total state revenues would be generated.

- $241,139 in State Income Tax Revenues
- $97,021 in Sales Tax Revenues
- $228,058 in Property Tax Revenues
- $308,974 in Medicaid Savings
- $64,558 in Corrections Savings

Source: National Center for Higher Education Management Systems (NCHEMS) and CLASP analysis
State Returns (by Category) If Each State Produced an Additional 100 Undergraduate Certificates, 100 Associate Degrees, and 100 Bachelor’s Degrees

Source: National Center for Higher Education Management Systems (NCHEMS) and CLASP analysis
The Personal and State Returns If Each State Produced an Additional 100 Undergraduate Certificates, 100 Associate Degrees, and 100 Bachelor’s Degrees

Source: National Center for Higher Education Management Systems (NCHEMS) and CLASP analysis
How can states increase their college completion rates?
Strategies for Increasing Productivity

• Strategic Finance
  – Performance Based Funding
  – Purchasing Agreements

• Lower costs for students
  – Tuition-setting

• Academic preparation and readiness
  – Reducing remediation rates and increasing college readiness
Graduation and Transfer Rates by State and Type of Institution, 2009

<table>
<thead>
<tr>
<th></th>
<th>% Graduating</th>
<th>% Transferring to Other Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Two-Year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connecticut</td>
<td>10%</td>
<td>21%</td>
</tr>
<tr>
<td>Maine</td>
<td>25</td>
<td>15</td>
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<tr>
<td>Massachusetts</td>
<td>17</td>
<td>17</td>
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<tr>
<td>New Hampshire</td>
<td>25</td>
<td>NA</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>Vermont</td>
<td>12</td>
<td>NA</td>
</tr>
<tr>
<td>New England</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Public Four-Year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connecticut</td>
<td>47%</td>
<td>10%</td>
</tr>
<tr>
<td>Maine</td>
<td>40</td>
<td>23</td>
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<tr>
<td>Massachusetts</td>
<td>50</td>
<td>NA</td>
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<tr>
<td>New Hampshire</td>
<td>56</td>
<td>NA</td>
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<tr>
<td>Rhode Island</td>
<td>45</td>
<td>NA</td>
</tr>
<tr>
<td>Vermont</td>
<td>43</td>
<td>NA</td>
</tr>
<tr>
<td>New England</td>
<td>48%</td>
<td>NA</td>
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<tr>
<td><strong>Public Land Grant</strong></td>
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</tr>
<tr>
<td>Connecticut</td>
<td>78%</td>
<td>16%</td>
</tr>
<tr>
<td>Maine</td>
<td>58</td>
<td>7</td>
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<tr>
<td>Massachusetts</td>
<td>65</td>
<td>NA</td>
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<tr>
<td>New Hampshire</td>
<td>72</td>
<td>NA</td>
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<tr>
<td>Rhode Island</td>
<td>60</td>
<td>NA</td>
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<tr>
<td>Vermont</td>
<td>73</td>
<td>NA</td>
</tr>
<tr>
<td>New England</td>
<td>68%</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: NEBHE Trends & Indicators, 2011
Resources on Performance Based Funding

- *Performance Funding: From Idea to Action* on key design principles in putting in place performance funding policies (NCHEMS)

- *Catalyst for Completion: Performance-Based Funding in Higher Education* case study of three states (NEBHE)
Other State Initiatives on Cost Savings

• RI Special House Commission to Study Public Higher Education Affordability and Accessibility in Rhode Island

• MA Commissioner’s Task Force on Collaboration and Efficiency

• ME Employee Health Plan Task Force, University of Maine System

• Prioritizing registration for certain students at CA community colleges
Initiatives on Affordability

• Setting a “rational tuition policy” at SUNY

• Public-private partnerships for state grant aid in Washington state

• Vouchers in Colorado

• Models for dispensing financial aid (MDRC’s Opening Doors Study)