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Legislative Perspectives on Effectiveness and Cost Savings in Higher Education

presentation to the 41st Annual Meeting of the
National Center for the Study of Collective Bargaining in Higher Education and the Professions

Stephen G. Katsinas, Director & Professor
Education Policy Center
The University of Alabama

with thanks to Barry Mayhall,
Doctoral Candidate, The University of Alabama
and
Matt DeMonBrun,
Doctoral Student, University of Michigan
April 7, 2014
Big Picture: Access is imperiled

• U.S. rankings have declined since 1980.
• In 1970, K-12 received roughly 40% of state expenditures, HIED about 18-20%, and health was at about 8%. Now, health is > 26% of state expenditure, K-12 about 22-23% and HIED is about 10%.

• State disinvestment has consequences.
• Demand is high, now and well into the future.
• But more students & families are price sensitive. particularly in this recession.
Big Picture: Reaction

• Rhetoric: Pension problems "caused" by "out of control" public employee unions are bankrupting state governments.
  • Unions clearly caused Detroit's "decline;" public employee unions obviously are at fault for any problems in education at any level.
  • Excuse to weaken/eliminate collective bargaining (vouchers, unregulated charter schools).

IMPLICATION: Benefits are always first to go, then salaries and collective bargaining itself.
State disinvestment and access institutions

• If in 2013 states had invested their personal income at the 1980 rate, states would have appropriated $135 billion for public higher education, not the $72 billion they did (Mortenson, in AASCU, 1/14).

• in FY1980-81, 16 states provided ≥60% of total community college funding; by 2000-01, none did.

• in FY1980-81, 55% of US community college students were enrolled in the 22 states where state revenues ≥50% of total; by FY2000-1, just 8% in 7 states ≥50%.

• EPC state-level studies: 34 of 46 states took mid-year cuts in FY2003 recession; 34 of 48 in FY2010. Cuts were deeper in states with local funding.

• With rise of internet, states with income taxes are slightly better off than those without (Hovey's 1999 prediction).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Population</th>
<th>Enrolled</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>151 M</td>
<td>2.3 M</td>
<td>1.5</td>
</tr>
<tr>
<td>1960</td>
<td>179 M</td>
<td>3.5 M</td>
<td>2.0</td>
</tr>
<tr>
<td>1970</td>
<td>203 M</td>
<td>7.5 M</td>
<td>2.7</td>
</tr>
<tr>
<td>1980</td>
<td>226 M</td>
<td>11.5 M</td>
<td>5.1</td>
</tr>
<tr>
<td>1990</td>
<td>248 M</td>
<td>13.5 M</td>
<td>5.4</td>
</tr>
<tr>
<td>2000</td>
<td>281 M</td>
<td>16.0 M</td>
<td>5.7</td>
</tr>
<tr>
<td>2008</td>
<td>306 M</td>
<td>17.5 M</td>
<td>5.7</td>
</tr>
</tbody>
</table>

In just 20 years, US higher education enrollments TRIPLED as population grew; in 1980, US ranks #1 in adult BA attainment.

Post-1980, population grows but higher education enrollments stagnate as % of population, while other nations gain.
The Challenge of Capacity: Actual and Projected Traditional College Age Youth (ages 18-24), 1996 to 2025

Since 2000, nearly 3 million MORE 18-24 year olds, 2009-2012

Projections STAY high; they DO NOT include undocumented students

Actual numbers of 18-24 year olds

Projected estimates of 18 - 24 year olds

The numbers rise whether or not public higher education institutions are funded to serve them!

from DeMonBrun & Katsinas, 2011, forthcoming
The Challenge of Capacity: Actual and Projected Young Adults (ages 24-35) in US Population, 2009 to 2025

The numbers of young adults (25-34) increases by 3 million from 2009 to 2012

Projected increase of 6 million MORE young adults over next 16 years

These projections DO NOT include undocumented students

The numbers rise whether or not public higher education institutions are funded to serve them!

from DeMonBrun & Katsinas, 2011, forthcoming
EPC studies, taken together, indicate that an access crisis exists.

- Capped flagship enrollments place more pressure on other sectors.
- Here is where state appropriations and student aid policy collide.
College-Age Population in the US, 18 to 34

Actual (2007 to 2013) and Projected (2013-2029)

Numbers rise from 59 million in 2007 to 66 million in 2021; does not include undocumented young adults.

Source: Education Policy Center, The University of Alabama, January 2014.
Young Adults Ages 25 to 34 in the US, 2007-2029

The numbers rise from 33 million in 2007 to 39 million in 2023; does not include undocumented young adults.

Actual, 2007-2013
Projected, 2014 - 2029

Source: Education Policy Center, The University of Alabama, January 2014.
College-Age Youth (18-24) in the US, 1997-2029

The so-called "dip" is still nearly 4 million > 1997 levels, and does not include undocumented youth.

Actual, 1997 - 2013
Projected, 2014 - 2029

Source: Education Policy Center, The University of Alabama, January 2014.
College-Age Youth (18-24) in California, 1997-2029

Source: Education Policy Center, The University of Alabama, January 2014.
College-Age Youth (18-24) in Florida, 1997-2029

Actual, 1997-2013

Projected, 2014 - 2029

Source: Education Policy Center, The University of Alabama, January 2014.
College-Age Youth (18-24) in North Carolina, 1997-2029

Actual, 1997-2013

Projected, 2014 - 2029

Source: Education Policy Center, The University of Alabama, January 2014.
| Carnegie Associates Colleges Type | Faculty Salaries with… | Difference |   |
|---------------------------------|------------------------|------------|
|                                 | with Local             | w/out Local| Dollars | % |
| Rural Small                     | $46,315                | $47,953    | ($1,638) | -3 |
| Rural Medium                    | $49,391                | $49,485    | ($94)   | 0  |
| Rural Large                     | $51,524                | $52,337    | ($813)  | -2 |
| All Rural                       | $49,077                | $49,925    | ($848)  | -2 |
| Suburban Single                 | $51,200                | $54,248    | ($3,048) | -6 |
| Suburban Multiple               | $57,239                | $53,235    | $4,004  | 8  |
| All Suburban                    | $54,220                | $53,742    | $478    | 1  |
| Urban Single                    | $51,113                | $48,747    | $2,366  | 5  |
| Urban Multiple                  | $58,666                | $50,679    | $7,987  | 16 |
| All Urban                       | $54,890                | $49,713    | $5,177  | 10 |
| ALL                             | $52,729                | $51,127    | $1,602  | 3  |

Notes: 1. Data obtained from the Integrated Postsecondary Education Data System (IPEDS) Full Time Salary and Benefit Survey 2010-11.  
2. The 2013 Modified Basic Carnegie Classification of Associate’s Colleges developed by Katsinas (2014) reclassified 47 Public Two-year Colleges under Universities, 41 Public Four-year Primarily Associates, and 25 Baccalaureate/Associate’s Colleges across the seven geographic Associate’s Colleges categories.  
4. Local appropriations data is from The Grapevine (Palmer, 2008).
### Faculty Salaries in States with Collective Bargaining and Local Support VS. States with Collective Bargaining but without Local Support (2011-2012)

<table>
<thead>
<tr>
<th>Carnegie Associates Colleges Type</th>
<th>Faculty Salaries with...</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CB &amp; Local</td>
<td>CB only</td>
</tr>
<tr>
<td>Rural Small</td>
<td>$53,239</td>
<td>$54,794</td>
</tr>
<tr>
<td>Rural Medium</td>
<td>$57,557</td>
<td>$58,806</td>
</tr>
<tr>
<td>Rural Large</td>
<td>$70,433</td>
<td>$57,884</td>
</tr>
<tr>
<td>All Rural</td>
<td>$60,410</td>
<td>$57,161</td>
</tr>
<tr>
<td>Suburban Single</td>
<td>$77,375</td>
<td>$67,006</td>
</tr>
<tr>
<td>Suburban Multiple</td>
<td>$82,537</td>
<td>$62,263</td>
</tr>
<tr>
<td>All Suburban</td>
<td>$79,956</td>
<td>$64,635</td>
</tr>
<tr>
<td>Urban Single</td>
<td>$67,350</td>
<td>$60,733</td>
</tr>
<tr>
<td>Urban Multiple</td>
<td>$75,571</td>
<td>$60,439</td>
</tr>
<tr>
<td>All Urban</td>
<td>$71,461</td>
<td>$60,586</td>
</tr>
<tr>
<td><strong>ALL</strong></td>
<td><strong>$70,609</strong></td>
<td><strong>$60,794</strong></td>
</tr>
</tbody>
</table>

**Notes:**
1. Data obtained from the Integrated Postsecondary Education Data System (IPEDS) Full Time Salary and Benefit Survey 2010-11.2. The 2013 Modified Basic Carnegie Classification of Associate’s Colleges developed by Katsinas (2014) reclassified 47 Public Two-year Colleges under Universities, 41 Public Four-year Primarily Associates, and 25 Baccalaureate/Associate’s Colleges across the seven geographic Associate’s Colleges categories. 3. Collective Bargaining data is from The National Center for the Study of Collective Bargaining in Higher Education and the Professions. 4. Local appropriations data is from The Grapevine (Palmer, 2008).
Performance-Based Funding as of September 2013

Note: Map is modified and printed with permission from the National Council of State Legislatures: http://www.ncsl.org/issues-research/educ/performacne-funding.aspx. Accessed on July 2, 2013. This map includes updates from the 2013 state legislative websites, the websites of state higher education agencies and governing boards, and information from the community college state directors attending the annual summer meeting of the National Council of the State Directors of Community Colleges, July 28-31, 2013 in Big Sky MT.
Predicted Changes in State Student Financial Aid,
FY2012-13 to FY2013-14

[Map showing state changes in student financial aid]

- States predicting increases equal to or greater than 1.6% HEPI rate (30 states)
- States predicting increases below the 1.6% HEPI rate, no change, or cuts (deficits likely made up with tuition increases) (14 states)
- No Response (6 states)
Predicted Changes in Operating Budgets for Public Higher Education,
*FY2012-13 to FY2013-14*
Access to Public Research Universities, Regional Universities, and Community Colleges is Threatened in Many States, 
FY2013-FY2014
17,500 students in Alabama lost Pell due to new Lifetime Eligibility Limit in 2012-13...

and HALF were at AASCU institutions!
EPC studies predict a decline in degrees awarded: Pell funding and enrollments track closely, while degrees awarded echo changes in the other two.
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