



Massachusetts Board of Higher Education

FY2019 Budget Recommendation

December 2017

Massachusetts Board of Higher Education
FY2019 Budget Request

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FY2019 Budget Request: DHE State Appropriated Line Items

The Department of Higher Education’s budget recommendation for FY2019 seeks to align state appropriation funding with the Board of Higher Education’s three strategic priorities for public higher education of improving access to college, enhancing student success, and closing achievement gaps. The additional funding for Student Financial Aid, Early College, and the Performance Incentive Fund will directly support these priorities.

Other increases over FY2018 are necessary to support maintenance-level funding for current DHE personnel, additional investment to support the implementation of the Campus Safety and Violence Prevention recommendations, and the start-up costs of implementing the State Authorization Reciprocity Agreement (SARA). In total, the FY2019 request for the DHE line-items, not including the campus appropriations, reflects a net increase in General Fund supported costs of 2.0% or approximately \$2.5 million over FY2018. In addition, FY19 represents the first fiscal year in which additional tax revenue from gross gaming receipts will be remitted by the two resort casinos authorized by Chapter 194 of the Acts of 2011 and will be available in limited amounts for public higher education. These funds have been included in the BHE budget recommendation for FY19.

Campus funding recommendations for FY2019 include a roll-forward of the third and final year of the current MCCC collective bargaining costs for the Community Colleges. Other collective bargaining costs will be factored into the FY18 and FY19 budgets when those amounts are finalized by the parties involved in the ongoing negotiations.

DHE Administration and Program Support

- DHE Administrative Account
- Performance Incentive Fund (PIF)
- Inclusive Concurrent Enrollment
- Commonwealth Dual Enrollment Program (CDEP)
- Bridges to College
- College Health and Welfare Account

DHE Administration (7066-0000)	FY19 Request:	\$3,263,240
	FY18 GAA:	\$3,976,583
	% change:	- 18%

This line-item is the Department of Higher Education’s main administrative account that supports programmatic and administrative personnel. In FY19, the DHE is requesting \$150,000

in funding for the implementation of the Campus Safety and Violence Prevention (CSVP) recommendations, which is expected to be codified in statute before the end of FY18. It also includes \$180,000 for the first full year cost of implementing the State Approval Reciprocity Agreement (SARA). Full funding of \$1M for the State University Internships is carried over for FY19. Additionally, approximately \$96,000 in funding is necessary to support increases in funding for current personnel at the DHE. The FY18 GAA included \$1.1 million for TRAIN, a worker retraining initiative located at five community college campuses as well as a \$125K earmark for an automotive technology center for Mount Wachusett Community College in Fitchburg, neither of which are included in the FY19 BHE request.

Performance Incentive Fund (7066-0025)	FY19 Request:	\$3,750,000
	FY18 GAA:	\$2,550,000
	% Change:	+ 47%

The Performance Incentive Fund is the primary funding mechanism for supporting the BHE’s system-wide goals of boosting college completion rates, closing achievement gaps, and creating opportunities for underserved populations. This is a competitive grant program that rewards innovative thinking and evidence-based practices at the campus level. It was funded at \$2.55 million in FY18, down nearly \$5 million from its peak of \$7.5 million in FY14. For FY19, the Department is seeking \$3.75 million, an increase of \$1.2 million which would be focused primarily on expanding the Commonwealth Commitment program to help campuses build capacity to improve transfer advising and expand support services for students who are committed to college completion. Investments in other promising and evidenced based practices, such as competency-based pathways, co-requisite remediation at scale, new approaches to affordability (including open educational resources), and 100 Males to College are also aimed at supporting the BHE’s strategic goals of promoting student access and success, and closing achievement gaps.

Inclusive Concurrent Enrollment Program (7066-9600)	FY19 Request:	\$1,383,492
	FY18 GAA:	\$1,381,916
	% Change:	+ 0.1%

Funded by the Commonwealth in 2008, the Massachusetts Inclusive Concurrent Enrollment Initiative offers grant funded programs supporting public high school students with intellectual disabilities, ages 18- 22, who have not passed MCAS the opportunity to participate in inclusive college courses (credit or non-credit) to increase their school and work success. DHE supports 13 partnerships between colleges and universities and area public schools to help participating students develop academic, social, and functional skills and to participate in career planning,

vocational skill-building activities, and community-based integrated competitive employment opportunities. MAICEI is a national leader in providing authentically inclusive learning opportunities to dually enrolled students with intellectual disabilities.

This program was transferred to DHE in the FY18 GAA. The BHE recommends a slight increase to support increase costs for current personnel at the DHE.

Commonwealth Dual Enrollment Program (7066-0019)	FY19 Request:	\$1,100,000
	FY18 GAA:	\$970,000
	% Change:	+ 13.4%

The Commonwealth Dual Enrollment Program (CDEP) provides opportunities for Massachusetts high school students to take free or reduced-cost college-level courses and earn credit simultaneously toward high school completion and their future college degrees. In FY19, the Department is seeking an increased investment of \$130,000 for the program. This additional funding would allow campuses to expand early college experiences for low-income students, first generation students, and students interested in high-demand, STEM-related disciplines.

Bridges to College (7066-0040)	FY19 Request:	\$250,000
	FY18 GAA:	\$377,500
	% Change:	-33.8%

The Bridges to College initiative, piloted in FY14, provides funding to qualified adult basic education providers for services to low-income and entry level workers. The DHE has been involved in both the planning and implementation of this program and is requesting that the program be restored to its FY17 funding level at \$250,000 for FY19.

College Health and Welfare Account (7520-0424)	FY19 Request:	\$6,529,017
	FY18 GAA:	\$5,317,214
	% Change:	+23%

Funding in this account supports the employer contribution for dental benefits for union and non-union employees at the community colleges and state universities. The budget reflects mandatory contributions based on currently negotiated contracts and projected FTE levels. The DHE recommends full funding to support the total projected costs for all covered employees.

Financial Aid

- Massachusetts State Scholarship
 - Foster Care and Adopted Fee Waiver
 - Foster Care Financial Aid
 - High Demand Scholarships
-

Massachusetts State Scholarship (7070-0065)	FY19 Request: \$102,800,000
	FY18 GAA: \$95,599,324
	% Change: +7.5%

The DHE is requesting a substantial increase of \$7.2 million or approximately 7.5% over FY18, to support increased funding for need-based financial assistance to undergraduate students residing in Massachusetts. This increase would target students attending Massachusetts’ public universities, state universities, or community colleges

The rationale for this proposed increase has been well-documented. The demand for need-based assistance for low- and moderate-income students has continued to increase while the cost of attending college has continued to rise. As a result, the buying-power of an average MASSGrant award – at approximately \$750 -- has been diminished significantly. In 1988, the average grant award was sufficient to cover 85% of a student’s total cost; however, by FY17 the average grant award had declined to where it only covered approximately 9% of the a student’s total costs. The proposed increase for FY19 is an important step toward addressing the affordability gap.

Foster Care Financial Aid (7066-0016)	FY19 Request: \$1,299,000
	FY18 GAA: \$1,075,299
	% Change: +21%

The Foster Care Financial Aid program provides up to 100% resident tuition and fee assistance to identified students in foster care programs overseen by the Department of Children and Families (DCF) for state-supported courses offered at participating public higher education institutions. The recommended increase in funding will support the projected student need for FY2019.

Foster Care and Adopted Fee Waiver (7099-0021)	FY19 Request:	\$5,476,319
	FY18 GAA:	\$4,530,949
	% Change:	+21%

The Foster Care and Adopted Fee Aid Waiver program provides up to 100% resident tuition and fee assistance at participating public higher education institutions to students under the age of 24 who were previously in the custody of the Department of Children and Families (DCF) and had been adopted by a Massachusetts state employee or eligible state resident, regardless of the date of adoption. The recommended increase in funding will fully fund the projected demand for the program in FY2019.

High Demand Scholarships (7070-0066)	FY19 Request:	\$1,000,000
	FY18 GAA:	\$500,000
	% Change:	+100%

This line-item supports scholarships to students at the community colleges, state universities and UMass who are pursuing a program that is deemed a high demand profession, such as those in STEM and health care fields. The DHE is requesting that funding for this targeted scholarship program be doubled for FY2019.

Workforce Development

- STEM Pipeline Fund
- STEM Starter Academies
- Nursing and Allied Health Initiative
- Community College Workforce Grants

STEM Pipeline Trust Fund (1599-706/7066-0109)	FY19 Request:	\$1,500,000
	FY18 GAA:	\$1,500,000
	% Change:	0%

The STEM Pipeline Fund supports the following priorities and programs:

- Funding seven Regional STEM Networks which convene key local constituents—K-12, higher education, business and industry, informal education and government—and leverage resources to achieve the goals defined in the state STEM plan.

- Providing public funds to match private funds in support of the @Scale initiative – a program to qualify, endorse and scale-up best practice programs aligned to the goals defined in the state STEM plan.
- Developing and implementing a public awareness campaign to inform, engage and influence students, educators, parents and employers about the importance of STEM education and the career opportunities in Massachusetts innovation economy.
- Aligning independent STEM education and workforce development assets and resources across the Commonwealth in support of the state STEM plan.

STEM Starter Academies (7066-0036)	FY19 Request:	\$4,250,000
	FY18 GAA:	\$4,250,000
	% Change:	0%

The Massachusetts STEM Starter Academy was initiated in the FY2014 GAA to support campus programs designed to engage, recruit, retain and graduate significantly more students in STEM fields, particularly underrepresented groups in economically-challenged communities. In addition, campus programs will be aligned with competency expectations of employers and will allow students to pursue employment and progress to higher levels of education as appropriate to their needs and interests. The DHE is recommending a continuation of the FY2018 funding level of \$4.25 million in FY2019.

Nursing and Allied Health Initiative (7066-0020)	FY19 Request:	\$0
	FY18 GAA:	\$194,000
	% Change:	-100%

This line item was established in 2010 to support educational and employment pathways to meet the demands of the healthcare industry. The Nursing and Allied Health initiative has been instrumental in fostering private/public partnerships through collaboration with employers, industry associations, and higher education institutions and grant funding to increase the supply of skilled nurses and demand for qualified faculty to redirect curriculum for the evolving healthcare industry. At its height, the program was funded at \$600K. By FY18, line item funding had been reduced to a level that makes it increasingly difficult to support the work in a substantial way. Given funding available from other industry sources and competing priorities, including affordability as well as new mandates (Campus Safety and SARA), the DHE is recommending that funding for this program be phased out for FY19.

Community College Workforce Grants (7066-1221)	FY19 Request:	\$750,000
	FY18 GAA:	\$750,000
	% Change:	0%

Community College Workforce Development Grants were created in FY00 to develop public, community college-based training opportunities in order to promote workforce development, minimize the shortage of skilled workers, and raise economic opportunity through a matching incentive grant program. Each community college that is eligible for grant awards in a fiscal year has received no less than \$50,000 each year since the program was established. These dollars are used to ensure that each college has a full-time program administrator for workforce development activities focused on local employers. The DHE is requesting level funding for this account in FY19 at \$750,000.

Miscellaneous

- New England Board of Higher Education
- Tufts Veterinary School

New England Board of Higher Education (7066-0009)	FY19 Request:	\$183,750
	FY18 GAA:	\$367,500
	% Change:	-50%

The New England Board of Higher Education (NEBHE) is a consortium of New England higher education executive offices that promotes regional cooperation, programs that encourage the efficient use and sharing of educational resources, and best practices to assist the states in implementing important regional policies.

The DHE is recommending that the FY18 House 1 funding level of \$183,750 be requested for FY19.

Tufts Veterinary School (7077-0023)	FY19 Request:	\$3,000,000
	FY18 GAA:	\$5,000,000
	% Change:	- 40%

The Commonwealth has made a long-term commitment to Tufts to support the Veterinary School in Grafton. In return for this subsidy, Tufts provides reduced tuition for Massachusetts residents and undertakes bioterrorism research for the Commonwealth. The DHE is recommending that the FY2018 BHE funding recommendation of \$3 million be requested for FY2019.

FY2019 Budget Recommendation: Community Colleges and State Universities

See Appendix B for an individual campus summary of state appropriation levels from FY2016 through the FY2019 Recommendation

Community Colleges	FY19 Request:	\$278,029,359,
	FY18 Total:	\$275,293,784
	% Change:	+1%

In FY2019, the DHE recommends adding the full annualized cost of the Year 3 increases of the current MCCC collective bargaining contract. Beyond the costs of currently ratified MCCC contract the DHE recommends level funding for the community colleges pending the outcome of the contract negotiations with AFSCME.

State Universities	FY19 Request:	\$250,468,712
	FY18 Total:	\$250,468,712
	% Change:	0%

In FY19 the DHE recommends level funding for the state universities pending the outcome of contract negotiations with the three collective bargaining units. The APA, MSCA, and AFSCME contracts all have expired and are currently under negotiation. When those are ratified, the DHE recommends that full-funding be sought for the incremental costs in FY18 and FY19.

Full funding of collective bargaining costs for both the state universities and community colleges is critical to maintaining affordability for our students. The DHE will continue to advocate for full funding of the total collective bargaining costs be added to the base of future campus line-item appropriations.