

State Universities and Community Colleges of Massachusetts

Joint Presentation by

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Massachusetts Board of Higher Education Meeting @ Bridgewater State University

January 23, 2018

Today, President Kennedy and I will be sharing with you a collaborative project that we have developing to bring awareness to the value our public colleges and universities bring to our Commonwealth. In your meeting packet, you have an advocacy and messaging slide deck that public higher education leaders are using to promote better understanding of the economic challenges Massachusetts faces and the importance of public higher education in addressing those issues.

Massachusetts is more dependent on a college-educated workforce than any state in the nation. College educated workers drive the state's high-wage economy; they are essential to its leadership in critical economic sectors; and they support the Commonwealth's strong public safety net. Your public colleges and universities have always been and will continue to be a critical part of the educated workforce pipeline.

However, today, Massachusetts faces a "perfect storm" that could have a negative effect on the state's economy. This perfect storm is due to the increasing demand for a highly educated workforce, a projected decline in the number of high school students in Massachusetts entering college and more and more Baby Boomers retiring and leaving the workforce. Massachusetts economists are concerned that this talent shortage could result in businesses looking elsewhere for a highly educated workforce.

As leaders of your public higher education intuitions we are here to say that our intuitions are uniquely positioned to address the state's critical need for these highly educated workers. The state's 15 community colleges, 9 state universities and 5 UMass campuses already educate 70 percent of high school graduates who remain in Massachusetts to attend college. More than 200,000 students are enrolled in our 29 public institutions and collectively we graduate more than 40,000 students each year. Moreover, we do educate and graduate these students more effectively and more efficiently than our competitor systems. Your public college and university campuses offer Massachusetts residents the best value proposition and the most pathways for a high quality and affordable degree. However, we can do so much more, but we need your help.

We are here to say that the solution to the state's talent gap is in improving the educational attainment of underrepresented groups and students living in Gateway Cities; particularly students of color and adult workers who possess a high school diploma and students who have some college or might fall a few classes short of a degree... To meet the needs of businesses, we need to get these students into our classrooms and graduated.

It is public higher education campuses educating these underserved populations now and with your help, we are poised to do more. We all know that public higher education is the best, and in most cases, the only opportunity for economic mobility of people living in poverty or residing in economically challenged communities. We are committed to fulfilling Horace Mann's belief that education is the great equalizer and we firmly believe that it is the mission of our public colleges to do just that...

At the very moment when public higher education is more critical than ever to the state's economic future, by any measure Massachusetts is disinvesting in its most critical resource. The state has cut per student public higher education funding by 31 percent since 2001. It ranks 34th in the nation in per capita spending on higher education, lagging its most critical economic competitors by a wide margin. The state is making it more difficult for students and families to earn a college degree, thereby undermining its own economic growth and competitiveness, reducing opportunities for our people and intensifying income/wealth and racial/ethnic inequalities.

Included in your packet is the advocacy slide deck and we would like to take a few minutes to walk you through the document:

- Massachusetts Public Higher Education System: 3 Segments, 29 Campuses.
- Together we have over 200,000 students enrolled on our campuses.
- Public higher education is graduating more than 40,000 students each year. That is an increase of 8% in just the past four years.
- We all remain committed to continuing the trend of producing more graduates.

Massachusetts Workforce:

- Today, the public higher education system in Massachusetts is becoming more important in educating the future workforce of Massachusetts as 52% of all undergraduates of Massachusetts are educated by public institutions. An overwhelming majority (70%) of recent Massachusetts high school graduates who remain in-state choose a Massachusetts public college or university.
- Massachusetts is increasingly reliant on a highly educated workforce. As the first state in the nation to cross the threshold to have a majority of residents with a bachelor's degree, a highly educated workforce is essential for the state's economic future. In fact, according to a Georgetown University study, 63% of job postings require a four-year degree or higher.
- States with more college educated workforce have stronger, higher-wage economies. In Massachusetts, those with a bachelor's degree earn 78% more than high school graduates.
- In our current highly educated economy, a college education is not only critical to our economic viability, but it is the public good. College graduates pay considerably more lifetime taxes than those with a high school diploma and utilize far fewer public resources. Those with college degrees contribute significantly more in net fiscal impact than those with a high school diploma. Over a lifetime, the net fiscal impact of an individual with a bachelor's degree is a plus \$380,000 compared to a plus \$25,000 for a high school graduate.

Emerging talent shortage:

- Earlier we spoke about the talent shortage facing Massachusetts due to increased demand for a highly educated workforce, baby boomer retirements, and a decline in high school aged students.
- Our public higher institutions are positioned to address this problem.
- We are working to increase the number of graduates from underrepresented constituency groups such as adult learners with some college but have not yet earned a degree and students from underserved populations such as Gateway Cities.
- We applaud Commissioner Santiago and Jonathan Keller on their research and presentation last board meeting on adult learners in Massachusetts. We are working with them to find pathways for a college degree for these students who have yet to obtain a degree.
- We are all fully committed to closing achievement gaps for student of color on our campuses...

- Today, 72% of African American undergraduates and 79% Latino undergraduates attend a public college or university.
- We recognize that closing achievement gaps is an essential component to addressing the talent shortage.
- We have all made strides in closing achievement gaps but we are committed to do more.

Public Higher Education Grads Stay in Massachusetts:

- Your public colleges and universities are Massachusetts institutions for Massachusetts residents.
- Graduates of public higher education are much more likely to stay and contribute to the Massachusetts economy. 60% of Massachusetts public higher education grads were working in-state four years later as compared to only 38% of graduates of Massachusetts private colleges and universities.
- For the state universities, over 90% of their students come from Massachusetts households; and 85% of their graduates chose to live, work and raise their families in the Commonwealth after graduation.
- ...and nearly all our community college graduates are Massachusetts residents.
- As my colleague President Clark will attest, our community colleges also serve as the largest transfer feeder schools for our four year institutions.
- And since the competition of the Mass Transfer Pathways initiative we continue to see our transfer numbers between public institutions increase.

Efficiency, Degrees Produced and State Appropriation:

- As public institutions, receiving tax payer funds, we are committed to being good stewards of public dollars and maximizing campus efficiencies.
- The state universities and community colleges have been working closely on collaborative initiatives to save money through group purchasing, sharing services, system and regional partnerships, and better alignment of academic programming.
- However, we find it difficult to demonstrate to stakeholders our efficiency successes, as people seem to have differing definitions of the word efficiency.
- I would like to suggest that we begin looking at efficiency, not solely in dollars saved through group purchasing, but how efficient we are in fulfilling our mission to educate the Massachusetts citizenry.
- Since 2008, Massachusetts public campuses increased degree production at three times the rate the state has increased its appropriation.
- Our degrees conferred have far outpace the state appropriation and our student completion rates significantly exceed national averages.
- We are proud to lead national averages in student completion rates, but again, we are all committed to increase retention and graduation rates through campus level and system wide initiatives.
- We challenge anyone to compare the cost of educating students at our public institutions and measure that against the number of degrees conferred to Massachusetts residents; we are confident that we would be viewed as national leaders in the efficient use of public resources.

There are a number of other slides in your packet that show state funding trends for our public higher education campuses and the challenges for us to fulfill our missions. These slides show actual dollars

directed by the state to our campuses as compared to other states; they also will show those same dollars adjusted to inflation.

Even though Massachusetts has been divesting from public higher education, our campuses continue to lead the nation in outcomes and efficiency. But we are at the tipping point. It is more and more difficult for us to fulfill our mission of educating our Massachusetts citizenry and providing opportunities for economic mobility to all.

As we enter the FY19 budget debate, we encourage you to join us in promoting our public higher education institutions by advocating for investment in our wonderful public colleges and universities.

The Massachusetts Public Higher Education Solution

THE STATE'S BEST ECONOMIC DEVELOPMENT STRATEGY

January 2018

Massachusetts Public Higher Education System: 3 Segments, 29 Campuses

Role of PHE

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- **5 University of Massachusetts** campuses offering bachelor's, master's doctoral, medical and law degrees: Amherst, Boston, Dartmouth, Lowell and UMass Medical
- **9 State Universities** offering bachelor's and master's degrees: Bridgewater, Fitchburg, Framingham, MassArt, Mass College of Liberal Arts, Mass Maritime, Salem, Westfield, Worcester
- **15 Community Colleges** offering associate's degrees: Berkshire, Bristol, Bunker Hill, Cape Cod, Greenfield, Holyoke, Massasoit, Mass Bay, Middlesex, Mt. Wachusett, North Shore, Northern Essex, Quinsigamond, Roxbury, Springfield Technical



Public higher education has surpassed private higher education in Massachusetts

All Undergraduates in MA

52% educated by public institutions

The majority of MA high school graduates (who remain in state to attend college) choose public institutions

70%

Source: MA Department of Higher Education

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More than 200,000 students are enrolled in Massachusetts' 15 community colleges, 9 state universities and 5 UMass campuses

Institution Type	Headcount (2016)
State Universities	50,922
Community Colleges	87,527
UMass	74,496

Fall Unduplicated Headcount (2016)

Source: MA Department of Higher Education and UMass Office of Institutional Research

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Public higher education is graduating more than 40,000 students each year and has increased its degree production by 8 percent in the past 4 years

	2012	2013	2014	2015	2016
Community colleges	13,292	13,701	14,706	14,805	14,449
State universities	10,656	10,867	11,136	11,047	11,511
UMass	15,688	16,447	17,174	16,643	16,798
Total	39,636	41,015	43,016	42,495	42,758

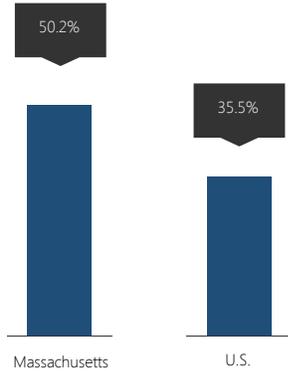
Source: MA Department of Higher Education and UMass Office of Institutional Research



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Massachusetts is more reliant on an educated workforce than any other state

Percent of Residents Holding a Bachelor's Degree

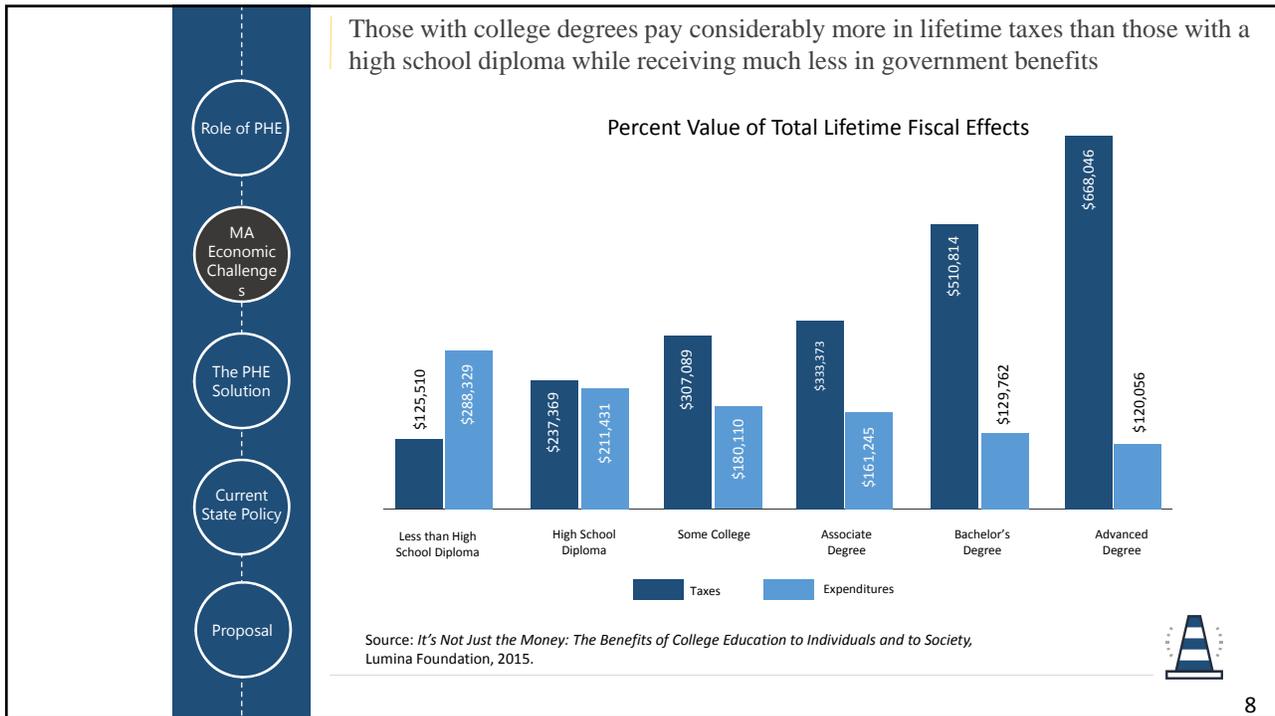
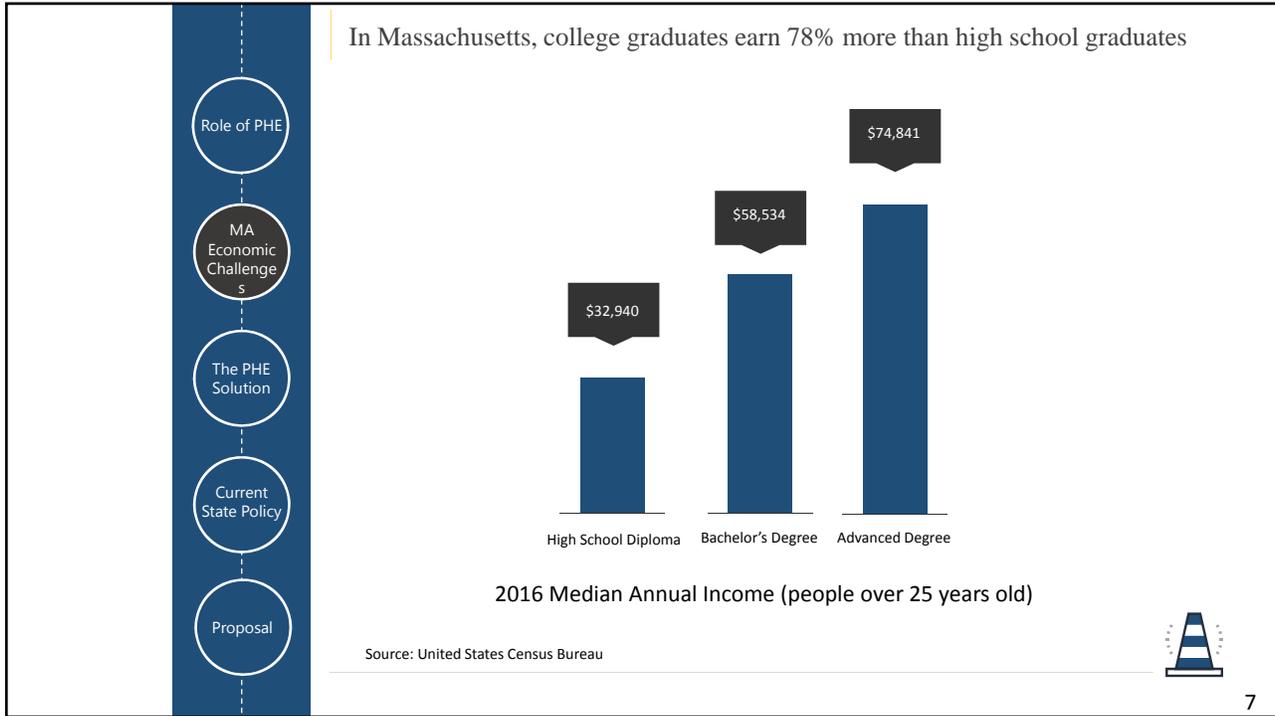


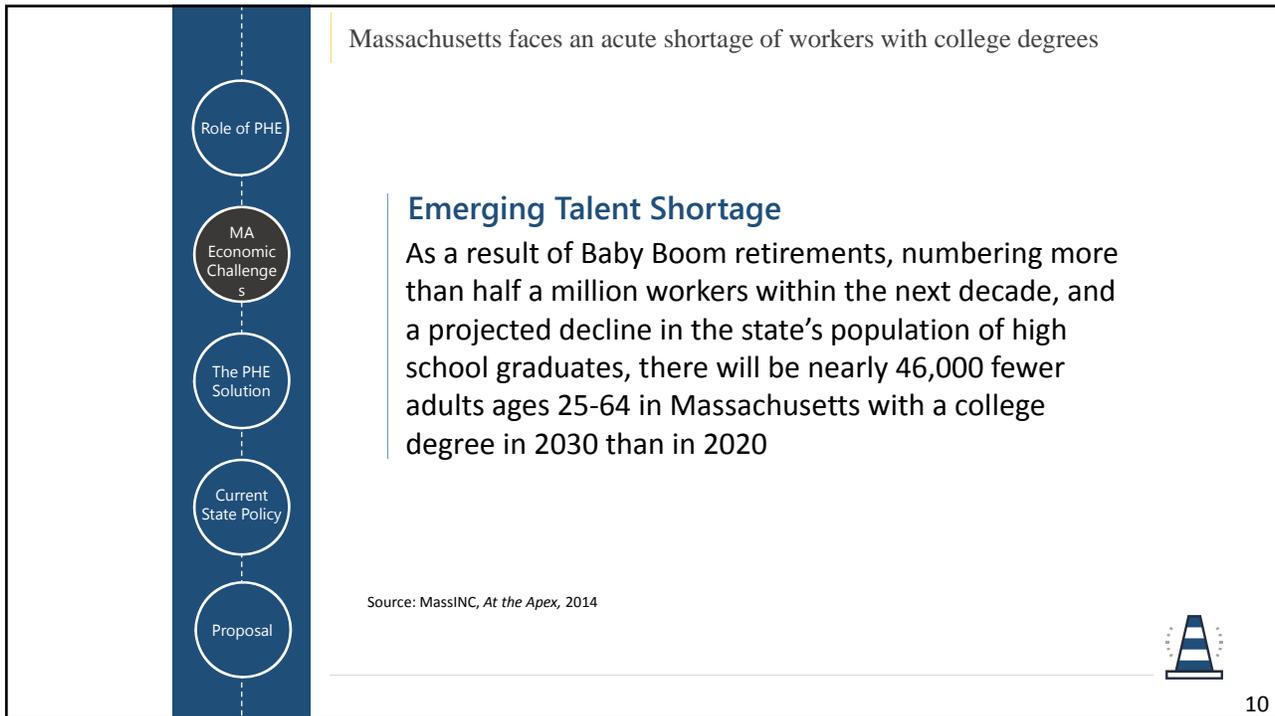
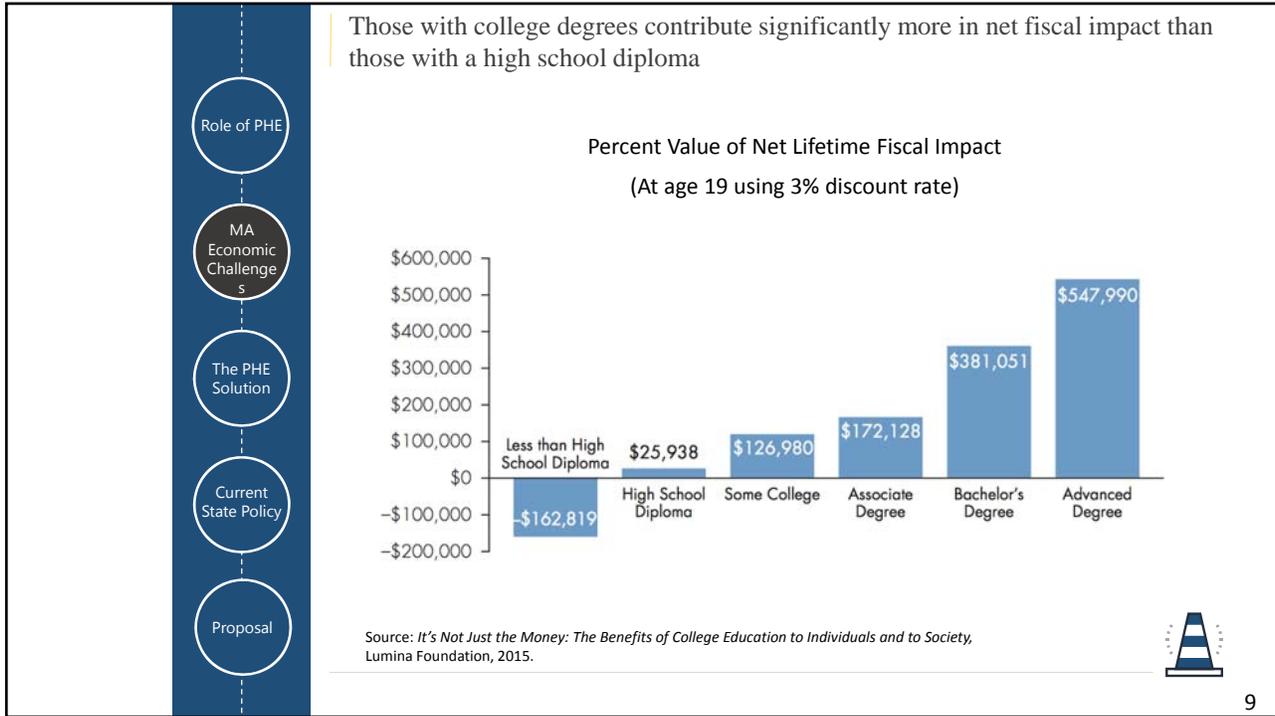
Massachusetts	U.S.
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50.2% of Massachusetts residents hold a bachelor's degree versus 35.5% nationally

Source: MA Budget and Policy Center







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There are more than 1,000,000 adults in Massachusetts with some college education or an associate's degree

Category	Count
Adults with some college, no degree	743,934
Adults with associate's degree	359,774

Source: United States Census Bureau

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Adult learners constitute an untapped resource: Only 6.5% of Massachusetts adults with a high school diploma (but not a bachelor's degree) are enrolled in college.

Recent Survey of Potential Adult Learners in MA

In October 2017, the DHE contracted with Maguire Associates to conduct quantitative research on the potential adult learner population in Massachusetts. The survey population was adults over age 25 who graduated from high school but have not attained a bachelor's degree. Among those age 25-49, a population over 1 million in Massachusetts, only 6.5% are currently enrolled in college.

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Top 25 States

State	Percentage
New Hampsh...	10.0%
Arizona	9.5%
Utah	9.0%
West Virginia	8.5%
Idaho	8.0%
Iowa	7.5%
Maryland	7.0%
Colorado	6.5%
New Mexico	6.0%
California	5.5%
Oregon	5.0%
Minnesota	4.5%
Kansas	4.0%
Virginia	3.5%
Alaska	3.0%
Florida	2.5%
Illinois	2.0%
Nebraska	1.5%
Massachusett..	1.0%
Missouri	0.5%
Washington	0.5%
Hawaii	0.5%
Wisconsin	0.5%
Wyoming	0.5%
Montana	0.5%

Source: Massachusetts Department of Higher Education

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The solution to our economic challenges is in improving the educational attainment of underrepresented groups

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“If African-American and Latino/a adults possessed college degrees at the same rate as white adults (60%), the state would easily meet its need for more college graduates by 2025.”

Source: Massachusetts Department of Higher Education, Degrees of Urgency, 2014



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The public higher education system is educating the underserved populations in Massachusetts – the very citizens who are critical to solving the talent gap

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African-American undergraduates educated by the public system

72%

Latino/a undergraduates educated by the public system

79%

Source: MA Department of Higher Education



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Public higher education graduates are much more likely to stay and contribute to the Massachusetts economy

Public Grads More Likely to Stay and Contribute to Massachusetts Economy

State of employment in 2012 for class of 2008 Massachusetts college graduates

Institution Type	Massachusetts	Out of State
Graduates of MA Public Institutions	60%	40%
Graduates of MA Private Institutions	38%	62%

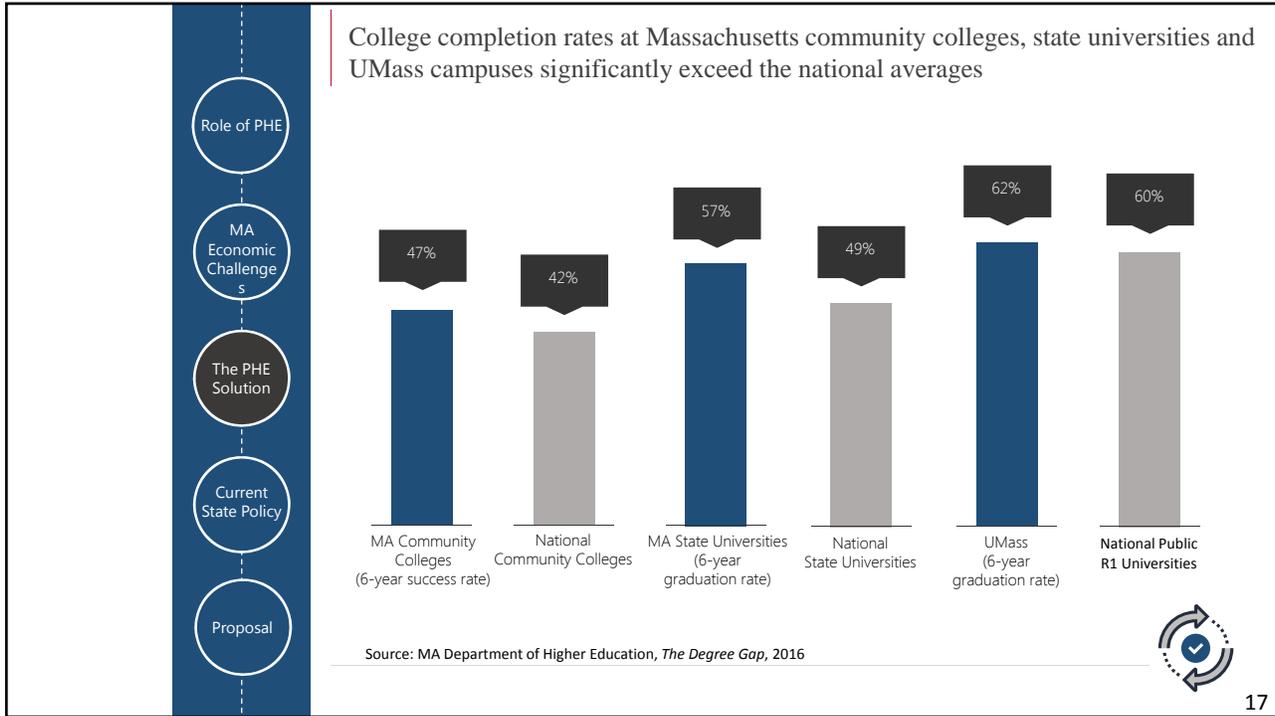
Source: Baccalaureate & Beyond Longitudinal Survey, National Center for Education Statistics

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Public higher education is highly efficient in its use of state resources

	2008	2016	CHANGE
Degrees Conferred	32,205	42,758	+33%
State Appropriation	\$931,233,000	\$1,034,547,000	+11%

Note: The increase in appropriations is *not* adjusted for inflation
 Source: MA Department of Higher Education and UMass Office of Institutional Research



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Massachusetts public higher education institutions have made enormous progress in facilitating the transfer of students; for most majors, transfer is now seamless

	2012	2013	2014	2015	2016
Students transferring from MA community college to state universities	2,213	2,298	2,345	2,295	2,368
Percent of total transfer students transferring from MA Community college	56.0%	58.0%	61.5%	60.7%	61.2%

Source: MA Department of Higher Education

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Massachusetts is disinvesting in the public higher education system

Massachusetts Cut Higher Ed. by 14 Percent Since FY 2001

State spending on higher education, adjusted for inflation

Fiscal Year	Spending (Adjusted for Inflation)
FY01	\$1,350,000,000
FY02	\$1,250,000,000
FY03	\$1,150,000,000
FY04	\$950,000,000
FY05	\$1,050,000,000
FY06	\$1,100,000,000
FY07	\$1,150,000,000
FY08	\$1,150,000,000
FY09	\$1,150,000,000
FY10	\$1,100,000,000
FY11	\$1,050,000,000
FY12	\$950,000,000
FY13	\$950,000,000
FY14	\$1,050,000,000
FY15	\$1,100,000,000
FY16	\$1,150,000,000
FY17	\$1,160,000,000

Note: FY 2007 total is adjusted downwards to account for the fact that significant funding during this year was for capital investments that supported activity during other fiscal years.

Source: MA Budget and Policy Center

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Massachusetts is disinvesting public higher education at a time when more students are choosing to attend public colleges and universities

Per Student, Higher Ed. Cut by 31 Percent Since FY 2001

Massachusetts higher education spending, per resident student, adjusted for inflation

Fiscal Year	Spending per Resident Student (Adjusted for Inflation)
FY01	\$12,000
FY02	\$10,800
FY03	\$9,800
FY04	\$8,200
FY05	\$8,800
FY06	\$9,200
FY07	\$9,500
FY08	\$9,200
FY09	\$8,800
FY10	\$8,000
FY11	\$7,200
FY12	\$6,800
FY13	\$6,800
FY14	\$7,500
FY15	\$8,000
FY16	\$8,400

Note: FY 2007 total is adjusted downwards to account for the fact that significant funding during this year was for capital investments that supported activity during other fiscal years.

Source: MA Budget and Policy Center

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Massachusetts lags key competitors

Massachusetts spends \$227 per capita on higher education, ranking **34th** in the nation.

State	Per Capita Spending
California	\$346
Connecticut	\$323
Maryland	\$327
Massachusetts	\$227
New Jersey	\$233
New York	\$292
North Carolina	\$392

Source: Illinois State U, *Grapevine* (FY17)

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The state is making it more difficult for students and families to earn a college degree

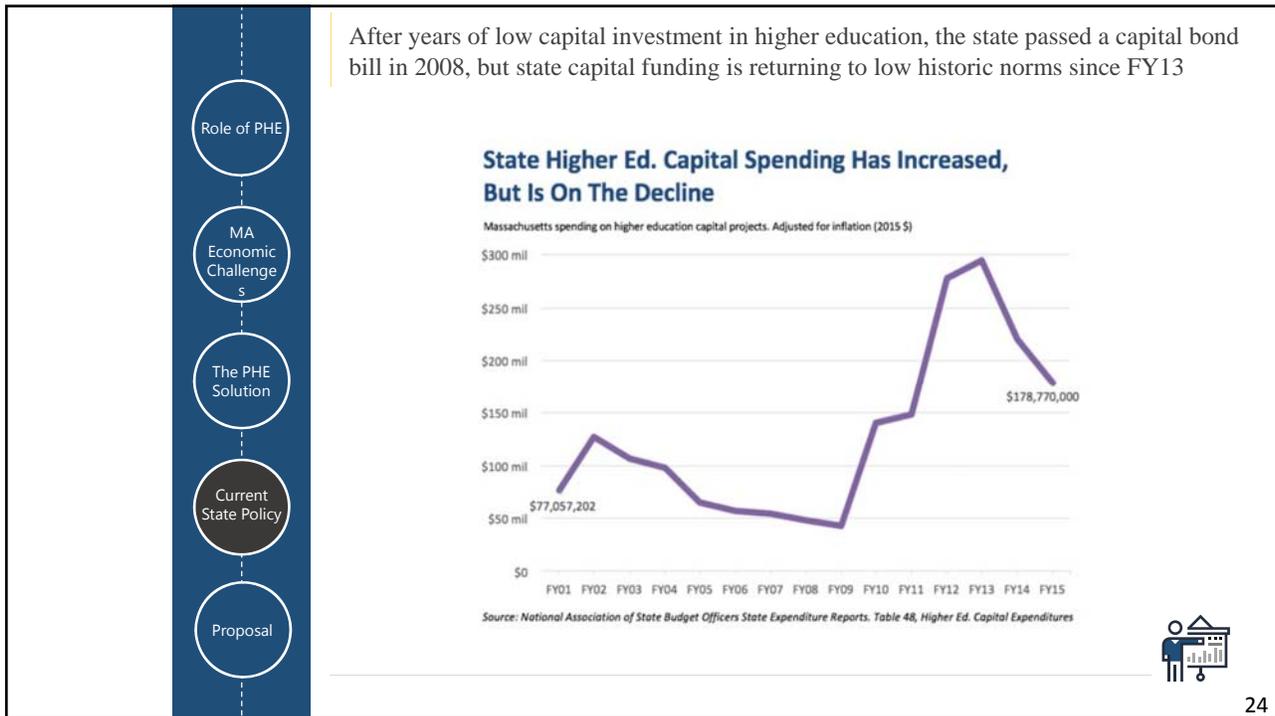
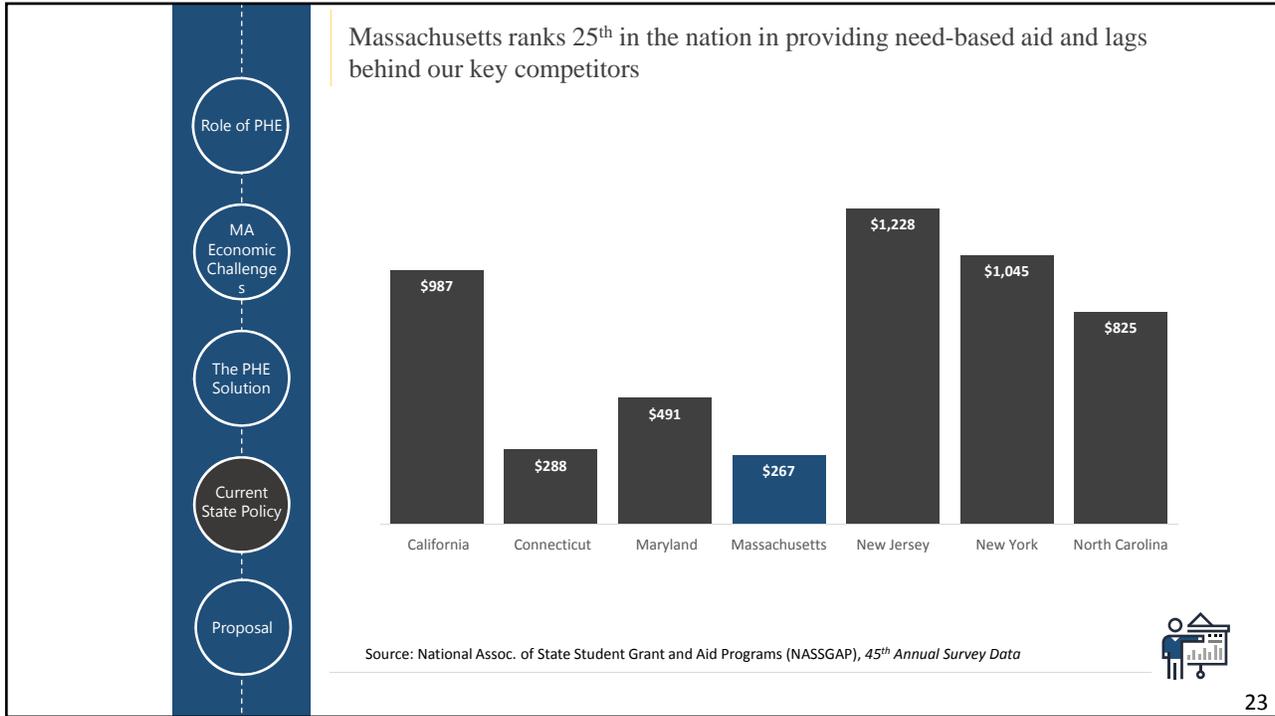
Massachusetts Cut Scholarships by 31 Percent Since FY 2001

State spending on State Scholarship Program, adjusted for inflation

Fiscal Year	Spending (mil)
FY01	138
FY02	128
FY03	122
FY04	108
FY05	105
FY06	103
FY07	107
FY08	109
FY09	110
FY10	100
FY11	98
FY12	93
FY13	92
FY14	94
FY15	96
FY16	97
FY17	95

Source: MA Budget and Policy Center

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Massachusetts needs to pay its bills

- **The state should pass a deferred maintenance bond bill** sufficient to pay for the maintenance and upkeep of its own buildings; these funds should not have to come from college/university operating budgets
- **The state should also fund the employment contracts** that it has agreed to pay through the collective bargaining process and stop the practice of funding the first-year costs and then imposing these costs onto the colleges and, in turn, their students
- **If the state paid for its own obligations**, Massachusetts public higher education could continue to expand access to higher education, grow the number of college graduates, close the talent gap and help the state meet its most pressing economic need – a growing college educated workforce.



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