



Alliance for Research
on
Higher Education

February 2007 Policy Updates

New Closer Look Report finds Decrease in Appropriations per FTE, Comparable Level of Costs for Higher Education

Are SC public institutions state-supported, or state-assisted, or state-located? The Alliance has released its second *Closer Look* report, with a longitudinal analysis of state appropriations and tuition from 1982 through 2006.

Summary points include:

- Considering enrollment growth and in constant 2000 dollars, general fund appropriations per FTE have decreased 28 percent.
- In 2005-06, South Carolina four-year institutions have the second lowest appropriation per FTE (\$4,767) among the 16 southeastern states.
- In 2005-06, South Carolina two-year institutions have the lowest appropriations per FTE (\$3,081) among the 16 southeastern states.
- For four-year institutions, the average Cost of Education in 2005-06 among SREB states was \$11,090, and South Carolina was only slightly above that average at \$11,435. The SREB average has increased 50 percent since 1997-98, but only 41 percent among SC institutions.

In constant 2000 dollars, public four-year institutions have received less and less of their total funding from state general funds. In 1982-83, most four-year institutions obtained more than 50 percent of their budgets from state general funds. As of 2006-07, only Francis Marion received more than 30 percent of its budget from state general funds, with nine four-year institutions obtaining less than 20 percent of their budgets from state general funds. The State Board for Technical and Comprehensive Education collected 31.6 percent of its 2006-07 budget from general funds.

Among all 16 SREB states, SC relies most heavily on tuition and fees to cover the cost of higher education. As of 2005-06, in-state tuition and fees represent 16.6 percent of the median household income for South Carolinians, the highest among the 16 southeastern states.

If you would like to receive a copy of the full report, please contact the Alliance.

The Alliance has been meeting with people across the state to determine the topics most pressing for higher education in South Carolina. The response has been positive, with almost all leaders noting the need for better objective data on cost issues.

One upcoming project includes a Citizen's Guide to understanding higher education costs and an analysis of minority opportunities in SC. Another others is analysis of the relationships among PACT scores, high school graduation, and college attendance. As we move forward on projects, collaborators from all areas of expertise will be needed. If you are interested in working with the Alliance, or if you would like to schedule a time to talk about research projects, please let us know.

President Bush's 2008 federal budget holds some interesting news for higher education. Under his plan, the maximum Pell Grant would grow to \$4,600 by 2008, good news for the approximate 78,000 South Carolinians who receive Pell awards. The Pell amount per recipient in SC has increased 30.4 percent from 1994-95 to 2004-05, and approximates the SREB average.

In addition, the President has called for an increase in the available Stafford Loan amount, from a total undergraduate amount of \$23,000 to \$30,500. While the ceiling on Staffords has not been raised since 1992, it is perhaps a mixed signal about the increasing reliance upon loans for post-secondary education. The average subsidized Stafford loan per SC student is \$5,197, an increase of 32 percent from 1994-95 to 2004-05. The SREB average is \$5,099 for 2004-05.

Engines of Inequality: Diminishing Equity in the Nation's Premier Public Universities

A new report sponsored by the Lumina Foundation and the Education Trust reports that at the flagship public universities across the country, access for minority students is a serious problem. Institutions, focusing on input measures such as SAT averages and merit scholarships, have increasingly tightened access opportunities for minority students. This is particularly disheartening as it occurs just when more of these students are planning to attend college, taking more challenging high school courses, and performing better on standardized tests.

The highest achieving students from high-income families are nearly *four times* more likely than low-income students with identical academic accomplishments to end up in a highly selective university. Thirty-one percent and 14 percent of Pell Grant recipients attend public and private four-year institutions, respectively. The greatest share of Pell recipients, 36 percent, enroll in two-year institutions.

Most measures for colleges and universities focus on status and selectivity, rather than access and success. The report, focusing only on state flagship institutions, grades institutions on several variables that contribute to minority opportunity, participation, and success. The report, and the grades earned by the individual institutions, cast a depressing picture for flagships and their states. No institution earned an "A" and only four earned "B's."

All high school indicators point to larger numbers of minority students wishing to attend four-year institutions, and current trends indicate that most will not be welcome at state flagship institutions. South Carolina faces similar issues, and we must look for ways to shift the conversation from selectivity to increased access.

The report is available from the Alliance Office or from <http://www2.edtrust.org/EdTrust/Press+Room/Engines+of+Inequality.htm>

Tax Credit Plan for SC Graduates being Proposed to State Leaders

Dr. Bob Becker and affiliates with the Strom Thurmond Institute are proposing an innovative plan to keep more SC college graduates working in the state. The greatest benefit to the wealth and well-being of the state is an educated population.

Any student who receives an undergraduate degree (associate or bachelors) from a public or private institution and then works in SC will be able to claim a State Income Tax Credit over 10 years, based on the amount paid in tuition and required fees.

Some benefits of the program include:

- Tax reduction on those who do not usually receive tax cuts;
- Increase in young talent available to SC businesses;
- As a back-loaded credit, the benefit is given only after state has collected the value of the education; and,
- Shifts the accountability discussion from one of inputs to one of outcomes.

Please contact the Alliance office for full details of the proposal.

SC Association for Institutional Research Annual Conference

More than 85 data and planning professionals will meet in Columbia February 20th and 21st to discuss technology, reporting, and accreditation in the State and across the country. For its 20th anniversary, the conference includes SC Chief Information Officer Jim Bryant, Dr. David Carter from the Southern Association of Colleges and Schools, and Ms. Gayle Fink from the University System of Maryland.

Any institution up for SACS reaffirmation is encouraged to attend!

The organization is dedicated to improving data, cultivating information use, and creating opportunities for collaboration among higher education institutions. For more information, or to send someone to the conference, please go to:

<http://www.clemson.edu/oir/SCAIR/SCAIRhome.htm>

First Alliance Statewide Gathering

The Alliance will be calling upon partners, friends, and other leaders in higher education to meet at the Strom Thurmond Institute to discuss upcoming projects and potential collaboration opportunities. We anticipate meeting in mid-April. The meeting will focus on the methods for the statewide Enrollment Model, the Citizen's Guide to Understanding Higher Education Costs, and the Governor's Strategic Plan, as well as other studies to be conducted. If you would like to participate, or would like to have someone included on the invitation list, please contact Catherine Watt, Director of the Alliance.

Our mission is to meet the needs of South Carolina related to higher education and its impact on the state's citizens. Anyone interested in learning more about our organization may contact Catherine at 864-656-0847.