

Critical Crossroads: Higher Education in New England

A Presentation to Rhode Island Legislators
by
The New England Board of Higher Education

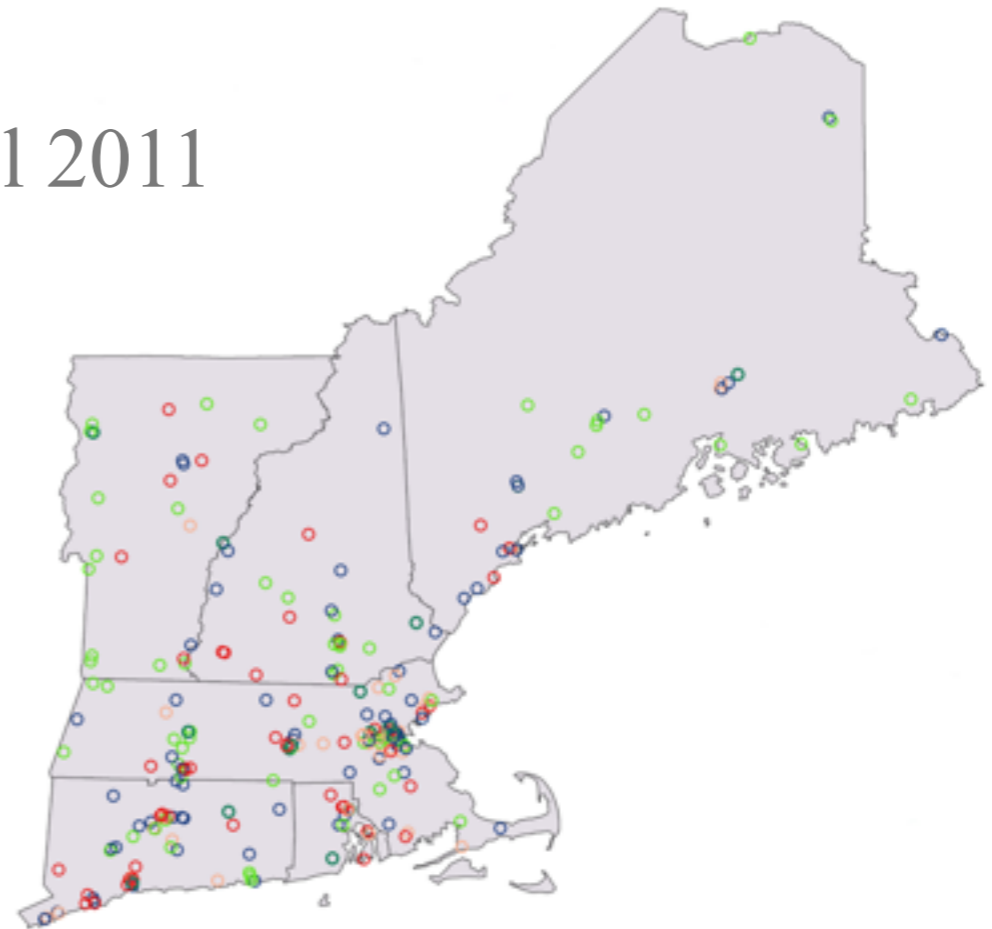
February 26, 2013



New England at a Glance

New England is home to 260 non-profit postsecondary institutions...

- Contribute an estimated \$100 billion annually in overall impact (Source: Unpublished NEASC estimates for AY2009-10)
- Employ over 200,000 people—almost 230,000 when including medical staff as of Fall 2011
- Enrolled almost 970,000 students in Fall 2011
- Grant over 200,000 degrees annually



Source: IPEDS, unless indicated otherwise 2

About NEBHE

- Interstate agency, chartered by New England Governors in 1955
- Mission: Expand educational 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”
- Issue-oriented Conferences & Annual Excellence Awards
- Professional & Curriculum Development in STEM fields
- *The New England Journal of Higher Education* (formerly *Connection*)
- Policy & Research Reports, including “Trends & Indicators”
- Master Property Insurance Cost-saving Collaborative



Critical Crossroads

- Difficult recovery from 2008 recession
- Continued decline of public support for higher education
- Pressure on all institutional revenue streams has led Moody's to downgrade its outlook for U.S. higher education to *negative*
- Clear national mandate to radically expand the number of citizens with postsecondary credentials

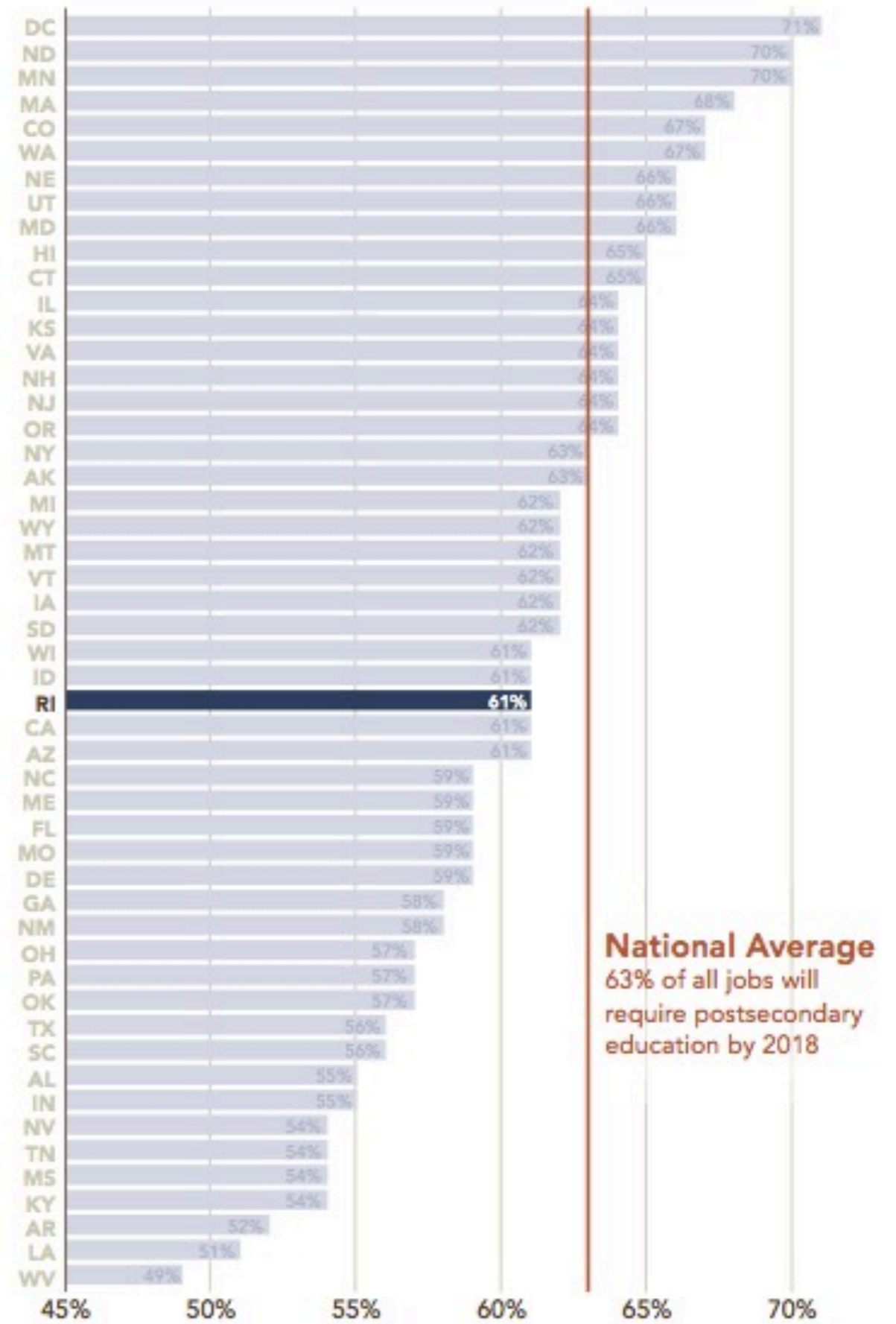
“The role of higher education (public in particular) in the state and national economy must be explained and documented better...However, higher education must also transform [itself,] drive down the cost of providing quality education (and contribute to stable prices, or at least a lower rate of increases in price), and embrace adoption of metrics that demonstrate the value added by our institutions.”

-NEBHE Fall 2012 Policy Issue Survey



Percentage of Jobs in 2018 Requiring Some Postsecondary Education, by state

RI's labor market in 2018 will require more degree holders than other states.



Source: Georgetown Center for Education and the Workforce, Projections of Jobs and Education Requirements Through 2018, June 2010

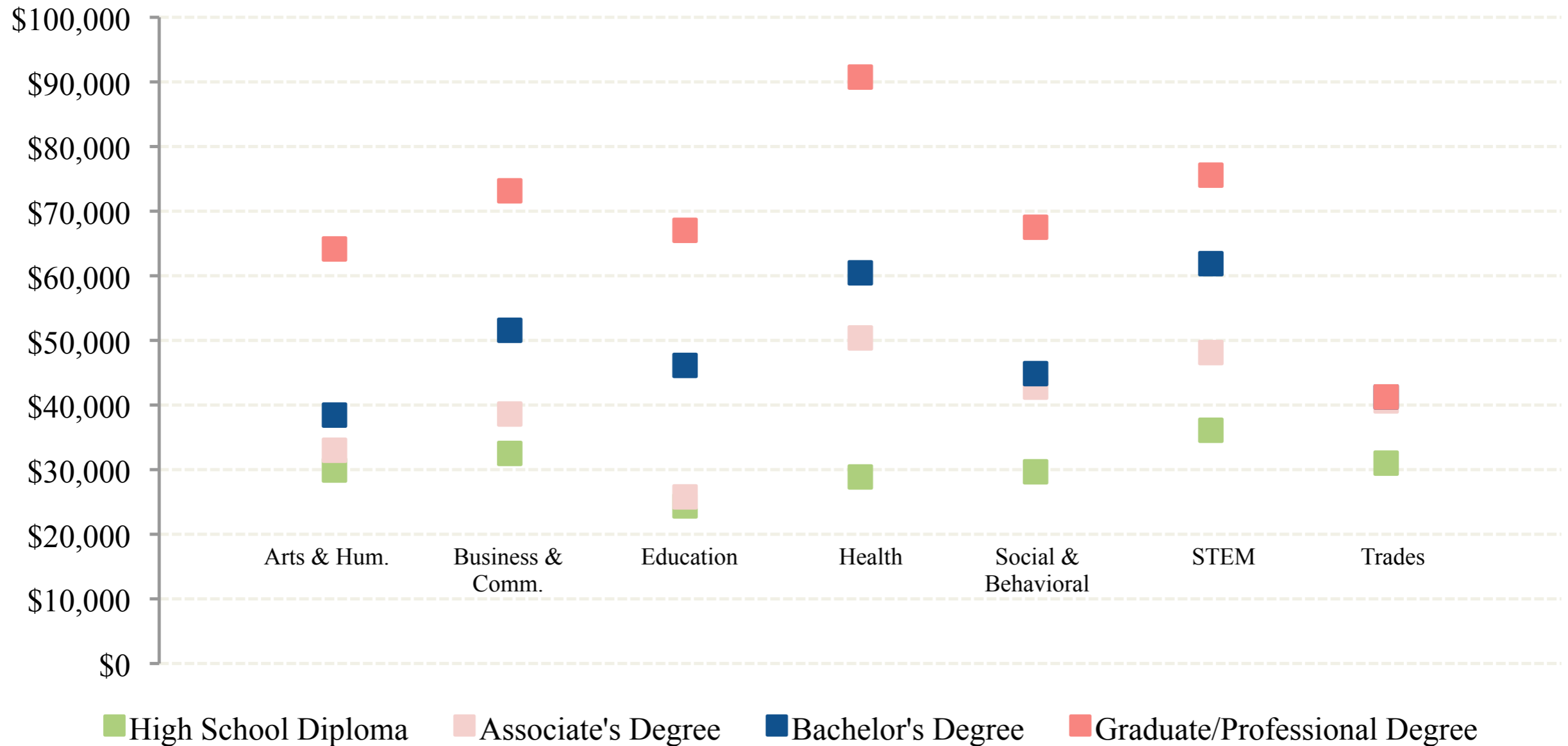


Return on Investment

- Estimated that if RI 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
- One extra year of schooling is associated with a 10.5% increase in real GDP per capita
 - One extra year of college = +17.4% GDP per capita



The Relationship between Income & Degrees in RI by Discipline, 2005-2010



Program of study matters, in some cases more than the type of degree.



Source: SHEEO, *The Economic Benefit of Postsecondary Degrees*, December 2012

Degree Attainment

- Degree attainment rates are typically higher in New England than the rest of the country.
- Even so, states are falling behind degree attainment goals across the country.
 - More enrollments, more completions are needed
 - Current obstacles may stymie efforts to raise both enrollments and completions.

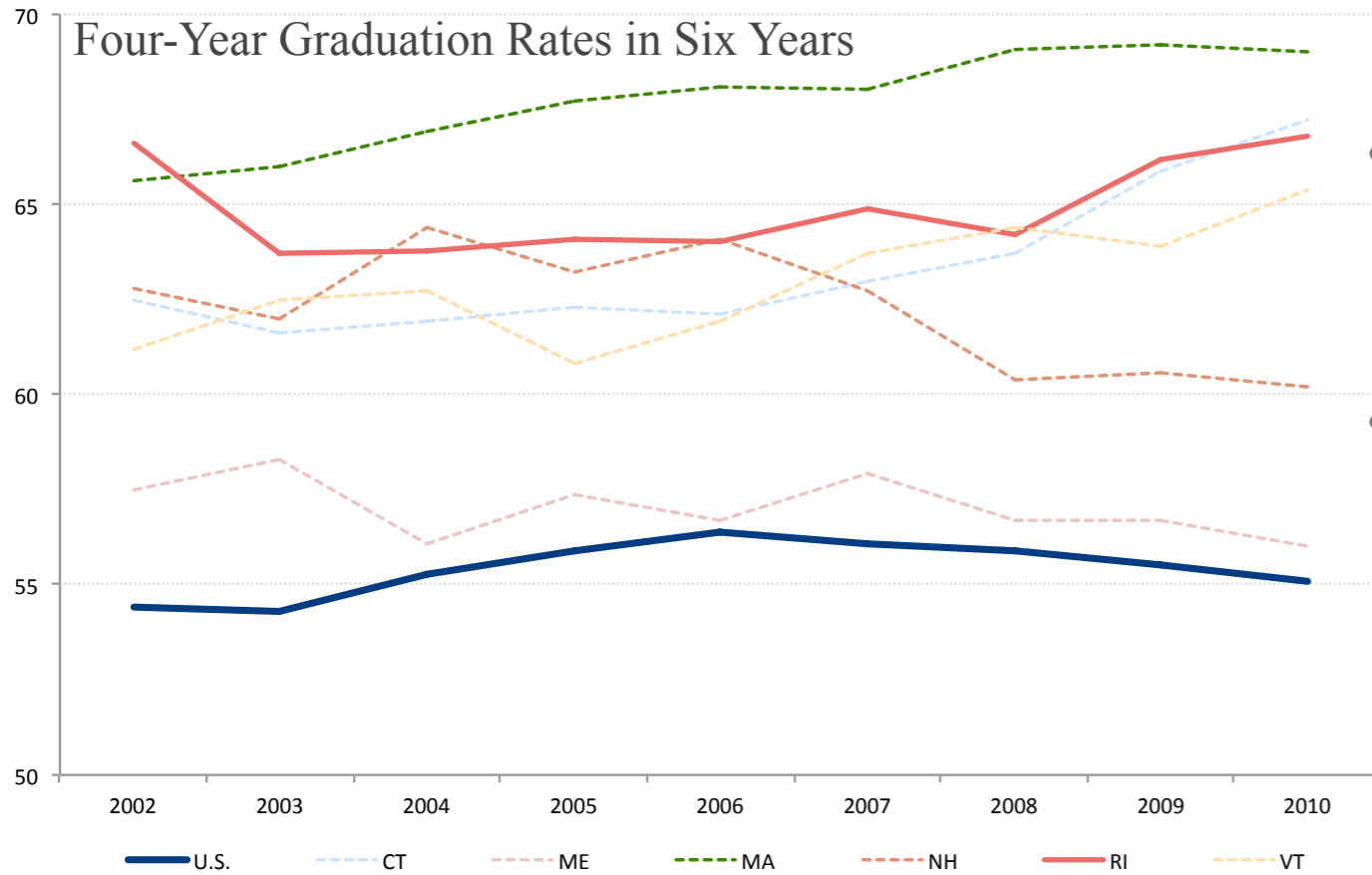


State	Degree Attainment (2011)
Connecticut	46.4%
Maine	40.0%
Massachusetts	50.8%
New Hampshire	45.8%
Rhode Island	43.2%
Vermont	46.2%
US	38.7%

Rates are for adults ages 25-64 with an Associates Degree or higher.

College Completion

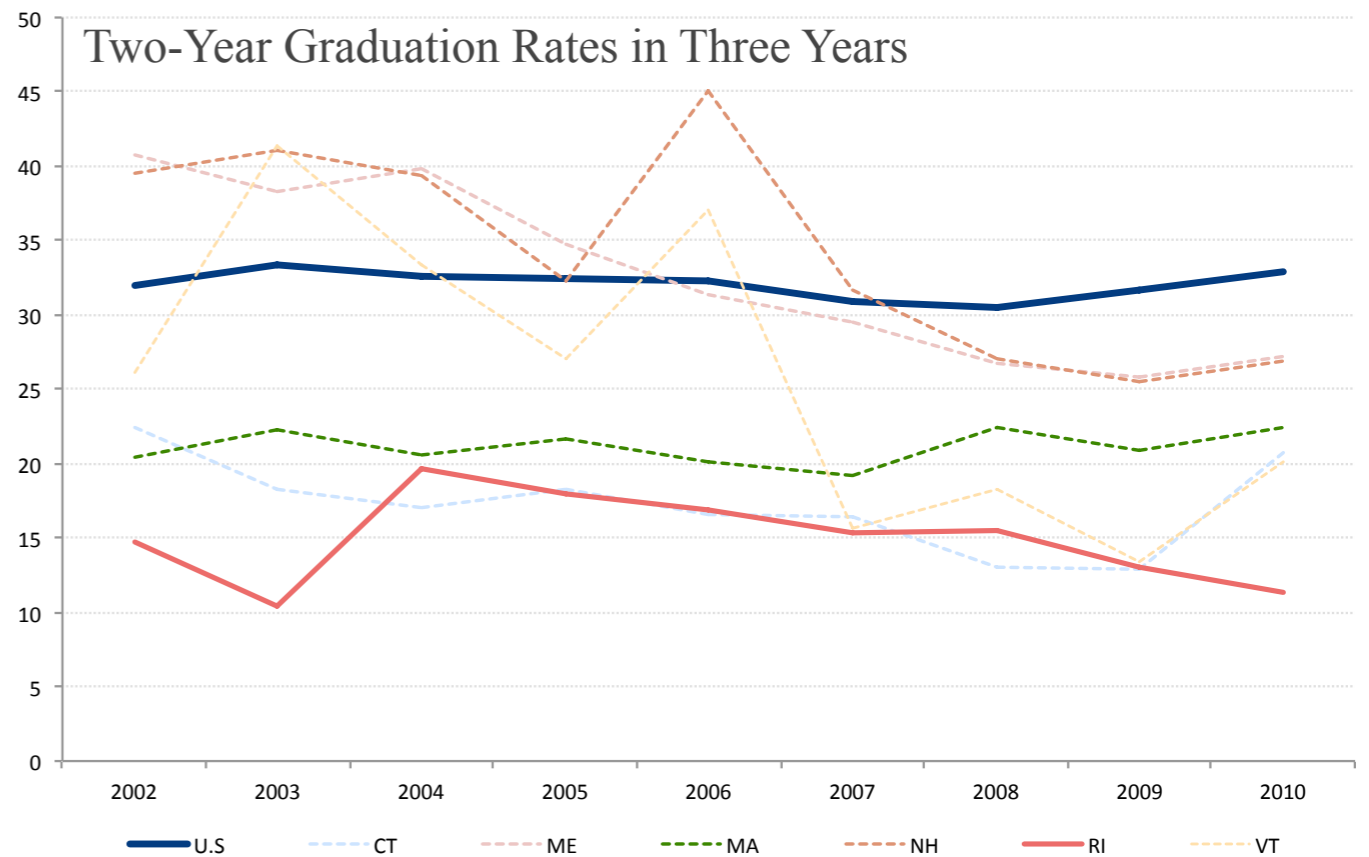
Four-Year Graduation Rates in Six Years



- Rhode Island has been a leading state in New England for graduation rates at four-year institutions.
- New England four-year institutions generally have higher graduation rates than the rest of the U.S.

- Graduation rates among first-time, full-time associate-degree seeking students can be improved.
- New England community college graduation rates reflect the transfer mission of community colleges in the region.

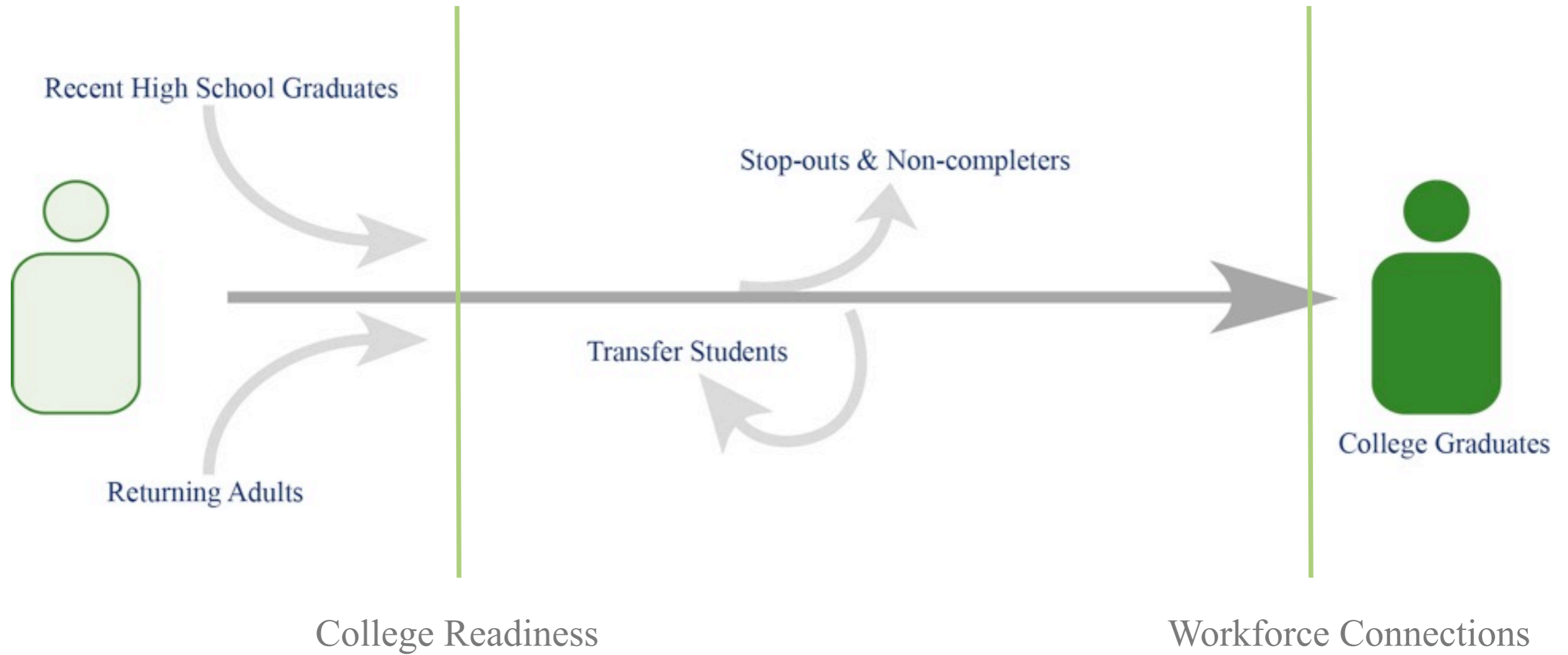
Two-Year Graduation Rates in Three Years



Source: IPEDS Trend Generator, accessed Feb. 2013



College Completion



College Readiness

- Nationally, 50% of all undergraduates; 70% of all CC students are placed into remedial coursework
- NEBHE's Developmental Math Demonstration Project
 - Math remediation rates range from approximately 1/2 to 2/3 of an incoming class among participating institutions
 - Many system and institutional strategies and approaches:
 - Computer Assisted Instruction
 - Intensive summer “boot camps”
 - Partnerships with K-12
 - Re-examining placement policies



College Readiness

States are building strategies and structures. Some examples:

- CT Public Act 1240
 - Embeds remedial support in an entry level college-level course
 - Requires use of multiple measures to determine placement
 - Allows institutions to offer one semester of developmental coursework
 - Requires alignment of curricula between high schools, state universities and technical colleges by 2016 and collaborate to assess 8th and 10th grade students' college readiness
- NY Assembly Bill 9057, Part N
 - Directs the SUNY and CUNY systems to jointly conduct a study regarding student remediation to consider strategies and programs recognized to be effective in remediation, student transfer, and postsecondary completion.



Connecting Degrees and Work

A national survey of employers conducted by Hart Research Associates on behalf of the Association of American Colleges and Universities found:

- Between 60-70% of employers think that two- and four-year institutions could improve their preparation of students for today's workforce.
- Strategies and approaches promising to over 80% of employers
 - Expecting students to complete a significant project before graduation
 - Expecting students to participate in internships or community-based field projects
 - Ensuring students develop research and evidence-based analysis skills



Connecting Degrees and Work

Promising strategies and approaches have been established across the region:

- Internships
 - bRIdge Job Board
 - 2011 VT Jobs Bill
- Competitive Programming
 - MA Performance Incentive Fund
 - CT Manufacturing Centers
- Partnerships
 - Educate Maine's Project>Login
 - NH Community College Innovation Fund
 - MassBioEd endorsements
 - MA Community Colleges and Workforce Development Transformation Agenda
 - JFF's Credentials that Work



Issues to Consider

- When investing in education, returns on investment can be found across type and sector of degree
- Supporting college completion efforts in areas such as college readiness and workforce-preparation pay-off. Examples include:
 - Increase the number of college-ready high school graduates
 - Strengthen coordination between higher education institutions and industry groups through
 - Internships
 - Industry support in building out (multiple) career pathways
 - Research and development (R&D) partnerships at two- and four-year institutions



Questions & Comments

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Cost and Spending, FY10

Since FY2005, education and related (E&R) spending per FTE and per completion have gone up. On average across the region and across institution types, spending per completion has risen more quickly than spending per FTE in actual dollar amounts during this time.

State	Four-Year Private Institutions		Four-Year Public Institutions		Two-Year Public	
	E&R Per FTE	E&R Per Completion	E&R Per FTE	E&R Per Completion	E&R Per FTE	E&R Per Completion
CT	\$33,526	\$115,425	\$16,617	\$66,775	\$12,389	\$72,040
ME	\$25,942	\$106,649	\$18,967	\$87,695	\$11,046	\$47,272
MA	\$28,098	\$96,559	\$14,699	\$63,085	\$10,348	\$53,323
NH	\$24,057	\$95,666	\$13,538	\$52,048	\$12,007	\$46,423
RI	\$24,457	\$86,382	\$12,364	\$56,826	\$8,870	\$64,485
VT	\$24,988	\$86,552	\$18,227	\$75,079	NA	NA
New England	\$23,295	\$91,710	\$13,649	\$59,494	\$19,816	\$42,472



Note: E&R (education and related) spending is the amount of money spent by institutions on costs related to directly to instruction. Research expenditures are not included, although a pro-rated share of an institution's academic services and physical plant is included.

Source: NEBHE analysis of Delta Cost Project data, avail. from the U.S. Dept of Education

State Support of Higher Education

- State appropriations are typically higher than national averages, and the highest in the region.
- Since FY11, state appropriations have declined across the region. RI was the only New England to increase state dollars to higher education between FY11 and FY13 (by 4%).

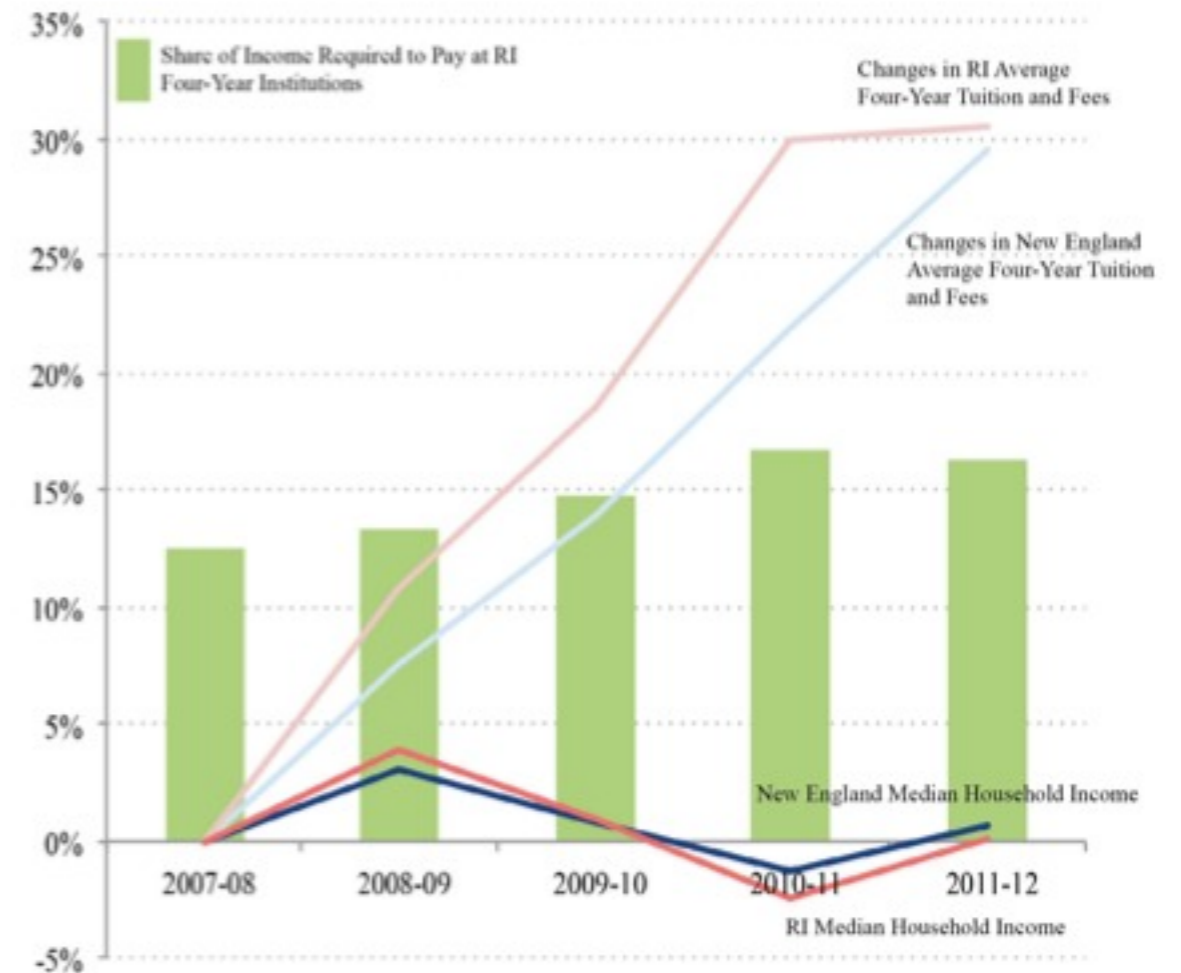
State	FY11 State Appropriations per FTE
CT	\$8,176
US	\$6,290
ME	\$6,155
MA	\$5,599
RI	\$4,674
NH	\$2,646
VT	\$2,599



Affordability

- In 2012-13, in-state tuition and fee rates at RI public postsecondary institutions grew at a faster rate than median household income (a trend throughout the region).
- According to the National Association of State Grant Aid Programs, Rhode Island provides an estimated \$201 per FTE in the state.
 - Equal to 8.4% of state fiscal support for higher education.

Changes in Household Income and Public In-State Four-Year Tuition and Fees relative to 2007-08, in New England and Rhode Island, 2007-2011



Source: NEBHE analysis of data provided by New England public postsecondary institutions and state agencies; U.S. Census Bureau, 2006-2011 American Community Surveys.



Higher Education Policy Issues

- NEBHE Policy Issue Survey Fall 2012 sent to regional postsecondary institutions, state agencies, legislators and think tanks.
- Key areas of interest:
 - Affordability
 - College Readiness
 - College Completion

