The Evolving Higher Education Funding Relationship: **Roles for the States and the Federal Government**

**NCSL Western States Fiscal Leaders Meeting**

**Presenter: David A Longanecker, President**

**June 17, 2015 – Incline Village, Nevada**
Building on Phillip’s’s Presentation

- Have states really reduced their commitment to higher education?
From 2014 SHEEO SHEF Report

Note: Constant 2014 dollars adjusted by SHEEO Higher Education Cost Adjustment. Educational Appropriations include ARRA funds. (HECA)
An Alternative Perspective

- 2001 was the high water mark or public support

- State Fiscal Support for Higher Education by State (Grapevine via SHEF FY 2013)
  - FY09 = 77,190,709,356
  - FY14 = 76,238,167,052
  - Delta = -1.2%
  - HECA over period = 9.5%
  - Enrolment increase over period = +10%
Total Educational Revenue Per FTE
State Differences From U.S. Average, Fiscal 2014

Source: SHEEO SHEF FY 2014
Building on Phillip’s Presentation

- Have states really reduced their commitment to higher education?
  - Depends on perspective
  - Yes, in the West
What’s Up Lately

- Recovery Almost Everywhere
  - Except Where Not Necessary
    - Alaska, North Dakota, Wyoming
- Generally Pretty Smart Recovery
  - Performance Funding (Colorado, Idaho, New Mexico, Oregon, & Utah)
  - Dedicated Funding (California*, Hawaii, and North Dakota)
What’s Up Lately

- Most Popular Theme – Affordability
  - Tuition fixation: California*, North Dakota, South Dakota
  - Need-based financial aid: California*, Colorado, Idaho, Nevada, & Oregon – *States in the Driver’s Seat*

- The Other Side of the Story
  - Razing Arizona
  - Washington – Legislative Impasse and McLeray

- Generally Missing: ATFA
  - The essential linking of Appropriations, Tuition, and Financial Aid
What’s Up Lately: Non-finance Policies

- College Readiness Efforts (Dual Enrolment, Improved Assessment, PLA for Adults)
- Focus on Safety & Security (Sexual Assault on Campus, Guns on Campus)
- Improving Accountability (SARA, Using data for evidence-based practice vs. Privacy & Security)
- Infatuation with Innovation (Predictive Analytics, Competency Based Education, Quick/Cheap Fixes)
- Workforce Development (Middle-skill jobs, job training for incarcerated, learn & earn options)
What to Expect from the Feds

- Three threads of discussion
  - The Dreamers ("Visionaries" and Candidates)
    - Free or Debt Free
      - Federal Costs seldom mentioned
  - Practical Thinking – Reauthorization Discussions & Appropriators
    - Themes: Affordability, Consumer Information, Quality Assurance, Risk Sharing
  - "Less is less and better" advocates
- Implications for States
  - Limited new dollars means dreams unfulfilled
  - Skin in the game could lead to new federalism
- When? Most likely next year
In Sum

- Exciting Times
- Much Positive Going On
- But Two Major Related Disconnects in Policy Arena
  - Difficulty Accepting the New Normal in Funding
  - Relying on 20th Century solutions designed to serve 20th Century students in a new millennium that requires 21st Century solutions to serve 21st Century students and conditions.
  - And, are States willing to cede public higher education policy to the feds? He who pays, says!