

April 1, 2009

The Honorable John Lynch
Governor of New Hampshire
State House, Room 208
Concord, NH 03301

The Honorable Sylvia Larsen
President of the Senate
State House, Room 302
Concord, NH 03301

The Honorable Terie Norelli
Speaker of the House
State House, Room 308
Concord, NH 03301

Dear Governor Lynch, Senate President Larsen and Speaker Norelli:

**Re: Final Report of the Public Higher Education Study Committee
RSA 187-A:28**

Enclosed please find the 2007-2008 Final Report of the study commission. Should you have any questions or comments regarding the report, please do not hesitate to contact me.

Sincerely,

Representative Emma Rous,
Chairman

Enclosures

cc: Tammy Wright, Clerk of the Senate
Honorable Karen O. Wadsworth, Clerk of the House
Michael York, State Librarian
Members of the Committee

Final Report of the Public Higher Education Study Committee
RSA 187-A:28
(Formerly the University System Study Committee)
April 1, 2009

INTRODUCTION AND COMMITTEE CHARGE

The University System Study Committee was established by Chapter 331:1, (HB 773) of the laws of 1981 (RSA 187-A: 26). The committee was reestablished by Chapter 292 (HB 401) of the Laws of 1995 (RSA 187-A: 28).

In 1998 the committee was renamed the Public Higher Education Study Committee by Chapter 260:2 (SB 495) of the laws of 1998. The committee charge was amended two more times by Chapter 221 (HB 412) of the Laws of 2001 and Chapter 49 (SB 22) of the Laws of 2003.

The committee is charged with the following duties in 187-A: 28-c:

I. The committee shall study, among other things, the following:

- (a) The operation of public higher education.
- (b) The goals and purposes of public higher education.
- (c) The organization of public higher education.
- (d) The size of public higher education.
- (e) The financing of public higher education.

(f) Any other areas which will act as a guide to the legislature and trustees in formulating policies for the future.

(g) The economic effects of student activities on higher education campuses as reported in studies by the university system of New Hampshire and municipalities. The committee shall study possible solutions and recommend legislation. Possible solutions for the committee to study include payments to the municipalities by institutions of higher education in lieu of taxes; additional fees or assessments; and any other remedy suggested by the municipalities affected by higher education campuses.

I-a. In addition to the duties set forth in paragraph I, the committee shall study the feasibility of granting state franchise rights to the providers of on-line education courses which may include but is not limited to, the institutions of the university system of New Hampshire and the regional community-technical college system. The committee may consult with any individual or organization with information or expertise relevant to this aspect of the committee's duties.

II. The committee shall act as liaison between the university system, the regional community-technical colleges, the general court, and the public to promote better understanding and communications between public higher education, the general court, and the public.

III. The committee shall hold at least 4 meetings per year to be called by the chairperson.

COMMITTEE GOALS AND TOPICS OF STUDY

The Public Higher Education Study Committee met four times in 2007. At its initial organizational meeting (September 11), the committee brainstormed a list of higher education concerns and chose two priorities for further meetings:

- the transition to self-governance in the Community College System
- access and affordability in our public higher education system.

On October 16, the committee met with Chancellor Stephen Reno and Vice-Chancellor Ed McKay from the University System, and Chancellor Richard Gustafson from the Community College System to discuss access and affordability in the university and community college systems. Commissioner Reno described college awareness programs, accountability and productivity, and better communication with the business community and secondary schools, and Vice Chancellor McKay presented comparative data on the cost of attendance at the six New England land grant institutions, and recent tuition awards given at UNH with sample award packages at UNH, Keene, and Plymouth. The Committee discussed the use of loan forgiveness for incentives, balancing merit and need, how to support part-time and nontraditional students, and early commitment financial aid programs such as those in Indiana and Oklahoma.

The Community College System reviewed positive aspects of access and affordability in their program including transferability, Project Running Start, and the lowest per-credit cost in NH, as well as problems such as low participation rates and higher than average in-state community college tuition costs. They also reviewed steps they are taking to contain costs and increase revenue.

On November 13, Chancellor Gustafson updated the Committee on the Community College System's transition to self-governance. He shared a monthly progress report going to all college employees describing efforts to streamline policies and technology and avoid redundancy, strengthen financial aid, promote academic programs, manage capital projects, and consider name changes at each campus. For at least the next two years, the system will continue to work closely with the state in the areas of finance, legal services, and personnel, and with the State Employees Association.

On December 11, the Committee returned to the discussion of access and affordability with presentations from Tom Horgan, president of NHCUC (College and University Council), Katherine Dodge, executive director of the Postsecondary Education Commission, and Patricia Brancombe and Tara Payne from the NHHEAF Network (NH Higher Education Assistance Foundation). Ms. Dodge reviewed financial aid and scholarship programs currently offered by the state, including the NH Incentive Program, a Work Force Incentive Program, Granite State Scholars, scholarships from the Fidelity UNIQUE plan, and a few other federal and regional programs. NHHEAF discussed the need and importance of their loans and their Center for College Planning. In each case, it was acknowledged that state level aid in NH is low. Mr. Horgan offered a few suggestions: using local property taxes on private colleges, increasing the money in the NH Incentive Program, using state bonding authority to issue loans, or offering reductions in corporate taxes to business that hire and help pay down loans for NH grads. On March 11, 2008, the NH Higher Education Assistance Foundation (NHHEAF) reported to House and Senate leadership that they are unable to offer \$70m. for alternative loan money due to conditions in the equity market.

The study committee met twice in 2008. On June 11, 2008, Erin Hathaway from NHHAEF reported that loan availability had improved but private funding was still at risk. The federal government has since approved increases in Pell grant funding which should help NH students. On this date, two College Board presenters, Dr. Sandy Baum and Jennifer Ma, shared their work studying higher education access and affordability issues for US students, with a focus on New Hampshire, as well as the economic benefits to individuals of higher education. In addition to committee members, this meeting was well attended by members of the NH higher education community. Among the salient points presented were the following:

- NH's state higher education aid per capita and per \$1,000 in personal income is the lowest in the country. If raised 40%, it would still be the lowest.
- NH gives an average \$77 need-based grant per fte undergraduate compared to the next lowest New England state, RI, which gives \$210 per fte.

On July 10, 2008, the committee gathered at UNH's New England Center to meet with the consultant working on the P-16 Council, DOE grant to improve the state's ability to effectively use data to support student success, particularly how to coordinate secondary and post-secondary use of data. While much of the discussion focused on privacy issues, other points regarding effective uses of data were raised, such as: Are entering students well prepared for college work? How many need remedial courses? How do in- and out-of-state data compare? What is the average time to complete a 4-year degree? What per cent complete a 4-year degree? In addition to the data discussion, the committee heard an overview from UNH Chancellor Reno of initiatives to foster early outreach, affordability, articulation from secondary to post-secondary and from university to the workforce, teacher preparation, data and accountability, and revenue enhancement through fundraising.

The committee continued to receive monthly progress letters from the chancellor of the community college system. Issues outlined in the Fall '08 Audit Report are being addressed by the two-year community college system transition oversight committee which is now in place.

While the committee may have hoped to recommend improvements in the ability of the state to support better access and affordability at the state's higher education institutions, the downturn in the economy and the subsequent state revenue shortfall made it difficult to bring forward recommendations at this time. It is hoped that the committee's year and a half of study of this issue may lay the groundwork for future legislative initiatives.

One member of the committee proposed legislation in the Fall, 2008, to repeal the Public Higher Education Study Committee and to turn the responsibilities of the committee over to the senate and house education policy committees. The legislation was subsequently withdrawn. Discussions with other members and higher education representatives elicited two suggestions: to reduce the number of required meetings to a minimum of one, and to continue the committee for one more term, during which time the committee would make a determination about continuation.

The charge to examine town-gown relations was discussed early in the term, but was not a focus of the committee's work given reports that our public higher education institutions have made positive strides in their relationships with their host communities.

**Representative Emma Rous, Chair
April 1, 2009**