

National Update: 2016 Legislative Session Review & 2017 Priorities



Thomas L. Harnisch

**Director of State Relations and Policy Analysis,
AASCU**

About AASCU

- 420 presidents/chancellors of public universities & systems
- **Emphasis: undergraduate education, college access, student success, institutional leadership**
- **Federal lobbying and federal/state/institutional policy leadership**
 - Only D.C. higher ed association with state policy focus in addition to federal focus
- **Leadership/professional programming for CE Government Relations, Communications, Int**



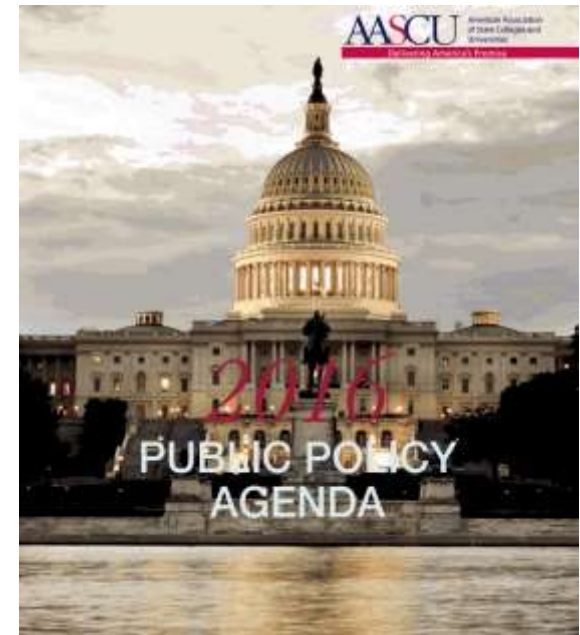
AASCU Institutions in NEBHE Region

- **Maine:** U of Maine-Augusta, Fort Kent, Presque Isle, Southern Maine, System
- **Connecticut:** Central, Eastern, Southern, Western, Board of Regents
- **New Hampshire:** Keene, Plymouth, University System
- **Massachusetts:** Fitchberg, Framingham, Massachusetts College of Art, MCLA, Salem State, UMass-Boston, UMass-Dartmouth, UMass System, Westfield, Worcester, Council of Presidents
- **Rhode Island:** RIC, Office of the Commissioner
- **Vermont:** Johnson, Lyndon, VSC, Vermont Tech



AASCU Public Policy Agenda

- Annual summary of state and federal policy priorities
- Focus on student access, affordability and success
- Endorsed by several other higher education groups



State Policy: The Top 10 Issues



- **1) Keeping College Affordable Through State Investment in Public Higher Education**
- **2) Improving Institutional Outcomes and Degree Production**
- **3) Combating Campus Sexual Assault**
- **4) Meeting State Economic Needs Through Higher Education**
- **5) Aligning Secondary-Postsecondary Education Standards**

State Policy: The Top 10 Issues

- **6) College Access for Undocumented and DACA Students**
- **7) Guns on Campus**
- **8) College Access and Success for Veterans**
- **9) Free Community College**
- **10) Student Loan Refinancing and Debt Assistance**



State Policy: Honorable Mention

- **Dual Enrollment**
- **Consumer Protection Involving For-Profit Colleges**
- **Privacy and Data Protection**



Governor's State of the State Addresses

- 41 addresses given this year
- 28 Higher Education Topics
- Major Themes:
 - Economic and Workforce Development
 - College and Career Readiness
 - Community Colleges
 - State Higher Education Funding



State Budget Pressures:

FIGURE 1: STATE EXPENDITURES, FY1987-FY2011

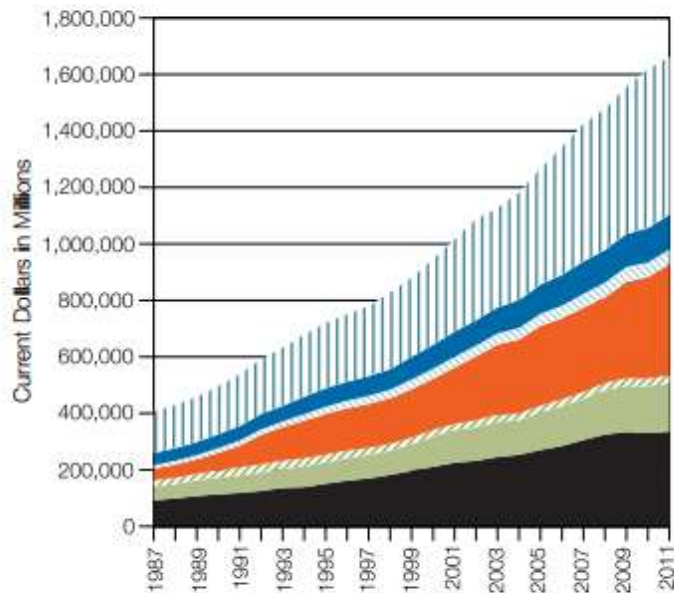
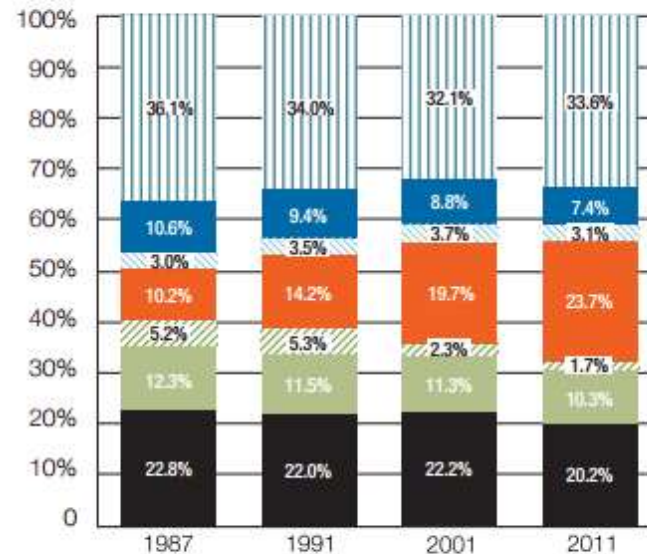


FIGURE 2: CHANGES IN DISTRIBUTION OF TOTAL STATE EXPENDITURES OVER TIME



Other Transportation Corrections Medicaid Public Assistance Higher Education Elementary/secondary



Source: National Association of State Budget Officers, 2012

State Budget Pressures:

FIGURE 3: ANNUAL PERCENT CHANGE IN HIGHER EDUCATION APPROPRIATIONS, FY1960-FY2012



Source: Annual Grapevine reports, FY 1960-FY 2012, <http://grapevine.illinoisstate.edu/index.shtml>. Figures not adjusted for inflation or enrollment.

Source: National Association of State Budgets Officers, 2012

1) Keeping College Affordable Through State Investment in Public Higher Education

FIGURE 1
 PUBLIC FTE ENROLLMENT AND EDUCATIONAL APPROPRIATIONS PER FTE, U.S., FY 1990-2015



NOTE: Not-yet-fundamental costs for capital and services included in the above figures. Considers 2013 dollars adjusted by SHEDC Higher Education Cost Adjustment (HECA).
 SOURCE: State Higher Education Executive Officers

Source: State Higher Education Executive Officers, 2016

FIGURE 2
NET TUITION AS A PERCENT OF PUBLIC HIGHER EDUCATION TOTAL EDUCATIONAL REVENUE, U.S., FY 1990-2015

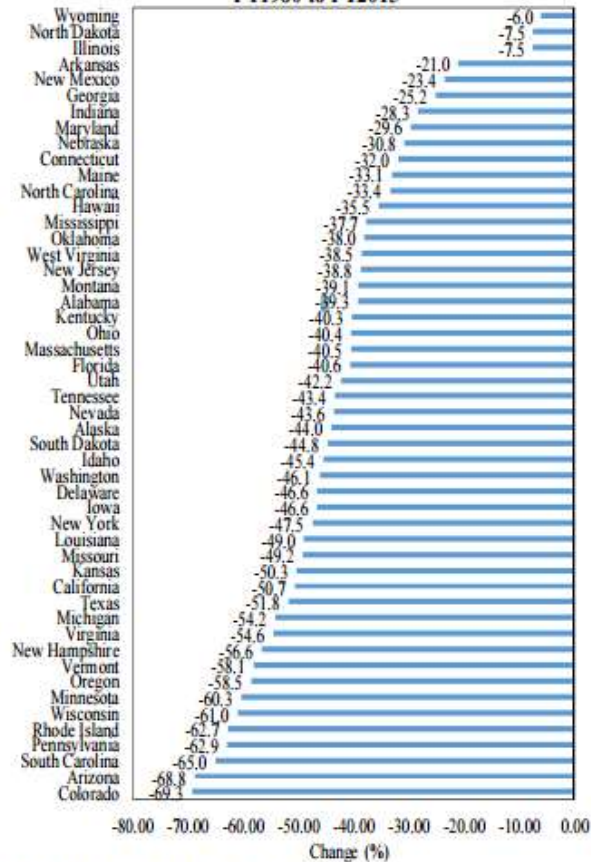


NOTE: Net tuition revenue used for capital debt service is included in net tuition revenue, but excluded from total educational revenue in calculating the above figures.

SOURCE: State Higher Education Executive Officers

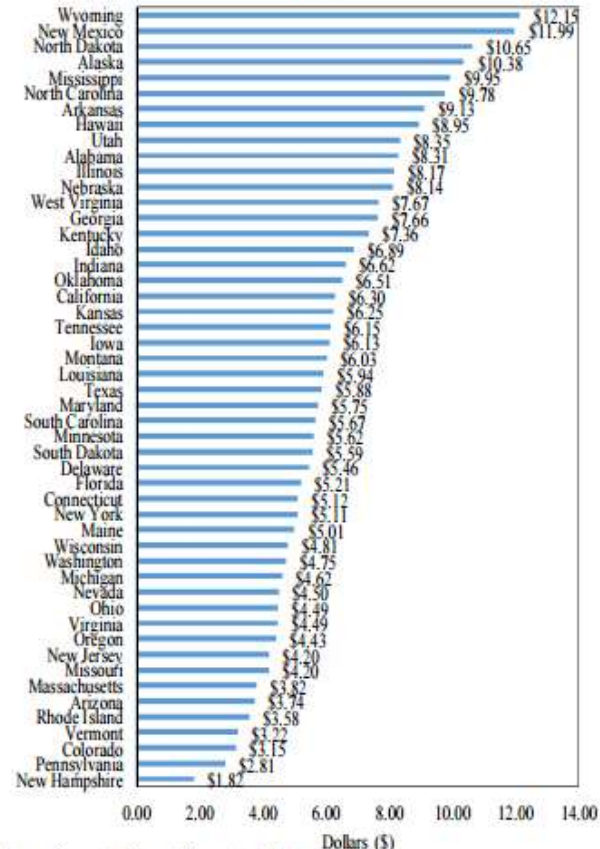
Source: State Higher Education Executive Officers, 2016

Change in State Fiscal Support for Higher Education per \$1000 of State Personal Income FY1980 to FY2015



Sources: Grapevine, Bureau of Economic Analysis

State Fiscal Support for Higher Education per \$1000 of State Personal Income FY2015



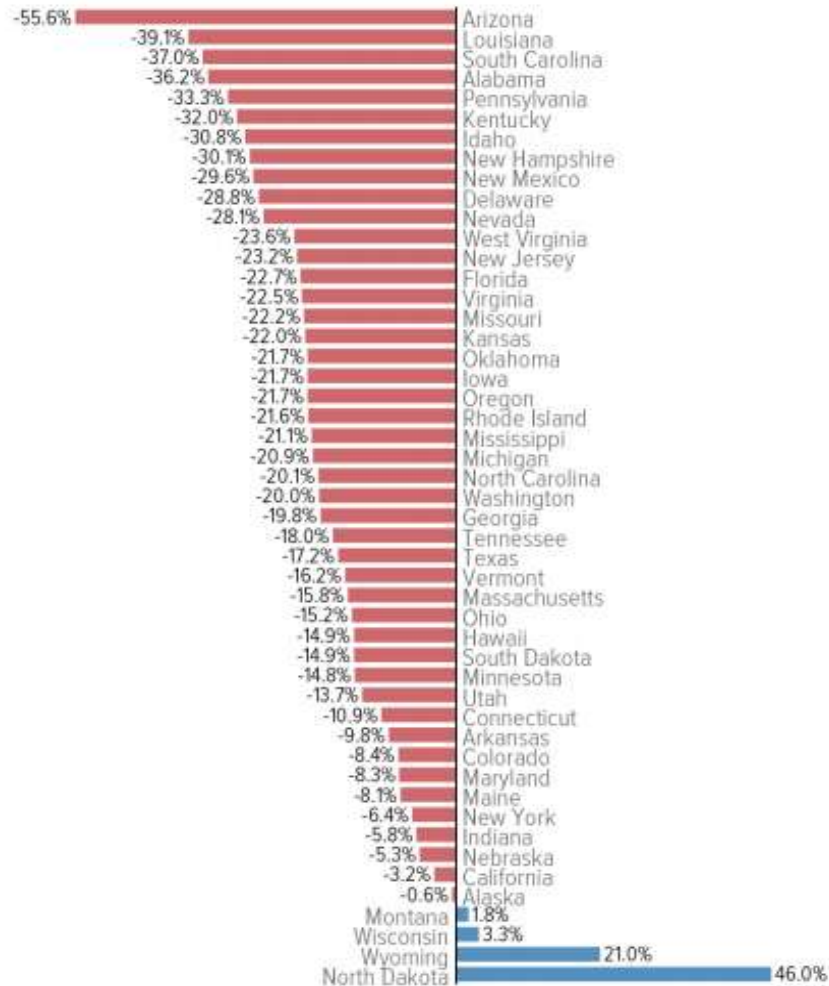
Sources: Grapevine, Bureau of Economic Analysis

Source: Postsecondary Education Opportunity, Grapevine, BWE

FIGURE 1

State Funding for Higher Education Remains Far Below Pre-Recession Levels in Most States

Percent change in state spending per student, inflation adjusted, 2008-2016



Source: Center on Budget and Policy Priorities, 2016

Tuition Increases

- **Published tuition rates at public four-year colleges in 2015 dollars (Room and Board)**
 - **1975-76: \$2,387 (\$7,833)**
 - **2005-06: \$6,708 (\$14,797)**
 - **2015-16: \$9,410 (\$19,548)**

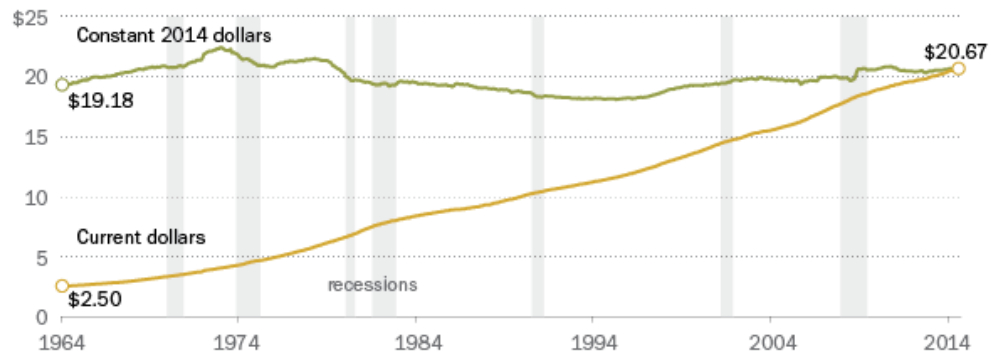
Source: College Board, 2015

- **Meanwhile, stagnant wages for middle-class families**

Stagnant Wages

Bigger Paychecks, But Little Change in Purchasing Power

Average hourly wages, seasonally adjusted



Note: Data for production and non-supervisory employees on private non-farm payrolls.
Source: Bureau of Labor Statistics

PEW RESEARCH CENTER

Source: Pew Research, Bureau of Labor Statistics

Affordability and Mobility Challenge

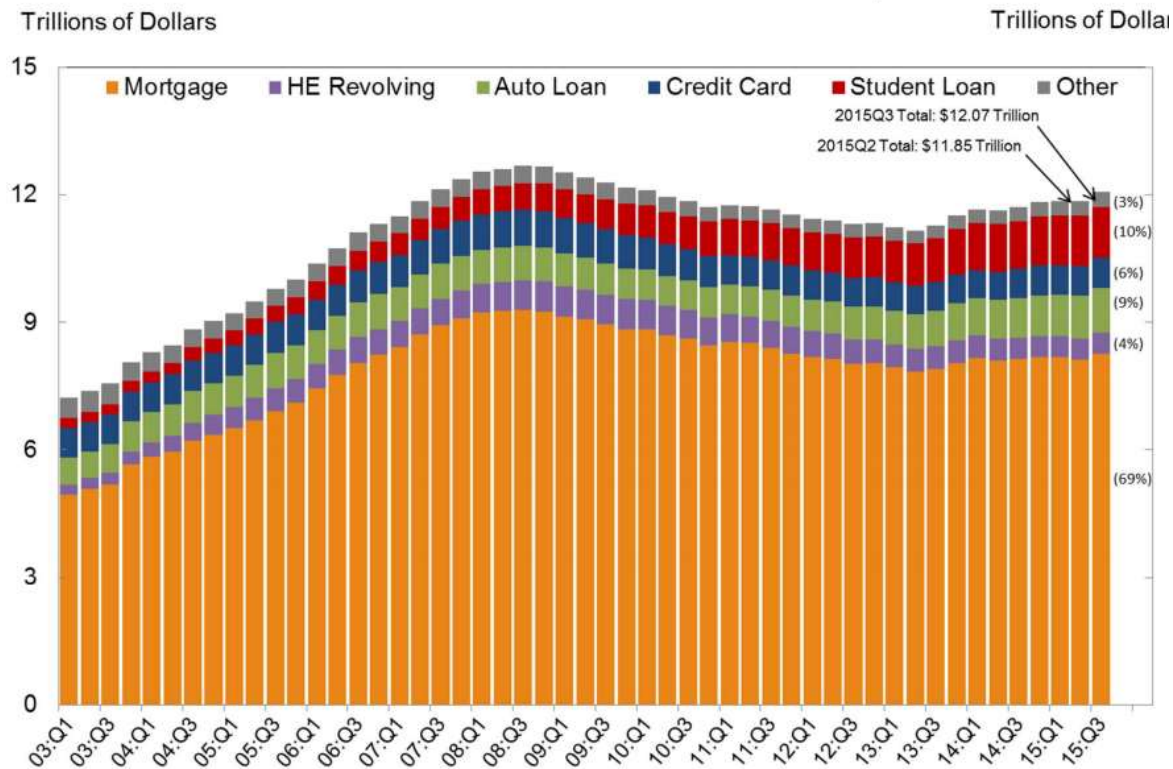
- **Pell Institute:**

- “Unmet financial need was 2 times higher in 2012 than in 1990 for those in the lowest quartile, in constant dollars.”
- **Net Price as a percent of family income by quartile**
 - 84% (Bottom)
 - 35% (Second)
 - 25% (Third)
 - 15% (Top)
- **Bachelor’s degree attainment by quartile (dependent family members)**
 - Someone in the top income quartile is 8x more likely to earn a bachelor’s degree than someone in the bottom income quartile
 - For those entering college, big attainment gaps still remain

Source: Postsecondary Education Opportunity, Grapevine, BWE

Student Debt

Total Debt Balance and its Composition



Source: FRBNY Consumer Credit Panel/Equifax

Source: Quarterly Report on Household Debt and Credit, November 2015, New York Fed

State Funding in New England

- **State Fiscal Support For Higher Education per \$1,000 of State Personal Income change since 1980**
 - Rhode Island: -34.6%
 - New Hampshire: -27.9%
 - Massachusetts: -25.3%
 - Vermont: -24.9%
 - Maine: -23.9%
 - Connecticut: -6.8%
- 4 of the 6 lowest funding states are in New England
- Y intercept: CT-2118, ME-2082, MA-2035, NH-2041, RI-2032, VT-2033

Source: Postsecondary Education Opportunity, Grapevine, BWE

Meanwhile, more degrees are needed

- In the NEBHE region, more jobs will require postsecondary education
 - MA=72%, RI=71%, CT=70% NH=68%, ME=66%, VT=65%
 - National Average=65%
 - None of the states have attainment levels to match workforce demand

State Efforts to Contain Prices

- In 2016, tuition freezes or locks proposed in CA, DE, GA, ID, IL, KY, ME, MA, MN, MO, MT, NC, NJ, NY, OH, PA, RI, TN, SD, WI
- The funding outlook depends considerably on state-specific factors, such as politics and economics

2) Improving Institutional Outcomes and Degree Production

- **32 states now have some form of performance-based funding, according to NCSL**
- **Performance-based or outcomes-based funding discussed in AL, AR, KY, MO, MT, OH**

Performance-Based Funding

- **Mostly null results thus far, but more research on newer systems is coming**
- **Hillman (2016) challenges the premises**
 1. **Performance Paradox**
 2. **There isn't a real pathway to results**
 3. **Will it be sustained?**
 4. **Alternative=target resources to institutions with most need**

3) Combating Campus Sexual Assault

- **In 2016, policy proposals on this issue have come up in a number of states: CT, DE, GA, IN, MD, NE, PA, RI, SD, TX, VA, WI**
- **“Yes Means Yes” Affirmative Consent**
- **Transcript Notation**
- **Mandatory Reporting**
- **Medical Services for Victims**

Source: Kati Lebioda, “State Proposals to Combat Campus Sexual Assault,” 2015

4) Meeting State Economic Needs Through Higher Education

- Increases to scholarship programs to promote degree production proposed in: ID, KY, MO, TN**
- Higher education remains central to gubernatorial plans for economic and workplace development**

5) Aligning Secondary-Postsecondary Educational Standards

- In 2016, 19 states introduced legislation to repeal their current statewide academic standards or assessment systems and 28 states have introduced legislation to modify their current statewide assessment or accountability systems**

6) College Access for Undocumented and DACA Students

- **18 states have provisions allowing in-state tuition for undocumented students**
 - **NEBHE states: CT**
 - **Board of Regents decision: RI**
- **At least 6 states allow them to receive state financial aid**
- **DACA is not a law and could be eliminated by the next president**

7) Guns on Campus

- **18 states ban guns on campus**
 - **NEBHE: MA**
- **23 states leave in the hands of campus boards**
 - **NEBHE: CT, ME, NH, RI, VT**
- **8 states allow guns on campus**

8) College Access and Success for Veterans

- The federal Veterans Access, Choice, and Accountability Act extends in-state tuition to recent veterans and went into effect on January 1, 2016**
- A few states also passed legislation to award more postsecondary credit or provide additional financial and educational support services for military and veterans: FL, MD, AZ, MO**

9) Free Community College

- **Free community college or free tuition for two years has been proposed in many states, including: AL, CA, GA, KY, MD, WA**
- **Kentucky was the only state to pass legislation**
- **Proposals to shift enrollments to two-year institutions have also been discussed: OK, NC**

10) Student Loan Refinancing and Debt Assistance

- **Proposals for student-loan refinancing, tax credits, or loan counseling and financial literacy resources have been discussed in: CT, IA, MA, MI, MN, MO, NE, PA, VA, WI, WV**
- **Maine expanded their existing Equal Opportunity Tax Credit Program**
- **Nebraska and Wisconsin passed legislation to improve financial literacy**

Questions?

Thomas L. Harnisch

**Director of State Relations and Policy Analysis,
AASCU**

harnischt@aaacu.org



@aascupolicy