



COP Remarks on Behalf of the State University System to the Board of Higher Education
Mount Wachusett Community College
December 17, 2019 (Rescheduled to January 10, 2020)

Chairman Gabrieli, Secretary Peyser, Commissioner Santiago and members of the Board of Higher Education, on behalf of the Council of Presidents, thank you for the opportunity to provide an update on the Massachusetts State University System.

I want to begin this morning by thanking the Department of Higher Education and this board for their work over the past year shining a light on the need to invest in financial aid for our public higher education students. As you know, MassGrant, the state's largest financial aid scholarship program, once covered about 85% of a public college student's cost of attendance; now it covers less than 10%. With the buying power of Federal financial aid continuing to diminish, students are increasingly dependent on state aid, institutional aid, and student loans to close cost gaps.

At the direction of this board through your Equity Agenda, the Commissioner and his team have been developing data models to help us better understand the unmet financial need for students attending a Massachusetts public higher education institution. These data models show that some of the state's neediest students are being asked to increasingly cover more of their cost of attendance at our public universities.

This data indicates that the state universities have nearly 11,000 Pell eligible students with an unmet need of approximately \$18.2 million; further Pell eligible UMass students are shown to have about a \$17.8 million gap; and community college students have approximately a \$3.5 million gap. Community College student unmet need would be significantly higher had the state not embraced the MassGrant Plus program and provided community college students with \$7 million in direct student financial aid. The infusion of new financial aid dollars for the Community College MassGrant Plus program shows the impact of financial aid for the state's poorest students. We applaud this board for considering ways to extend that program to our four-year public colleges and universities.

Last week the Fiscal Affairs subcommittee engaged in a robust discussion over the Department's budget recommendation to increase financial aid by \$10 million when data shows an unmet need for Pell eligible students to be significantly more. On behalf of my colleagues, I would like to thank our Segmental Representative, Paul Mattera, for raising the issue at the meeting and for encouraging the members to delay a vote on the Department's financial aid recommendation until today's meeting. Through a motion offered at the subcommittee meeting, the members directed

the Commissioner to provide additional information to adequately reflect, both quantitatively and qualitatively, the needs of the public higher education system as a whole.

We recognize the challenges associated with reversing the shortfall in financial aid funding in a single fiscal year, therefore we endorse the Department's proposed recommendations to increase the financial aid line item by \$10 million while continuing to evaluate and make recommendations to address the financial needs of our public higher education system. Furthermore, we acknowledge the need for an incremental funding plan to fully realize the goals of the board's Equity Agenda. Using data models developed by the department will help us better understand the unmet needs of our public higher education students. Providing pathways to our students for an affordable and high-quality four-year degree, is essential if we are to meet the workforce needs of the Commonwealth now and in the future.

Last week, the Massachusetts legislature passed a spending bill which included critical investments in our Massachusetts public higher education system. The FY19 supplemental appropriations bill passed by the legislature included funding for the Public Higher Education Endowment Incentive Program, funding for critical IT, safety and security infrastructure repairs, and additional financial aid for public higher education students. We wish to thank the legislature for including those items in their spending bill and ask this board to join with us in encouraging the Governor's support of those investments.

In addition, we ask for the board's support the Commissioner's recommendation to include the state university internship incentive program in your budget. This program is a wonderful example of how public/private partnerships can work; and work well. We would encourage the administration to include this item in their FY21 spending plan.

Last month, the state passed a historic funding formula bill for K-12 schools in Massachusetts. Through the passage of the Student Success Act, the Commonwealth will infuse nearly \$1.5 billion into our public schools in an effort to help cities and towns mitigate the rising costs of educating our K-12 students. That new funding formula recognizes that school districts are facing increased costs associated with educating students with special needs, English language learners and students from low income families.

As you know, over 70% of all Massachusetts public high school graduates attend one of our public higher education institutions. Those same students, with similar needs, graduating from our public high schools are now, or will soon be, attending public higher education campuses. Like K-12 school districts, our public colleges and universities have made similar investments, and continue to do so, to support these students.

When considering funding recommendations for our public higher education system through a lens of equity, we must recognize the changing demographics of our public higher education student population. We continue to support this board's efforts in making recommendations that recognizes those demands.

Over the past few months, this board has rightfully discussed the increasing cost of attending a public higher education institution for Massachusetts students. The DHE has been working with

public higher education campuses on opportunities for further collaboration across the system and ways to maximize campus efficiencies.

With the increasing challenges associated with covering personnel salary obligations and their associated rising fringe benefit rates, the need to address deferred maintenance and critical repairs of state-owned buildings and a student population demanding greater support services, our institutions are facing intense budget challenges. We welcome the department to help us better understand cost drivers and identify areas where we can maximize efficiencies. We are happy to assist the commissioner and his department in this endeavor.

As we look towards the New Year, my colleagues and I will continue working closely with Commissioner Santiago to build upon the successes over the past year. We are proud that our state universities offer the best value proposition for a four-year degree in the northeast; and with nearly 95% of our students coming from Massachusetts, the state universities offer the best, and most often, the only opportunity for economic mobility to residents living in underserved and impoverished communities.

Thank you, and as always, we encourage you to visit any or all of our campuses. We welcome the opportunity to show you the great work that we do at your state universities.