State Outlook

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Discussion Items

• FY 2015 state higher education funding
• 2014 legislative outcomes for higher education
• Elections outcomes
• 2015 policy forecast
November 19, 2014

The Plight of the Public Regional College

Students disrupted a meeting of the U. of Maine system’s trustees on Monday to protest program cuts at the U. of Southern Maine.

By Eric Kelderman
State Funding

• Informal AASCU survey: +3.6% average state higher ed funding increase nationally this year. 6 states reduced funding
• Lower volatility in funding
• Estimates show uptick in state tax revenues this year
• Fitch: State budgets “stable” with “additional breathing room” in 2015---modest economic growth overall
Higher ed funding in 2015

- Competition from K-12, Medicaid, pensions, corrections
- Initial signs for FY16 look similar to FY15
- Conservative budgets, but how conservative?
Governors’ 2014 State of the State Addresses

• 41 addresses examined for higher education themes
• 25 distinct higher education topics integrated into the gubernatorial addresses
• Top themes:
  • Higher education key component of governors’ economic plans
  • College affordability remains a leading public policy concern
  • Career/technical education emerging as a top priority
  • Calls for greater alignment between K-12 and college/career readiness
2014 State of the State Addresses and Higher Education

Compiled by Thomas L. Harnisch, assistant director of state relations and policy analysis, and Emily A. Parker, senior research and policy associate

1. Economic and Workforce Development (AL, AK, AZ, CA, CT, DE, FL, GA, HI, ID, IL, IN, IA, KS, LA, MD, MA, MI, MO, NH, NM, NY, OH, OK, SD, TN, UT, VT, WA, WV, WI, WY)
2. Career/Technical Education (AL, AK, DE, GA, HI, ID, IL, IN, IA, MD, MA, MI, OH, SD, TN, WV, WI)
3. College Affordability/Tuition Policies (AZ, CO, FL, GA, IL, IA, KY, MD, MA, MO, NH, RI, TN, WA, WI)
4. Dual Enrollment/Early College (AL, AK, CT, DE, IL, ME, MD, NM, OH, SD, TN, VT, WI)
5. College/Career Readiness (AL, AK, AZ, CT, GA, KY, MD, MS, NH, NJ, OK, TN, UT)
6. State Higher Education Funding (CO, CT, ID, IA, KS, LA, MA, NE, NH, TN, WA)
7. State Financial Aid (AK, CT, DE, GA, HI, IL, IA, MO, PA, WA, WI)
8. STEM Education (IA, MI, MO, NH, NY, UT, VT, WA, WV)
9. University-led Research and Innovation (AL, AZ, CA, DE, ID, IA, NM, WY)
10. Community Colleges (ID, IL, IA, MA, MI, MO, OH, TN)
11. Public-Private Partnerships (DE, GA, ID, IN, LA, MI, NM)
12. Capital Construction/Facilities/Equipment (MO, NM, OH, RI, SD, TN)
13. Medical Education (IL, IA, NM, SD, WI)
14. Military/Veterans Education (IL, IA, OH, WV)
15. State Educational Attainment Goals (ID, IL, TN, UT)
16. Performance-based funding (FL, MO, OH, TN)
17. College Completion (CT, ID, OK, TN)
18. Adult Learners (CT, IN, TN, WI)
19. Remedial Education (AK, GA, SD, TN)
20. Student Debt (IA, MO, NM, PA)
21. Teacher Education (DE, MS, WV)
22. College Transfer (KY, WV)
23. Immigration (MD, WA)
24. Consumer Information/College Choice (DE)
25. College Savings (CT)
States’ 2014 Legislative Sessions

Higher Education Outcomes

• “Free” community college
• Negotiated tuition freezes
• Pay it Forward/Pay it Back
• Performance funding
States’ 2014 Legislative Sessions

Higher Education Outcomes

• “Yes Means Yes”
• Undocumented students
• Guns on campus
• Financial aid
2014 Elections – State Outcomes

- Elections held in all states except LA, MS, NJ, and VA.
  - 36 governorships
  - 82% of all state legislative seats

- Historically—party in power in White House loses legislative seats; pronounced in incumbent president’s second term
2014 Elections

A note on electoral participation...

- Voter participation in elections declining since 1964
- 2014 Midterms: Lowest since 1942
- Overall Eligible Voter Participation: 36.4%
  - Highest: Maine 59%
  - Lowest: Indiana 28%
# 2014 Elections – State Outcomes

## Congressional and State Balance of Power

*Pre- and Post-Election, 2014*

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<th>Pre-Election</th>
<th>Post-Election</th>
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<td>Democrat</td>
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<td><strong>U.S. Senate</strong></td>
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**Gain/Loss**

- **Democrat**: -16, +11
- **Republican**: -9, +7

### Governorships

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<td><strong>Governorships</strong></td>
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<td><strong>Legislatures—Individual Chambers</strong></td>
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<td><strong>Legislatures—Both Chambers</strong></td>
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<tr>
<td><strong>Total State Control (governor + legislature)</strong></td>
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<td>23</td>
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**Gain/Loss**

- **Democrat**: -3, +3
- **Republican**: -11, +11
- **Governorships**: -8, +3
- **Total State Control (governor + legislature)**: -8, +1
2014 Elections—State Outcomes

• **Republicans:**
  – Gained control of 11 legislative chambers
  – full control of 30 legislatures—highest since 1930s

• Among incumbents governors who cut higher ed—and we’re re-elected: FL, WI, KS, ME, MI (exception: PA)

• Republican gubernatorial upsets: IL, MD, MA
2014 Elections – Ballot Initiatives

Dichotomy in electorate’s voting pattern
(more liberal on ballot measures)

- Higher Minimum Wage: AK, AR, NE, SD
- Marijuana Legalization: AK, OR, WA
- Environmental Measures: FL, NJ
- Gun Background Checks: WA
2014 Elections – Ballot Initiatives

Higher Education Related Initiatives

**Affordability** (OR)—Fund for Postsecondary Ed

**Governance** (ND)—Higher Ed Commission  
(NM)—Student Rep on NNMC board

**Financial** (GA)—College Building Tax Exemption  
(RI)—Higher Ed Facilities Bond  
(ME)—Research Center Bond

**Other** (OR)—Hiring of State Judges-Teaching
1) Harnessing higher education to address state economic goals
2) Negotiated agreements linking state funding and tuition prices
3) Allocation of state higher education appropriations
4) State educational attainment and completion goals
5) Vocational/technical postsecondary education
Top 10 Higher Education State Policy Issues for 2014

6) College readiness
   (implementation of Common Core State Standards)
7) STEM-related policy initiatives
8) Addressing state capital outlay and deferred maintenance needs
9) Guns on campus
10) Immigration

Also...state student aid programs, online and competency-based education, state reciprocity of institutional distance education, “Pay-It-Forward” college financing concepts, consumer protection involving for-profit colleges
2015 State Higher Education Policy Forecast

On one hand....
Lawmakers’ tax-cutting, spending reducing priorities may inevitably impact state higher operating support

On the other hand...
Public colleges and universities are state drivers of economic activity (workforce, R&D, talent import) and thus may well be protected from budget cuts (plus, higher ed served as the budget balancer during the recession)
2015 State Higher Education Policy Forecast

Affordability
Tuition Policy, State Student Aid, Appropriations, Veterans’ Access, Cracking down on for-profit colleges

Addressing State Workforce Needs
college readiness, attainment goals, vo-tech ed, STEM

Social
Campus sexual assault prevention, immigration, guns on campus

Innovation
Prior learning assessment, competency-based education, partnerships, dual-enrollment
Free

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Top 10 Higher Education State Policy Issues for 2014

By the AASCU State Relations and Policy Analysis Team

Giv en the transcending role of public colleges and universities in society, it comes as no surprise that higher education will again be a priority on state lawmakers’ policy agendas this year. While 2013 was considered by some to be a banner year for interest in American higher education, 2014 is expected to deliver increased attention to state-level higher education policy and funding issues. State policymakers will also monitor the status of Congress’ reauthorization of the Higher Education Act (HEA), particularly proposals affecting federal financial aid programs. Despite the fact that the HEA’s most recent authorization expired in 2013, it is unlikely to be reauthorized this year. Nevertheless, state legislators will pay attention to the policy and funding priorities of HEA reauthorization emanating from initial congressional deliberations, as well as the impact of any proposed federal mandates.

The 2014 Gubernatorial State of the State Addresses and Higher Education

March 11, 2014

Most governors annually promulgate state policy priorities in State of the State addresses to a joint session of the legislature. Governors use these speeches as a vehicle to highlight their administration’s successes, outline state policy challenges and propose solutions to advance their vision for the state.

AASCU has analyzed 41 addresses that have been given this year since January 1st to examine the extent to which governors have integrated higher education related themes into their state policy and programmatic agendas. The remaining nine addresses either have not been given or will not occur this year. Collectively, these speeches provide a portrait of the governors’ plans and priorities for higher education in the states.

The following themes were most apparent in this year’s gubernatorial State of the State Addresses this year:

- Higher education continues to be an integral component of governors’ state economic plans. Similar to the last several years, higher education continues to be mentioned most frequently as instrumental in building state workforce capacity and boosting economic growth. Throughout the country, governors emphasized programs in science, technology, math and engineering (STEM) and highlighted partnerships between colleges and business and industry.

- College affordability remains a leading public policy concern. Through tuition freezes and additional investments in state financial aid programs and public college and university operating support, governors are seeking to keep college within reach for low- and middle-income students. In particular, governors introduced a number of proposals to allow students to pursue educational opportunities at community and technical colleges at minimal costs.

- Career and technical education has emerged as a top gubernatorial priority. The shortage of workers in high-skill fields has prompted governors to propose using state resources to encourage high school students and working adults to explore career opportunities in high-need, technically-skilled occupations. Governors also amended state workforce in order to

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November 10, 2014

Budget & Finance

OK: Public universities seek 10 percent funding increase
The Oklahoma State Regents for Higher Education passed a budget request Thursday calling for a $98.7 million, or 10 percent, state funding increase for public higher education. The majority of the new funding —$86.3 million—would be directed toward a Complete College America initiative aimed at increasing the number of state residents with postsecondary credentials. The remaining funding would be directed toward a state concurrent enrollment program, STEM initiatives and debt service.

The Oklahoman (Date posted: November 7, 2014)

OR: State higher education endowment plan fails at the ballot box
Oregon voters soundly defeated a state ballot measure last week that would have created an endowment for state residents pursuing higher education and allow the state to incur debt to fund the endowment. Endowment earnings would have funded state student financial aid. As a result of the election outcome, the state will continue to fund college aid from the state’s general revenue fund.

The Oregonian (Date posted: November 4, 2014)

Governance

ME: Central office to seek more control over campus budgets
The University of Maine System governing board has given approval to pursue plan that would give the system’s central office more control over the individual budgets of the seven campuses. The plan would have financial officers on each campus report to the central office, instead the campus president. The central office would be relocated to one of the campuses, and the system’s chief operating officer and
Tuesday, November 18

National Headlines and Reports

Report: Unintended Impacts of Performance Funding on Community Colleges and Universities in Three States
Community College Research Center (Date posted: November 18, 2014)

Report: Completing College: A National View of Student Attainment Rates – Fall 2008 Cohort
National Student Clearinghouse Research Center (Date posted: November 17, 2014)

Dropping Out, Again: Why So Many College Students Never Graduate
NBC News (Date posted: November 17, 2014)

Colleges and universities charge more, keep less, new report finds
The Hechinger Report (Date posted: November 17, 2014)

One ugly map
The Washington Post (Date posted: November 16, 2014)

Remedial Courses in College Stir Questions Over Cost, Effectiveness
The Wall Street Journal (Date posted: November 17, 2014)

Blog: Paying for College
21st Century Scholar-University of Southern California (Date posted: November 17, 2014)

How A Disgraced College Chain Trapped Its Students In Poverty
BuzzFeed (Date posted: November 13, 2014)
Questions / Comments??

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