

## Advocacy for Higher Education at the State Level: Challenges and Opportunities

Outline of comments, April 13, 2010

Paul E. Lingenfelter, President, State Higher Education Executive Officers

- 1) The story line about funding for higher education in the United States is well known:
  - a) Higher education is increasingly considered more of a private good than a public good;
  - b) State funding has been consumed by very rapid growth in Medicaid, steady, but perhaps not so rapid growth in K-12, and to a lesser extent (perhaps) increased spending on corrections – higher education can't compete politically with these priorities, and their growth has been funded through reallocation from higher education;
  - c) Every recession state funding for higher education drops and enrollments keep growing; per student support for higher education falls, tuition goes up, and colleges and universities get bashed for tuition increases;
  - d) Today state support for higher education at research universities is headed toward single digit percentages; it used to be well over half;
  - e) Higher education seems no longer to be a public priority, which is hard to fathom, since it is obviously so important;
  - f) It seems that nothing can be done – we are headed toward a privatized system of higher education.
  
- 2) The facts are a little more complicated.
  - a) This story line exaggerates the national trend. I'll focus on the past 15 years.
    - i) During 1994 in 2009 dollars, state funding per student averaged \$6,905; it was virtually the same amount (\$6,925 including ARRA) in constant dollars in 2009.
    - ii) Total funding (state support plus net tuition) per FTE in 2009 was \$10,993, up 9% in constant dollars. Tuition grew a good bit faster than inflation during these fifteen years.
  - b) Despite a national trend of relative stability or modest growth, *twenty five states lost ground in constant dollar state support, and about half of them (11) lost more than 20%*.** These eleven states are clearly dominating the news.
  - c) 25 states held their own or grew in constant dollar state funding per student; three grew by more than 20%, and 13 grew by 9% or more.
  - d) When one considered total revenues, (state support plus net tuition) only 7 states lost ground between 1994 and 2009. Eight had total revenue growth greater than 20% and 27 had total revenue growth of 10% or more.
  
- 3) I don't interpret these facts to mean we don't have a problem. Twenty five states losing ground, and eleven losing a lot of ground is a problem. And the public perception about the privatization of higher education (which many of us wittingly or not reinforce), risks becoming a self-fulfilling prophecy. The substantial tuition increases of the past two decades are unsustainable without serious negative consequences for equality of opportunity.

- 4) The facts I've just outlined, however, suggest some important questions. What distinguishes the states that have gained a lot from those who have lost a lot? Is it the quality of their advocacy or of their leaders? Is it the prosperity of their state's economy? Is it the quality of the competition within the states for state funding?
- 5) As I look at the data and think about what I know about the states, I think these results are surely caused by a combination of factors. I have my own theories about what might generate more public support for higher education, however, and I see some evidence for those theories in these numbers. I doubt that any simple theories (including mine) are **clearly** supported by the data, but let me share my theory and then point to the evidence I think supports it!
- 6) My theory is that support for higher education increases when there is a focus on public needs and a credible case that incremental benefits will result from incremental support. Too often we advocate for higher education by very rationally and passionately telling the public how important we are and how seriously our needs have been neglected. Rightly or wrongly, too many people envy our salaries, working conditions, and our pleasant campus environment (real or imagined) for that to be very compelling.

We too often approach the public as a bill collector, claiming that legitimate costs have not been fully paid. We do better when we approach the public by saying we can add real value for an additional marginal dollar. People hate to pay bills. They don't mind shopping.

- 7) The biggest "winners" among the states in state support over the past 15 years are: Louisiana, Wyoming, Kentucky, Mississippi, and Maryland, all of whom increased state support per student more than 15% in real dollars. Wyoming clearly benefited from its small population and rapid growth in mineral revenues. The deep southern states, however, have all benefited from a focus on increasing educational attainment, especially Kentucky. Maryland has benefited from both prosperity and an effective advocate who made visible system efforts to improve productivity and efficiency. In many of these states (and others just below them in terms of growth) there has been a state agenda for higher education.

The biggest "losers" in terms of state support per student (all over 25%) are Vermont, New Jersey, South Dakota, Oregon, Iowa, Maine, and Michigan. Some of these states have mature systems, some have had economic problems, but few of them are notable for a sustained public focus on higher education with clear state goals.

- 8) When tuition and fees are combined with state support the pattern changes a bit. Some of the southern states that have increased state support per student (Louisiana, Florida, and Georgia among others) put a lot of the increased support into merit scholarship programs. This was an "added" public benefit (helping good students pay less for college) that didn't put much money into the institutions educating them. The states enjoying the highest increases of total educational

revenue are in order: Kentucky, Maryland, Nebraska, Arizona, North Dakota, Illinois, Oklahoma, and Delaware, all with total increases of 20% or more in constant dollars. Many of these states (not all, admittedly) had a clear public focus on improving access, participation, or quality in higher education during this fifteen year period.

9) In conclusion, I believe:

- a) The fundamental economic factors facing the United States (an aging population, rising health care and retirement costs) will make it difficult to win greater support for higher education in the coming years. This will not change.
- b) These factors, notwithstanding, the fundamental public commitment to higher education remains strong, and the American people recognize its importance.
- c) In almost every state, a one percentage point reallocation of state funds (or a tax increase of one percent devoted to higher education) would result in an increase of 15% or more in state support; this is feasible, why don't the states do it?
- d) The key to effective public advocacy for higher education is to emphasize how higher education is working to meet pressing social needs more effectively (by changing what we do and what we offer), rather than simply asking for more support for what we are already doing. Some things that have been successful have been:
  - i) Voluntarily increasing productivity through efficiencies (which ironically seems to improve the willingness to increase appropriations) and holding down tuition increases.
  - ii) Increasing enrollments and graduations of underserved populations.
  - iii) Adopting ambitious goals recognized as having value to the state.
- e) One very promising opportunity for winning greater public support is much more visibly and effectively partnering with K-12 to increase the capacity and effectiveness of teachers and school leaders. I think this opportunity has been too frequently neglected, or at least not served as powerfully as it might be.

**Support for Public Higher Education 1980-2009**  
**United States, Selected Years**

	All State and Local Support (Current Dollars In Billions)		All State and Local Support (Constant Dollars 2009 in Billions)		Educational Appropriations (State and Local Support Excluding Appropriations for Research, Agriculture, and Medical Purposes) (Current Dollars in Billions)		Educational Appropriations (State and Local Support Excluding Appropriations for Research, Agriculture, and Medical Purposes) (Constant 2009 Dollars in Billions)		Annual FTE Enrollment (Net of Medical Students)	State and Local Support Per FTE in Constant 2009 Dollars	Educational Appropriations Per FTE in Constant 2009 Dollars	Tuition per FTE (Constant 2009 Dollars)			
1980	\$	19.4	\$	59.4	\$	16.1	\$	49.3	7,002,698	\$	8,481	\$	7,038	\$	1,860
1985	\$	29.2	\$	64.7	\$	24.1	\$	53.4	7,234,449	\$	8,938	\$	7,385	\$	2,245
1990	\$	40.8	\$	74.1	\$	33.8	\$	61.3	7,936,066	\$	9,333	\$	7,725	\$	2,575
1994	\$	43.7	\$	68.9	\$	36.4	\$	57.3	8,305,355	\$	8,290	\$	6,905	\$	3,146
1999	\$	57.4	\$	78.8	\$	48.8	\$	67.0	8,525,540	\$	9,241	\$	7,858	\$	3,384
2000	\$	60.7	\$	80.2	\$	51.7	\$	68.3	8,608,624	\$	9,316	\$	7,931	\$	3,293
2001	\$	65.2	\$	82.5	\$	55.9	\$	70.7	8,880,369	\$	9,293	\$	7,961	\$	3,278
2002	\$	67.6	\$	82.9	\$	57.9	\$	71.0	9,260,398	\$	8,956	\$	7,667	\$	3,289
2003	\$	67.8	\$	80.7	\$	58.4	\$	69.6	9,740,765	\$	8,288	\$	7,140	\$	3,360
2004	\$	66.8	\$	76.9	\$	57.6	\$	66.2	9,954,184	\$	7,723	\$	6,652	\$	3,525
2005	\$	69.1	\$	76.9	\$	59.7	\$	66.4	10,122,210	\$	7,594	\$	6,562	\$	3,718
2006	\$	74.4	\$	80.3	\$	64.8	\$	69.9	10,156,493	\$	7,904	\$	6,884	\$	3,891
2007	\$	79.9	\$	83.4	\$	69.6	\$	72.7	10,246,547	\$	8,144	\$	7,093	\$	3,980
2008	\$	85.7	\$	87.0	\$	74.6	\$	75.7	10,488,662	\$	8,294	\$	7,217	\$	4,026
2009	\$	86.1	\$	86.1	\$	75.1	\$	75.1	10,842,361	\$	7,942	\$	6,925	\$	4,105

Source: SSDB and SHEEO SHEF FY 2009

Notes:

All constant 2009 dollars have been adjusted by the Higher Education Cost Adjustment (HECA)

2009 State and Local Support and Educational Appropriations include about \$2.3 billion of ARRA funds

Percent Change over Fifteen Years in State Support Per FTE for Higher Education

Source: SHEEO State Higher Education Finance

STATE	Educational Appropriations per FTE (Unadjusted)		% Change in Unadjusted Educational Appropriations	Educational Appropriations per FTE (Constant 2009 Dollars and Adjusted for COLA and EMI)		% Change in Adjusted Educational Appropriations
	1994	2009		1994	2009	
	Vermont	\$ 2,855		\$ 2,962	4%	
New Jersey	\$ 6,889	\$ 7,546	9%	\$ 10,769	\$ 7,481	-44%
South Dakota	\$ 3,395	\$ 3,924	13%	\$ 5,357	\$ 3,927	-36%
Oregon	\$ 4,441	\$ 5,172	14%	\$ 6,796	\$ 5,020	-35%
Iowa	\$ 5,512	\$ 6,530	16%	\$ 7,860	\$ 5,905	-33%
Maine	\$ 5,576	\$ 6,883	19%	\$ 8,630	\$ 6,756	-28%
Michigan	\$ 4,673	\$ 5,908	21%	\$ 6,692	\$ 5,365	-25%
Pennsylvania	\$ 4,516	\$ 5,722	21%	\$ 6,896	\$ 5,542	-24%
Rhode Island	\$ 4,077	\$ 5,192	21%	\$ 5,898	\$ 4,763	-24%
Indiana	\$ 4,239	\$ 5,439	22%	\$ 5,840	\$ 4,752	-23%
Wisconsin	\$ 5,263	\$ 6,810	23%	\$ 7,962	\$ 6,534	-22%
New Hampshire	\$ 2,646	\$ 3,505	24%	\$ 3,727	\$ 3,131	-19%
Minnesota	\$ 4,642	\$ 6,502	29%	\$ 6,936	\$ 6,161	-13%
Ohio	\$ 3,711	\$ 5,210	29%	\$ 5,457	\$ 4,858	-12%
North Dakota	\$ 3,887	\$ 5,480	29%	\$ 6,125	\$ 5,476	-12%
Montana	\$ 3,576	\$ 5,087	30%	\$ 4,948	\$ 4,465	-11%
South Carolina	\$ 3,646	\$ 5,209	30%	\$ 6,290	\$ 5,700	-10%
Kansas	\$ 4,281	\$ 6,156	30%	\$ 6,131	\$ 5,591	-10%
Washington	\$ 4,626	\$ 6,787	32%	\$ 6,968	\$ 6,483	-7%
Colorado	\$ 3,137	\$ 4,687	33%	\$ 4,145	\$ 3,929	-6%
North Carolina	\$ 5,432	\$ 8,260	34%	\$ 9,170	\$ 8,844	-4%
Utah	\$ 4,223	\$ 6,504	35%	\$ 6,249	\$ 6,103	-2%
Connecticut	\$ 6,618	\$ 10,294	36%	\$ 8,430	\$ 8,317	-1%
Massachusetts	\$ 5,255	\$ 8,213	36%	\$ 6,874	\$ 6,813	-1%
New Mexico	\$ 5,290	\$ 8,337	37%	\$ 8,362	\$ 8,359	0%
<b>US</b>	<b>\$ 4,379</b>	<b>\$ 6,925</b>	<b>37%</b>	<b>\$ 6,905</b>	<b>\$ 6,925</b>	<b>0%</b>
Missouri	\$ 3,923	\$ 6,288	38%	\$ 5,985	\$ 6,084	2%
Alabama	\$ 3,579	\$ 5,768	38%	\$ 6,440	\$ 6,582	2%
Virginia	\$ 3,512	\$ 5,666	38%	\$ 5,572	\$ 5,702	2%
Texas	\$ 4,279	\$ 7,001	39%	\$ 7,874	\$ 8,171	4%
New York	\$ 5,419	\$ 8,923	39%	\$ 7,888	\$ 8,238	4%
Hawaii	\$ 8,284	\$ 13,739	40%	\$ 8,412	\$ 8,849	5%
Arkansas	\$ 3,890	\$ 6,474	40%	\$ 7,537	\$ 7,955	5%
Oklahoma	\$ 4,277	\$ 7,240	41%	\$ 8,193	\$ 8,797	7%
Delaware	\$ 4,194	\$ 7,104	41%	\$ 5,302	\$ 5,695	7%
Alaska	\$ 8,999	\$ 15,362	41%	\$ 11,973	\$ 12,962	8%
Nevada	\$ 4,935	\$ 8,451	42%	\$ 8,085	\$ 8,781	8%
Tennessee	\$ 4,259	\$ 7,317	42%	\$ 7,251	\$ 7,901	8%
Georgia	\$ 4,785	\$ 8,265	42%	\$ 8,001	\$ 8,765	9%
Idaho	\$ 4,973	\$ 8,611	42%	\$ 8,427	\$ 9,255	9%
California	\$ 4,060	\$ 7,043	42%	\$ 6,271	\$ 6,899	9%
Illinois	\$ 4,557	\$ 7,937	43%	\$ 7,041	\$ 7,777	9%
Florida	\$ 3,630	\$ 6,340	43%	\$ 5,926	\$ 6,564	10%
Nebraska	\$ 4,200	\$ 7,486	44%	\$ 6,235	\$ 7,048	12%
West Virginia	\$ 2,858	\$ 5,120	44%	\$ 5,662	\$ 6,433	12%
Arizona	\$ 4,232	\$ 7,684	45%	\$ 6,341	\$ 7,301	13%
Maryland	\$ 4,291	\$ 8,030	47%	\$ 6,825	\$ 8,100	16%
Mississippi	\$ 3,157	\$ 5,963	47%	\$ 6,108	\$ 7,316	17%
Kentucky	\$ 3,553	\$ 7,134	50%	\$ 6,258	\$ 7,969	21%
Wyoming	\$ 6,412	\$ 13,706	53%	\$ 11,353	\$ 15,391	26%
Louisiana	\$ 3,294	\$ 7,596	57%	\$ 5,534	\$ 8,092	32%

**Percent Change over Fifteen Years in State Appropriations plus Net Tuition per FTE**

Source: SHEEO State Higher Education Finance

STATE	Educational Appropriations Plus Net Tuition per FTE (Unadjusted)		% Change in Unadjusted Educational Appropriations Plus Net Tuition	Educational Appropriations Plus Net Tuition per FTE (Constant 2009 Dollars and Adjusted for COLA and EMI)		% Change in Adjusted Educational Appropriations Plus Net Tuition
	1994	2009		1994	2009	
Oregon	\$ 6,712	\$ 9,734	31%	\$ 10,271	\$ 9,447	-9%
Wisconsin	\$ 7,348	\$ 10,836	32%	\$ 11,116	\$ 10,397	-7%
Washington	\$ 6,035	\$ 9,168	34%	\$ 9,089	\$ 8,757	-4%
South Dakota	\$ 5,690	\$ 8,654	34%	\$ 8,978	\$ 8,660	-4%
Iowa	\$ 8,284	\$ 12,768	35%	\$ 11,812	\$ 11,546	-2%
North Carolina	\$ 6,766	\$ 10,498	36%	\$ 11,422	\$ 11,239	-2%
New Jersey	\$ 9,521	\$ 14,824	36%	\$ 14,882	\$ 14,696	-1%
Georgia	\$ 6,413	\$ 10,203	37%	\$ 10,725	\$ 10,821	1%
Vermont	\$ 9,926	\$ 15,990	38%	\$ 14,022	\$ 14,326	2%
Ohio	\$ 6,702	\$ 10,867	38%	\$ 9,854	\$ 10,133	3%
South Carolina	\$ 6,032	\$ 9,871	39%	\$ 10,407	\$ 10,801	4%
Indiana	\$ 7,033	\$ 11,562	39%	\$ 9,690	\$ 10,102	4%
Missouri	\$ 6,454	\$ 10,617	39%	\$ 9,846	\$ 10,272	4%
Pennsylvania	\$ 8,538	\$ 14,124	40%	\$ 13,039	\$ 13,679	5%
Maine	\$ 8,695	\$ 14,519	40%	\$ 13,458	\$ 14,252	6%
Arkansas	\$ 5,855	\$ 9,793	40%	\$ 11,343	\$ 12,033	6%
New Hampshire	\$ 7,194	\$ 12,035	40%	\$ 10,132	\$ 10,750	6%
California	\$ 5,093	\$ 8,602	41%	\$ 7,866	\$ 8,426	7%
Utah	\$ 5,839	\$ 9,962	41%	\$ 8,639	\$ 9,348	8%
New York	\$ 7,419	\$ 12,776	42%	\$ 10,800	\$ 11,795	8%
New Mexico	\$ 5,898	\$ 10,159	42%	\$ 9,324	\$ 10,185	8%
Massachusetts	\$ 7,875	\$ 13,578	42%	\$ 10,301	\$ 11,263	9%
<b>US</b>	<b>\$ 6,374</b>	<b>\$ 10,993</b>	<b>42%</b>	<b>\$ 10,050</b>	<b>\$ 10,993</b>	<b>9%</b>
Michigan	\$ 8,307	\$ 14,380	42%	\$ 11,895	\$ 13,059	9%
Florida	\$ 4,912	\$ 8,568	43%	\$ 8,020	\$ 8,872	10%
Kansas	\$ 6,070	\$ 10,654	43%	\$ 8,693	\$ 9,677	10%
Louisiana	\$ 5,632	\$ 9,966	43%	\$ 9,461	\$ 10,616	11%
Minnesota	\$ 6,679	\$ 11,866	44%	\$ 9,979	\$ 11,243	11%
Connecticut	\$ 9,728	\$ 17,295	44%	\$ 12,394	\$ 13,974	11%
Nevada	\$ 6,057	\$ 10,865	44%	\$ 9,924	\$ 11,290	12%
Tennessee	\$ 6,064	\$ 10,888	44%	\$ 10,324	\$ 11,756	12%
Virginia	\$ 6,271	\$ 11,284	44%	\$ 9,950	\$ 11,355	12%
Mississippi	\$ 5,158	\$ 9,286	44%	\$ 9,979	\$ 11,394	12%
Alabama	\$ 5,694	\$ 10,284	45%	\$ 10,245	\$ 11,735	13%
Colorado	\$ 5,963	\$ 10,772	45%	\$ 7,880	\$ 9,029	13%
Idaho	\$ 6,058	\$ 11,033	45%	\$ 10,266	\$ 11,857	13%
Texas	\$ 5,751	\$ 10,562	46%	\$ 10,584	\$ 12,327	14%
Montana	\$ 5,488	\$ 10,086	46%	\$ 7,595	\$ 8,852	14%
Rhode Island	\$ 7,881	\$ 14,781	47%	\$ 11,401	\$ 13,562	16%
Alaska	\$ 10,825	\$ 20,523	47%	\$ 14,402	\$ 17,317	17%
West Virginia	\$ 4,979	\$ 9,576	48%	\$ 9,865	\$ 12,032	18%
Hawaii	\$ 9,269	\$ 17,964	48%	\$ 9,414	\$ 11,570	19%
Wyoming	\$ 7,967	\$ 15,548	49%	\$ 14,108	\$ 17,460	19%
Delaware	\$ 9,470	\$ 18,715	49%	\$ 11,972	\$ 15,004	20%
Oklahoma	\$ 5,604	\$ 11,076	49%	\$ 10,737	\$ 13,457	20%
Illinois	\$ 5,776	\$ 11,530	50%	\$ 8,923	\$ 11,297	21%
North Dakota	\$ 5,919	\$ 11,820	50%	\$ 9,327	\$ 11,812	21%
Arizona	\$ 6,162	\$ 12,376	50%	\$ 9,232	\$ 11,759	21%
Nebraska	\$ 5,738	\$ 11,541	50%	\$ 8,518	\$ 10,866	22%
Maryland	\$ 6,917	\$ 14,514	52%	\$ 11,001	\$ 14,640	25%
Kentucky	\$ 5,220	\$ 11,803	56%	\$ 9,195	\$ 13,184	30%