

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

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February 2012



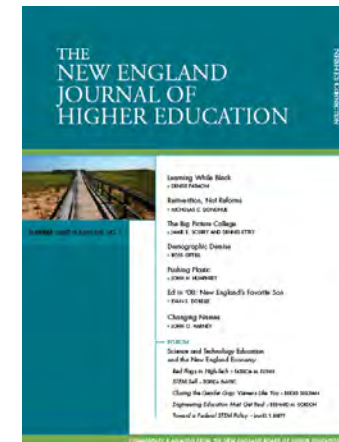
About NEBHE

- 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

NEBHE
Policy &
Research

- 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

Educational Attainment of Adults 25 to 64

	Percent With Associate's or Higher Degree	
	2005	2009
Connecticut	46.0%	46.4%
Maine	37.2%	38.6%
Massachusetts	48.7%	50.2%
New Hampshire	44.0%	44.6%
Rhode Island	41.3%	42.6%
Vermont	43.7%	44.2%
US	37.4%	38.1%

- 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

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

What is the cost of college?

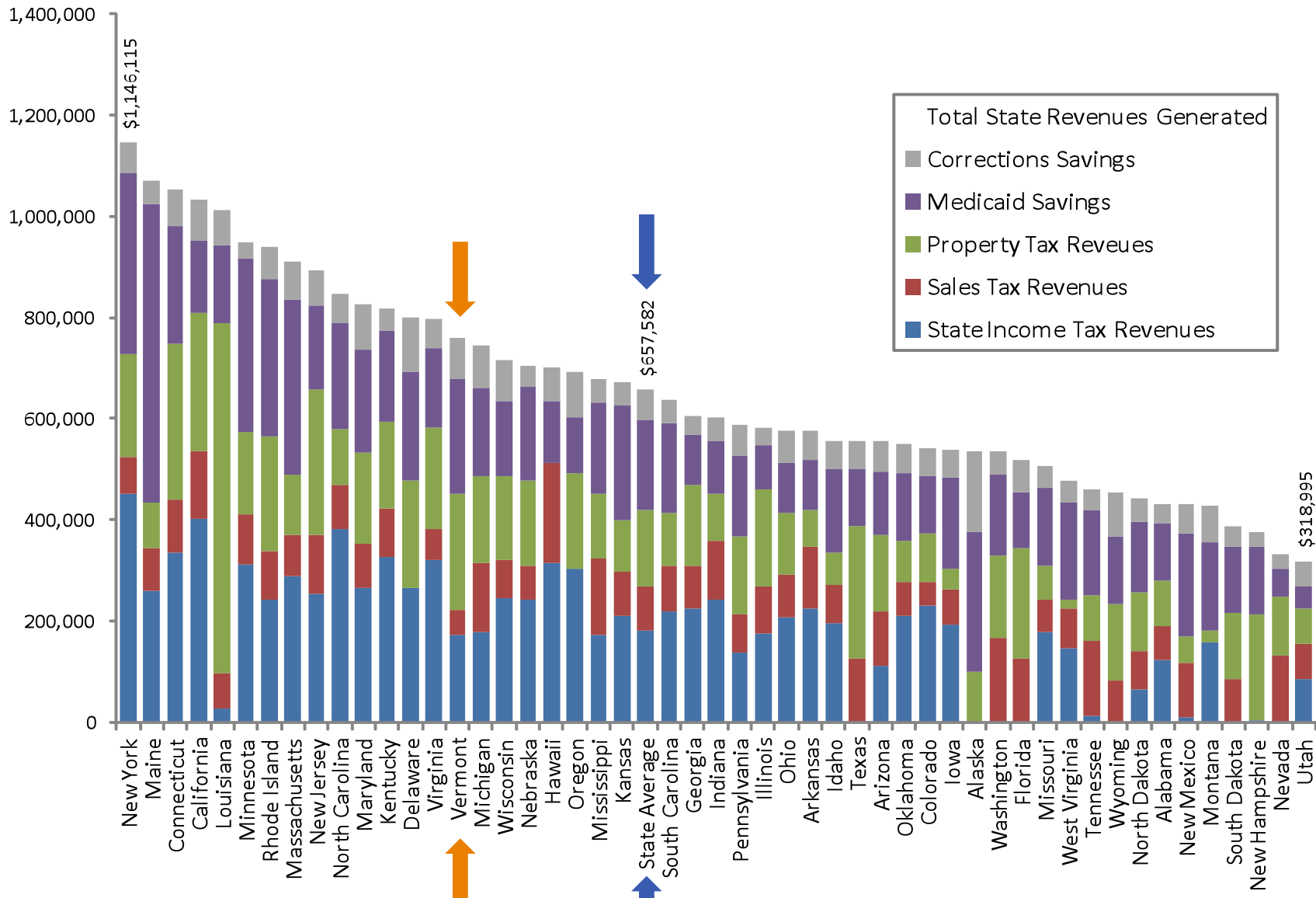
- Actual cost
 - (Institutional) Spending per FTE, per degree, etc.
 - (Student) Tuition share of institutional spending
 - (Public) State appropriations
- **Opportunity Cost for not investing in higher education**
 - **Return on Investment (ROI)**

If Vermont produced an additional 100 Undergraduate Certificates, 100 Associate Degrees, and 100 Bachelor's Degrees...

An additional \$758,653 in total state revenues would be generated.

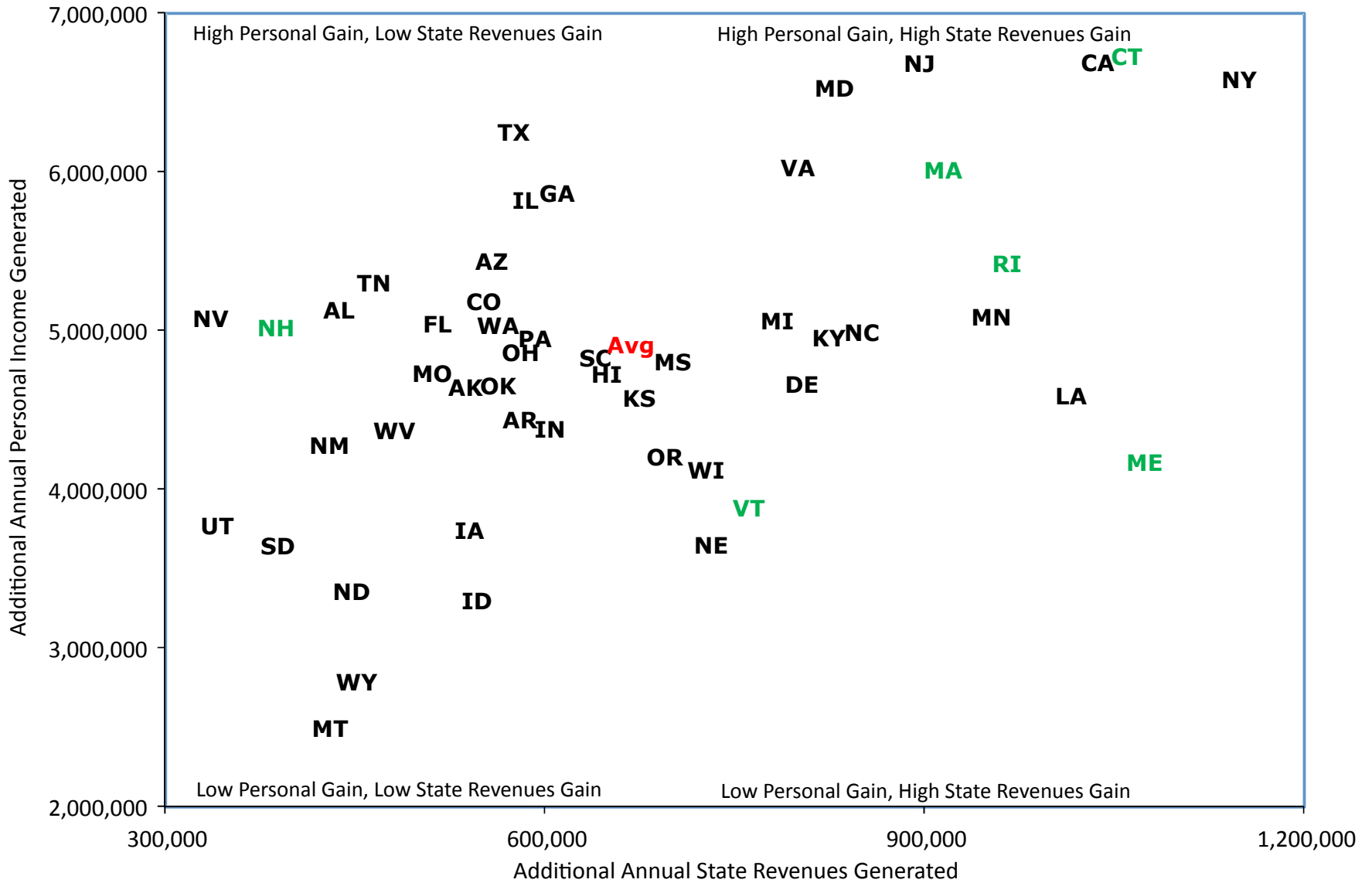
- \$174,005 in State Income Tax Revenues
- \$48,237 in Sales Tax Revenues
- \$228,077 in Property Tax Revenues
- \$226,750 in Medicaid Savings
- \$81,584 in Corrections Savings

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

Additional Slides



Graduation and Transfer Rates by State and Type of Institution, 2009

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

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
- Setting a “rational tuition policy” at SUNY

Trends in VT College Spending

	Education and Related Spending per FTE, 2009							
	Public Research		Public Masters		Public Bachelor's		Community Colleges	
	2009	% Change since 2004	2009	% Change since 2004	2009	% Change since 2004	2009	% Change since 2004
US	\$15,919	12%	\$12,363	9%	\$13,235	8%	\$10,242	7%
Vermont	\$22,192	10%	\$11,042	-16%	\$13,798	-11%	\$7,895	-12%

	Education and Related Spending per completion, 2009							
	Public Research		Public Masters		Public Bachelor's		Community Colleges	
	2009	% Change since 2004	2009	% Change since 2004	2009	% Change since 2004	2009	% Change since 2004
US	\$64,179	8%	\$54,167	4%	\$68,393	2%	\$46,759	-2%
Vermont	\$94,255	9%	\$47,883	-25%	\$53,847	-19%	\$40,799	-14%

	Net Tuition Share of Education and Related Costs, 2009			
	Public Research	Public Masters	Public Bachelor's	Community Colleges
US	52%	49%	44%	32%
Vermont	80%	104%	89%	94%

Projected Opportunities by Degree

Percentage distribution of education requirements among all job openings by 2018

	High School Graduate	Some College, No Degree	Associate's Degree	Bachelor's Degree	Master's Degree or Higher	Total Postsecondary Education
Connecticut	26%	16%	11%	26%	15%	67%
Maine	31%	19%	11%	23%	9%	62%
Massachusetts	23%	16%	10%	28%	16%	70%
New Hampshire	26%	19%	11%	26%	11%	67%
Rhode Island	25%	19%	11%	25%	11%	66%
Vermont	28%	19%	10%	25%	12%	66%
US	27%	17%	12%	24%	10%	63%