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Legislative Perspectives on Effectiveness and Cost Savings in Higher Education

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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
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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



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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 $\geq 60\%$ 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 $\geq 50\%$ of total; by FY2000-1, just 8% in 7 states $\geq 50\%$.
- 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).



U.S. Population & Higher Ed Enrollments, 1950-2008

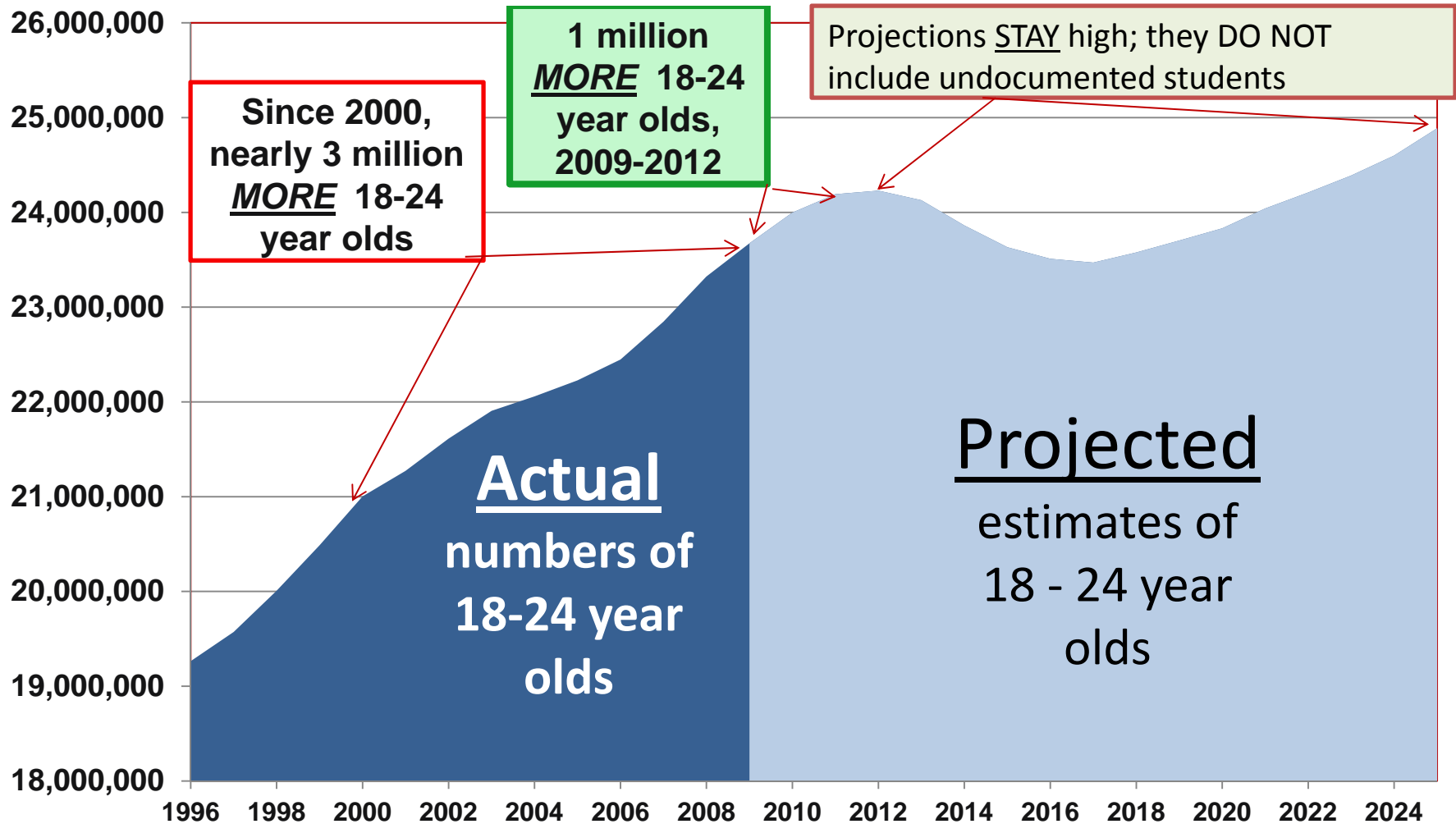
<u>YEAR</u>	<u>Population</u>	<u>Higher Education Enrollment</u>	<i>% of Population Enrolled</i>
1950	151 M	2.3 M	1.5
1960	179 M	3.5 M	2.0
1970	203 M	7.5 M	2.7
1980	226 M	11.5 M	5.1
1990	248 M	13.5 M	5.4
2000	281 M	16.0 M	5.7
2008	306 M	17.5 M	5.7

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.



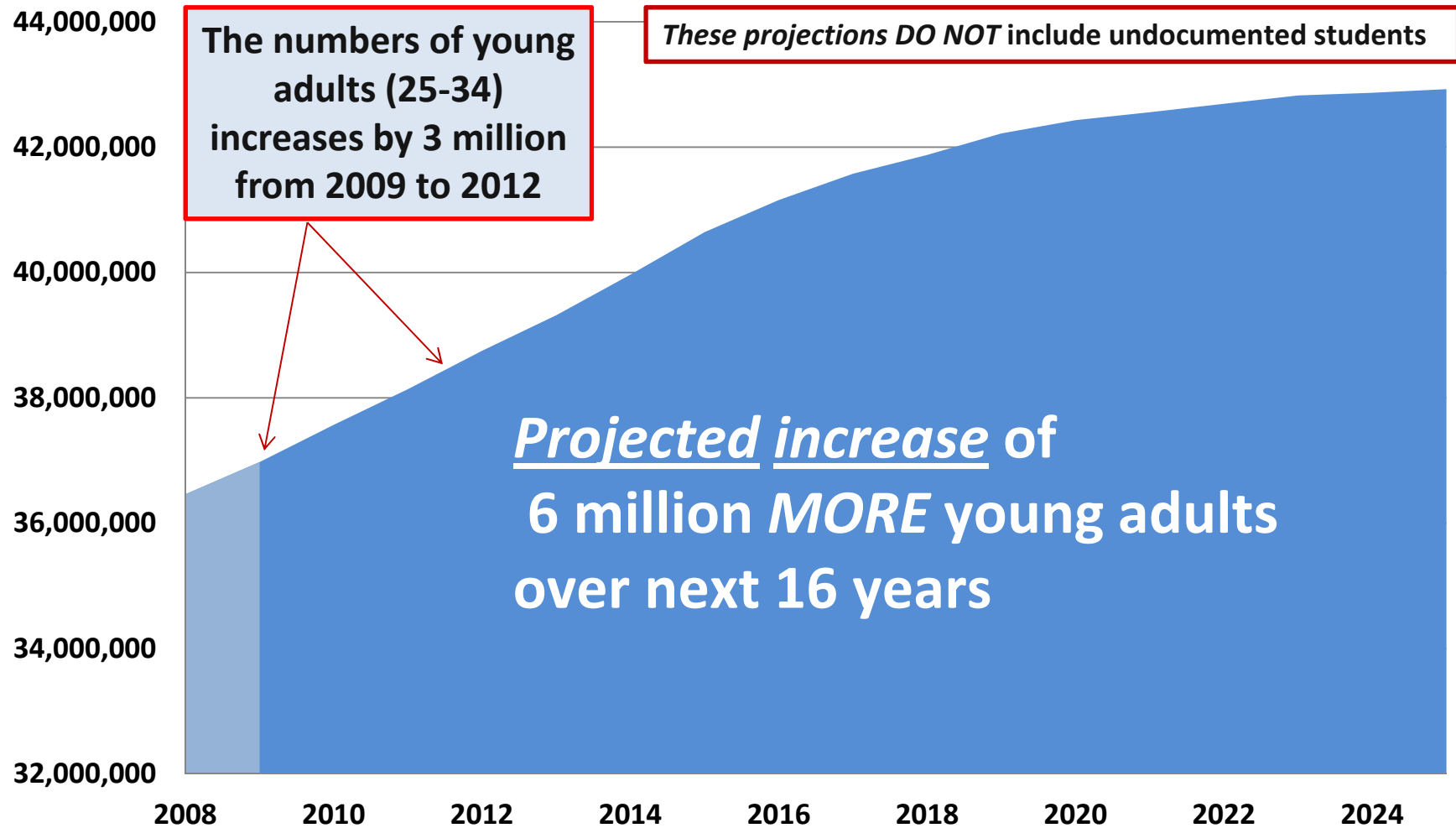
The Challenge of Capacity: Actual and Projected Traditional College Age Youth (ages 18-24), 1996 to 2025



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



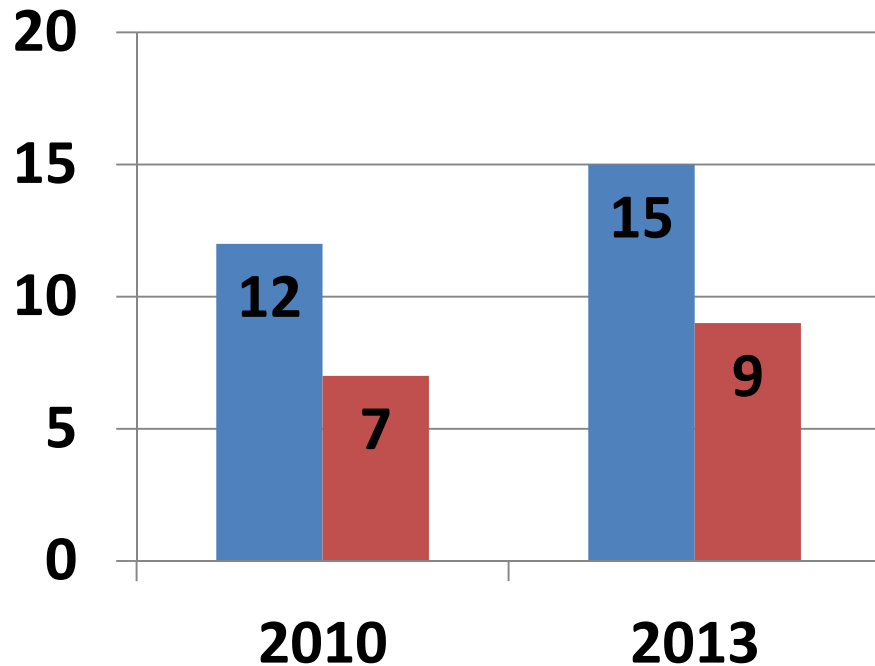
The numbers rise whether or not public higher education institutions are funded to serve them!

from DeMonBrun & Katsinas, 2011, forthcoming

EPC studies, taken together, indicate that an access crisis exists

Capped enrollments

- Flagship Universities
- Regional Universities



- Capped flagship enrollments place more pressure on other sectors
- Here is where state appropriations and student aid policy collide

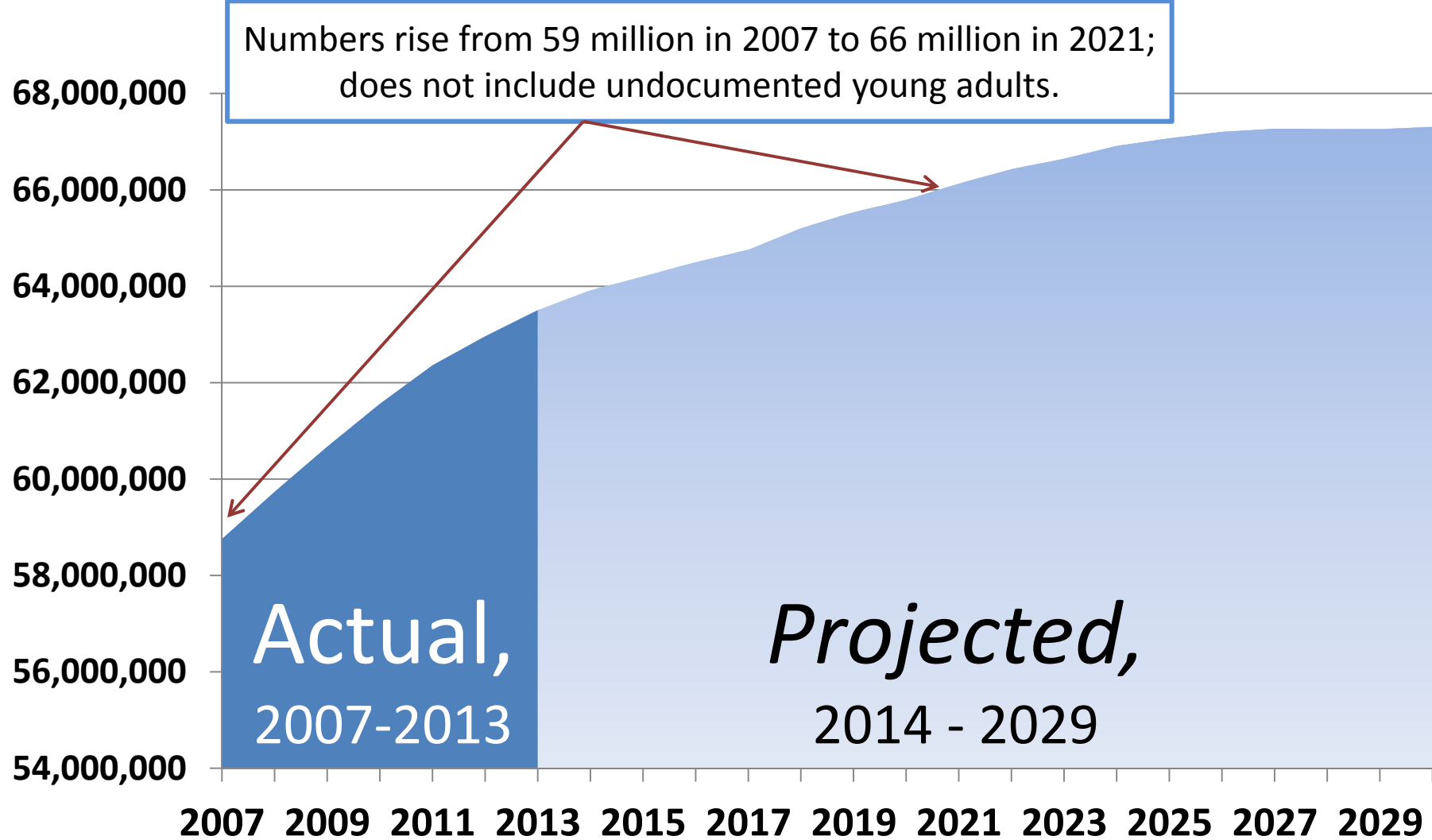


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preliminary data

College-Age Population in the US, 18 to 34

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

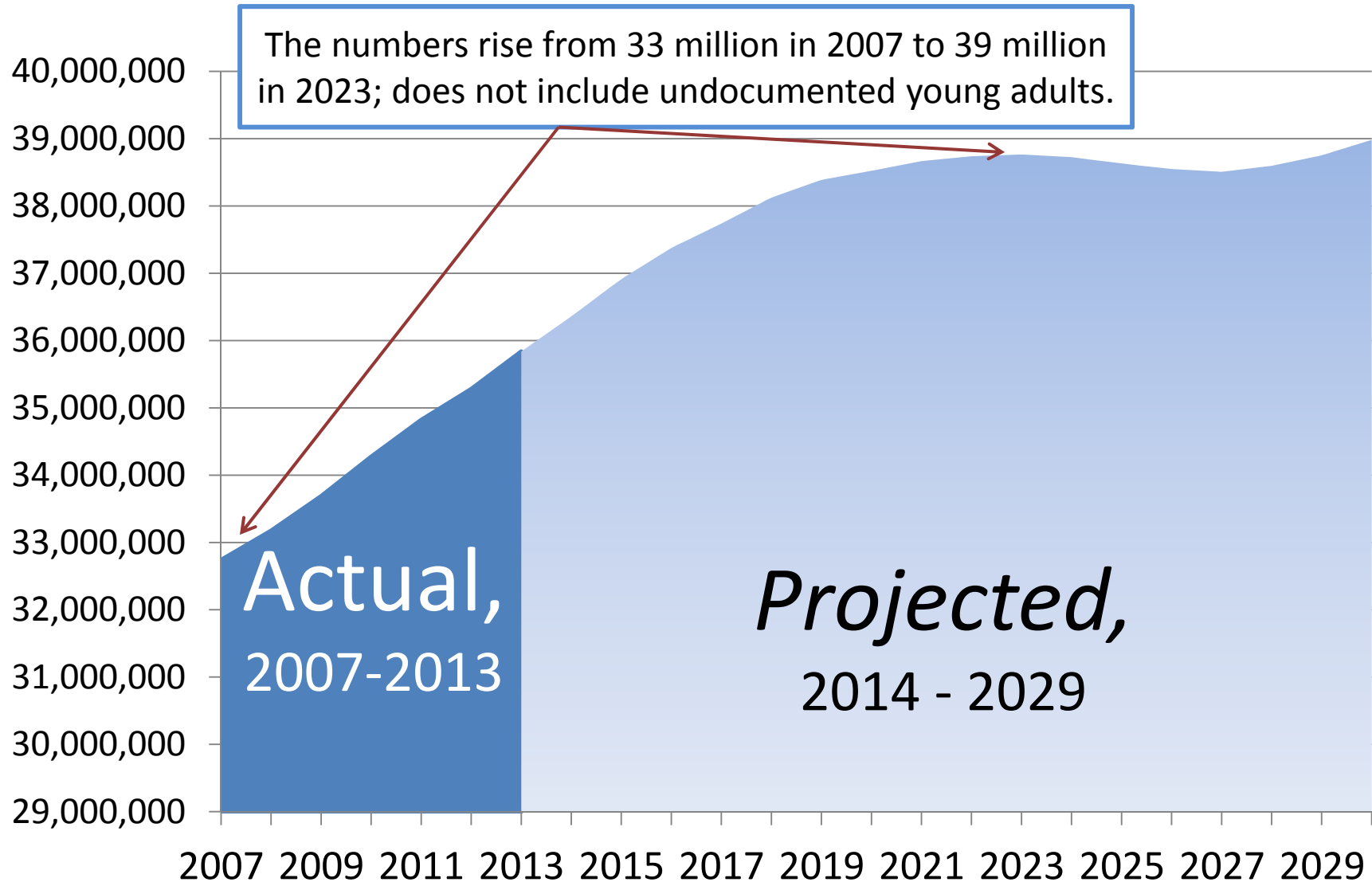


Source: Education Policy Center, The University of Alabama, January 2014.



preliminary data

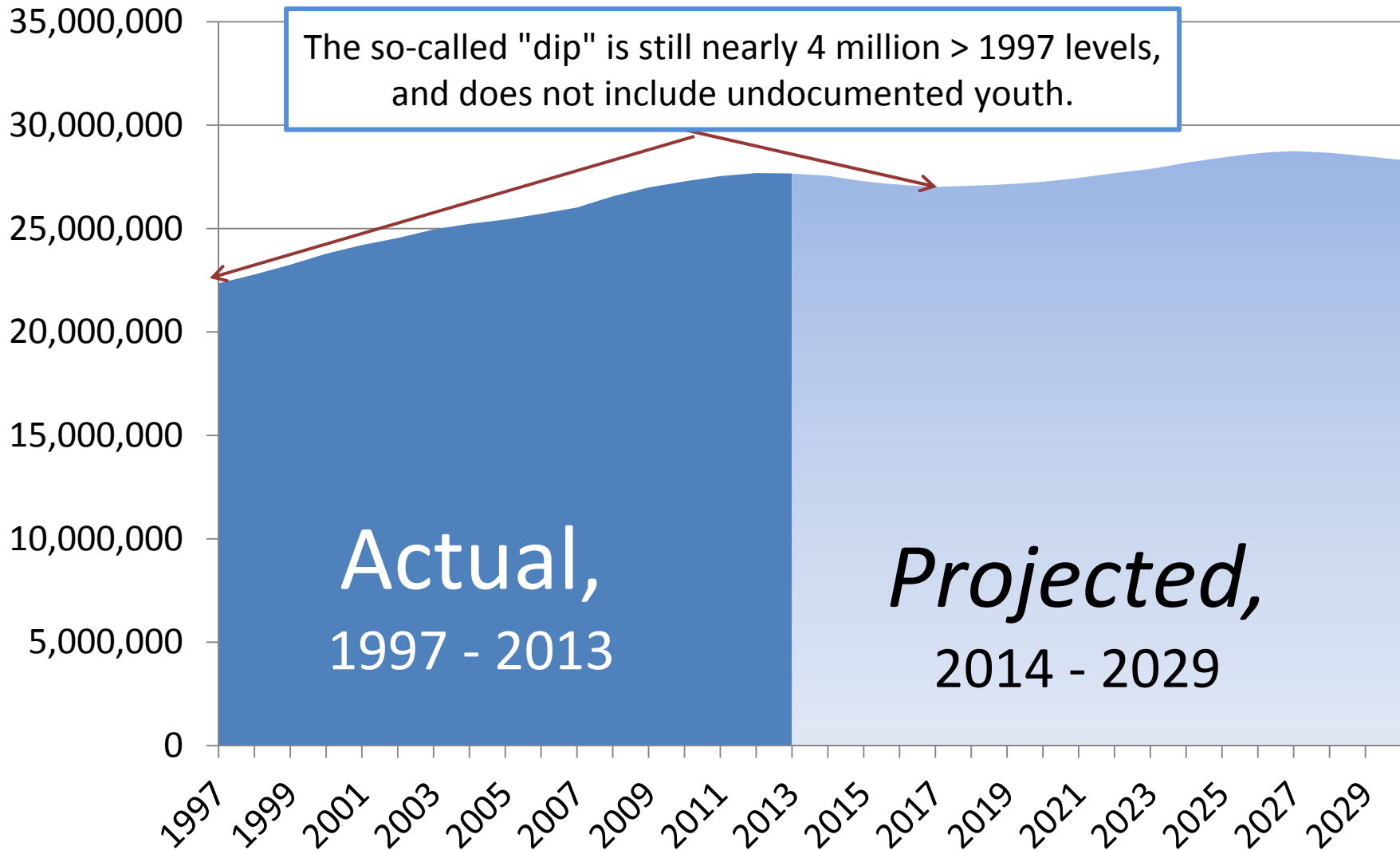
Young Adults Ages 25 to 34 in the US, 2007-2029



Source: Education Policy Center, The University of Alabama, January 2014.



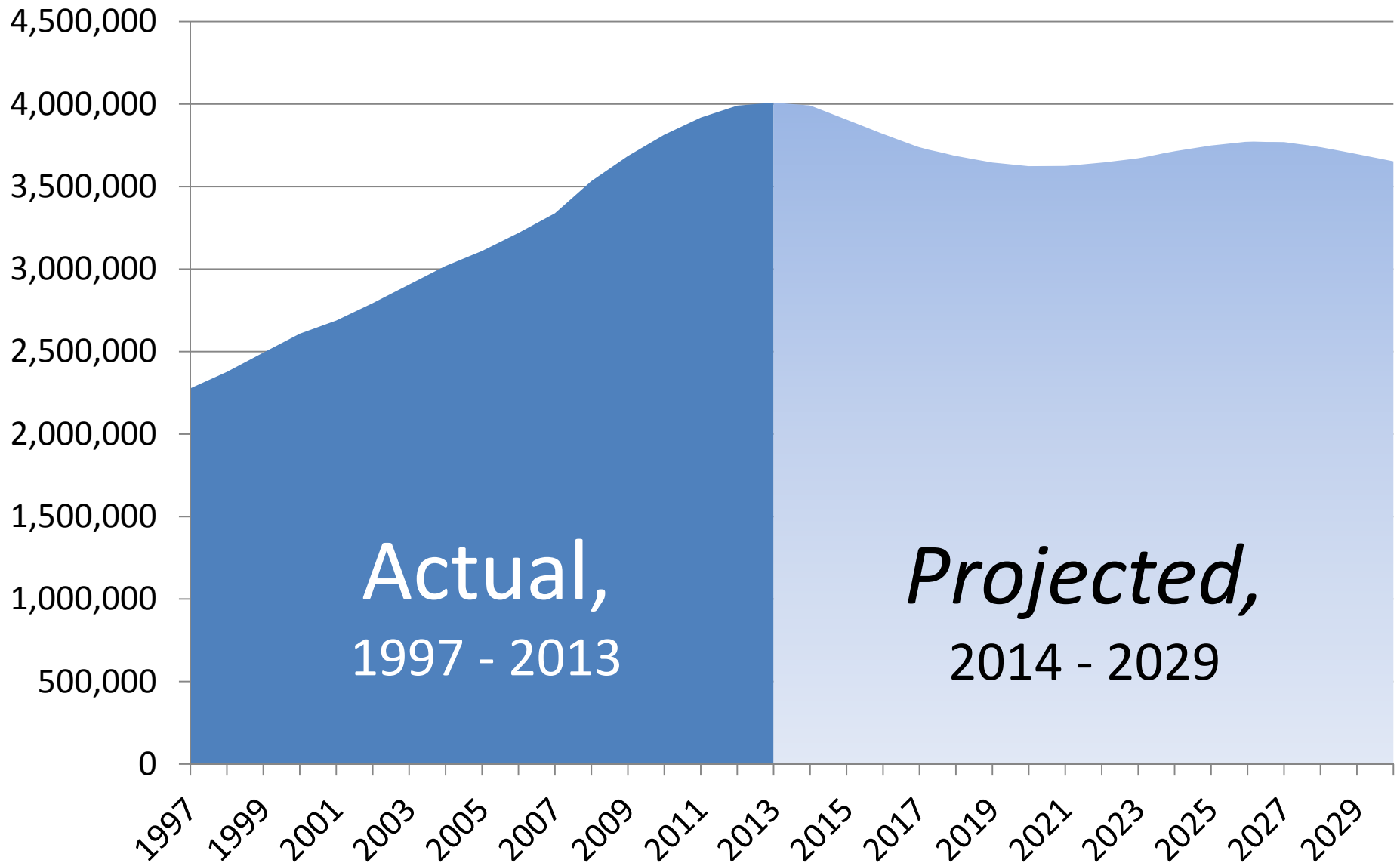
College-Age Youth (18-24) in the US, 1997-2029



Source: Education Policy Center, The University of Alabama, January 2014.



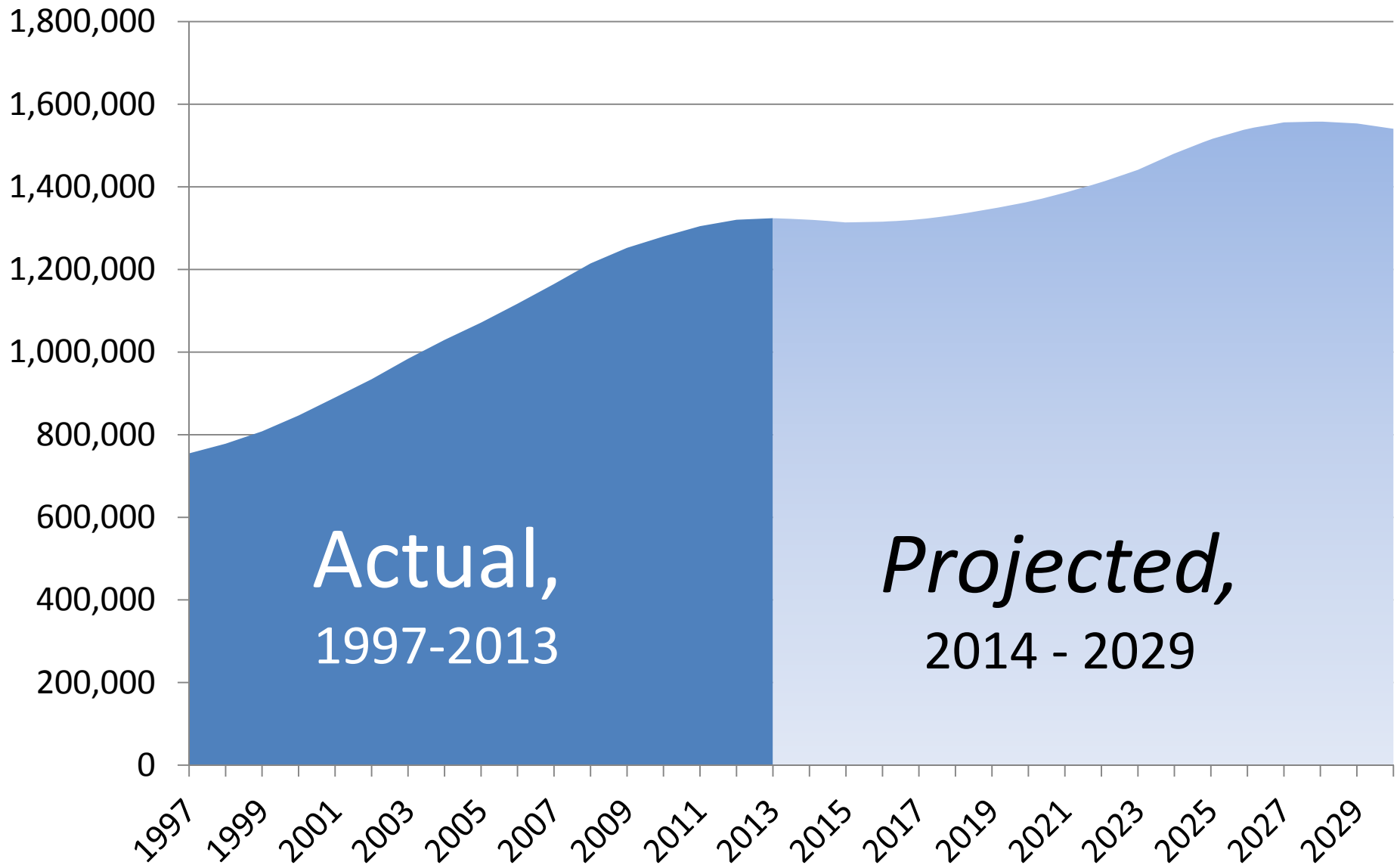
College-Age Youth (18-24) in California, 1997-2029 ^{preliminary data}



Source: Education Policy Center, The University of Alabama, January 2014.



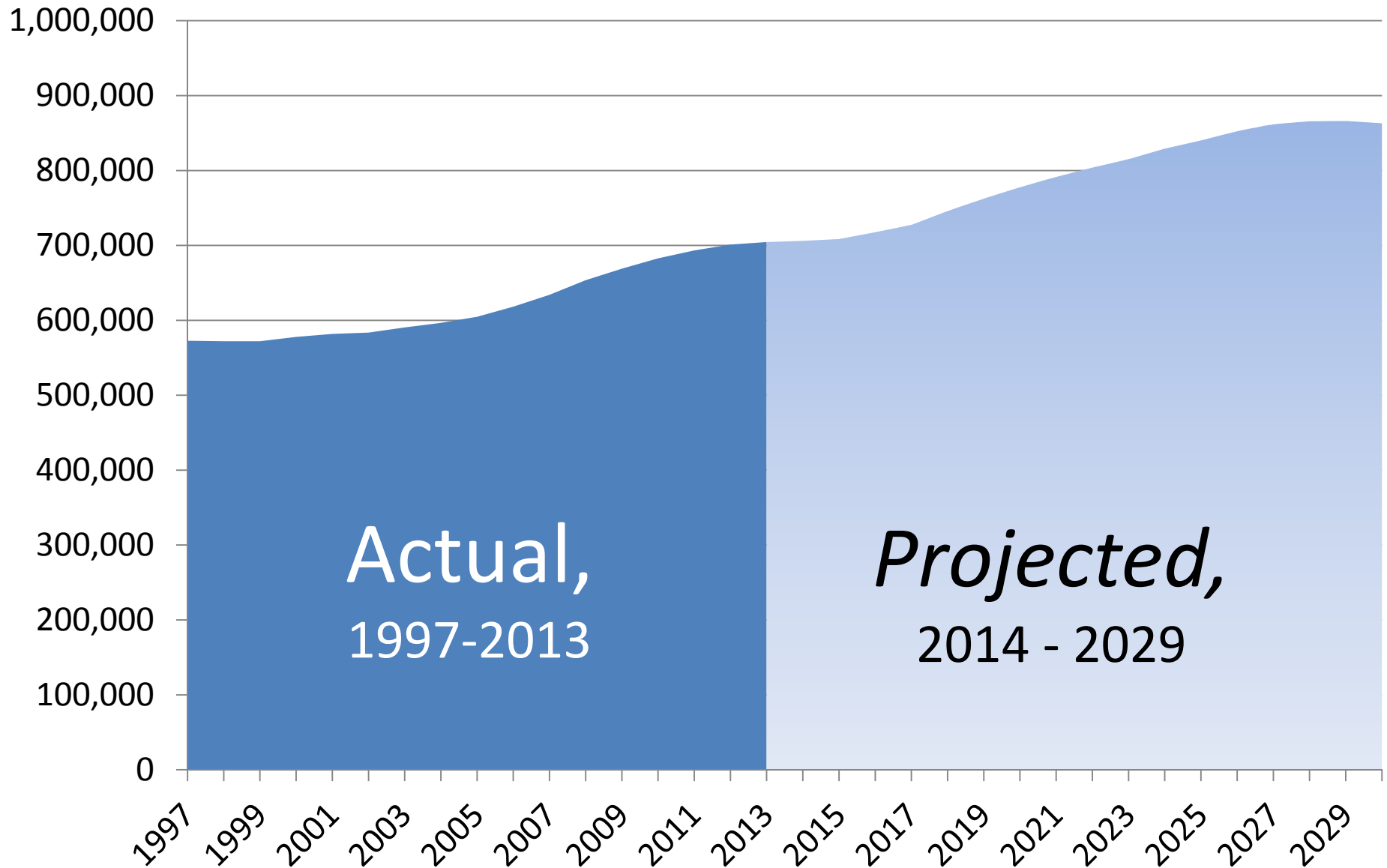
College-Age Youth (18-24) in Florida, 1997-2029 ^{*preliminary data*}



Source: Education Policy Center, The University of Alabama, January 2014.



College-Age Youth (18-24) in North Carolina, 1997-2029



Source: Education Policy Center, The University of Alabama, January 2014.



preliminary data

Faculty Salaries in States with no Collective Bargaining, but with Local Support VS. States with no Collective Bargaining or Local Support (2011-2012)				
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. 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).



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preliminary data

**Faculty Salaries in States with Collective Bargaining and Local Support
VS.
States with Collective Bargaining but without Local Support
(2011-2012)**

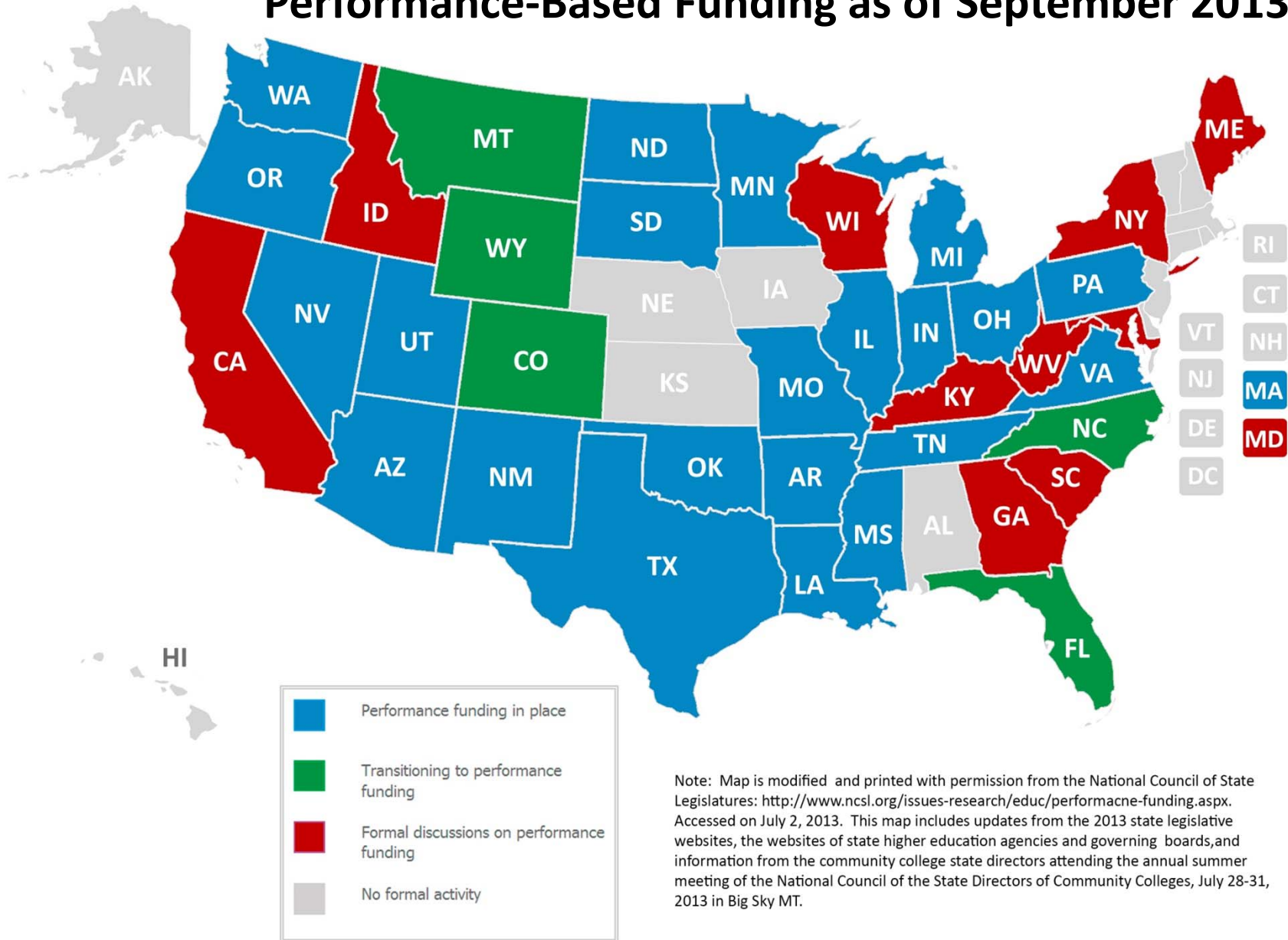
Carnegie Associates Colleges Type	Faculty Salaries with...		Difference	
	CB & Local	CB only	Dollars	%
Rural Small	\$53,239	\$54,794	(\$1,555)	-3
Rural Medium	\$57,557	\$58,806	(\$1,249)	-2
Rural Large	\$70,433	\$57,884	\$12,549	22
All Rural	\$60,410	\$57,161	\$3,248	6
Suburban Single	\$77,375	\$67,006	\$10,369	15
Suburban Multiple	\$82,537	\$62,263	\$20,274	33
All Suburban	\$79,956	\$64,635	\$15,322	24
Urban Single	\$67,350	\$60,733	\$6,617	11
Urban Multiple	\$75,571	\$60,439	\$15,132	25
All Urban	\$71,461	\$60,586	\$10,875	18
ALL	\$70,609	\$60,794	\$9,815	16

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).

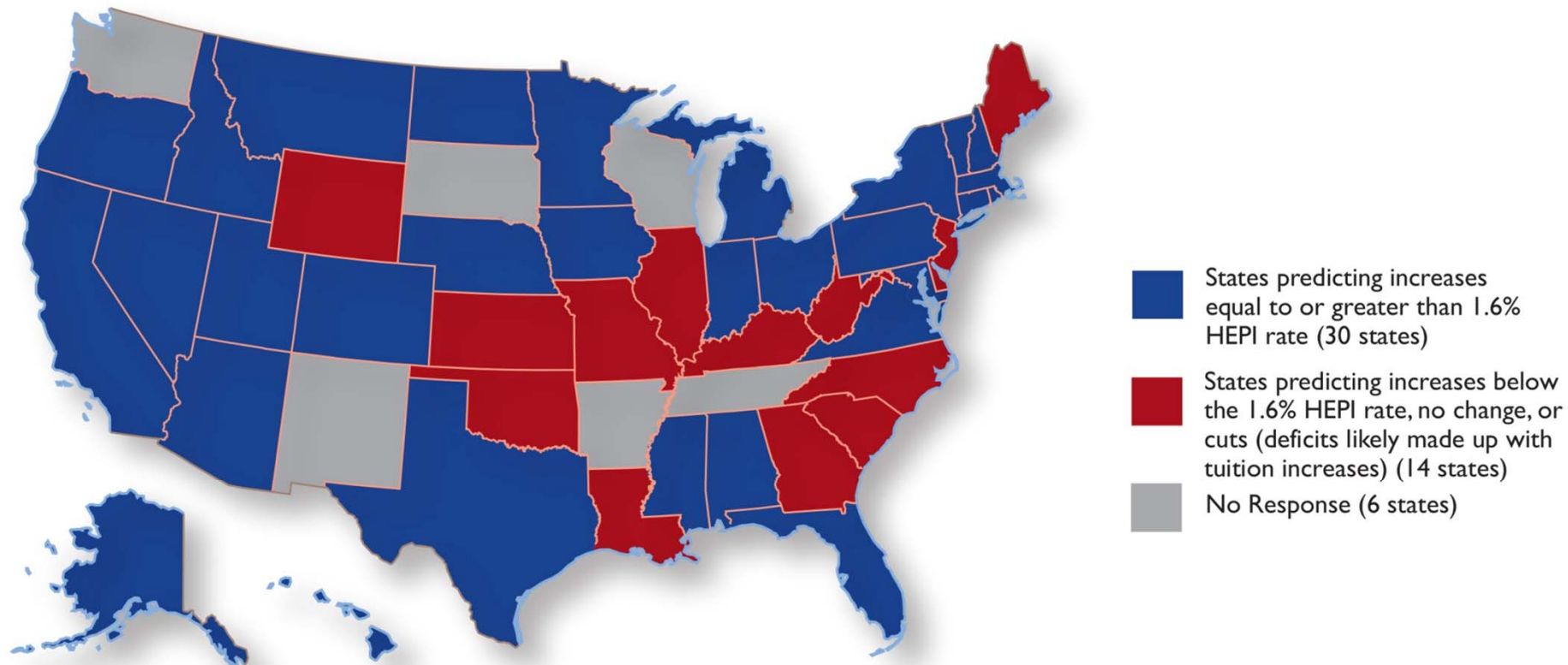


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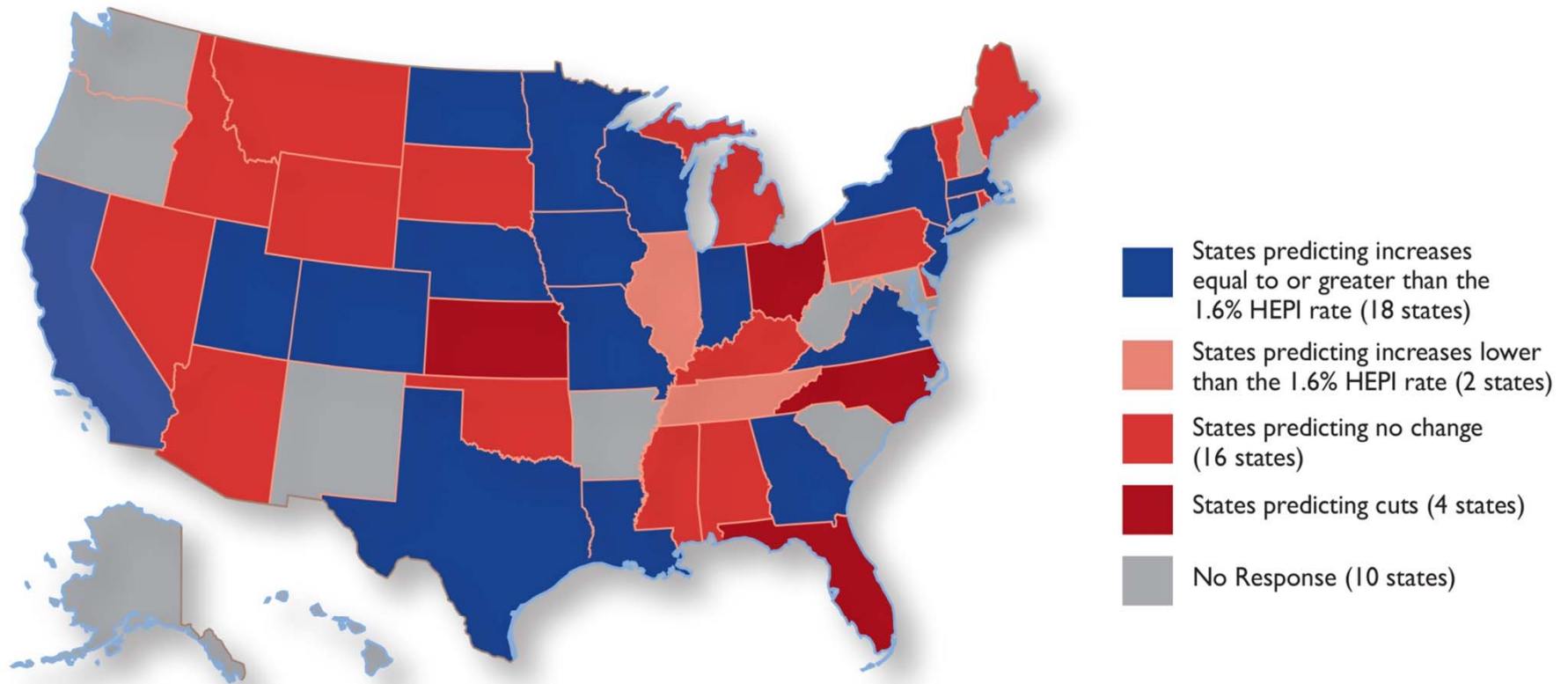
Performance-Based Funding as of September 2013



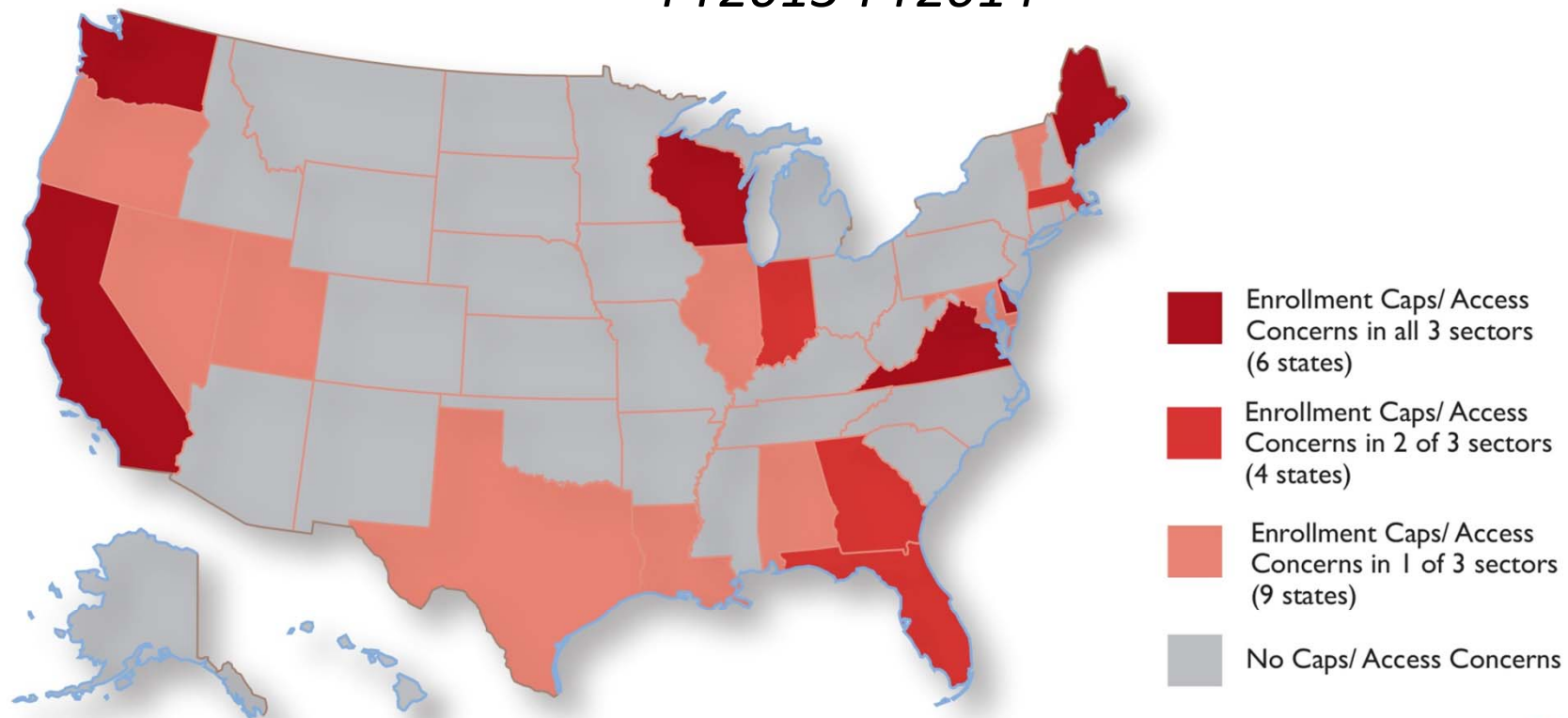
Predicted Changes in State Student Financial Aid, *FY2012-13 to FY2013-14*



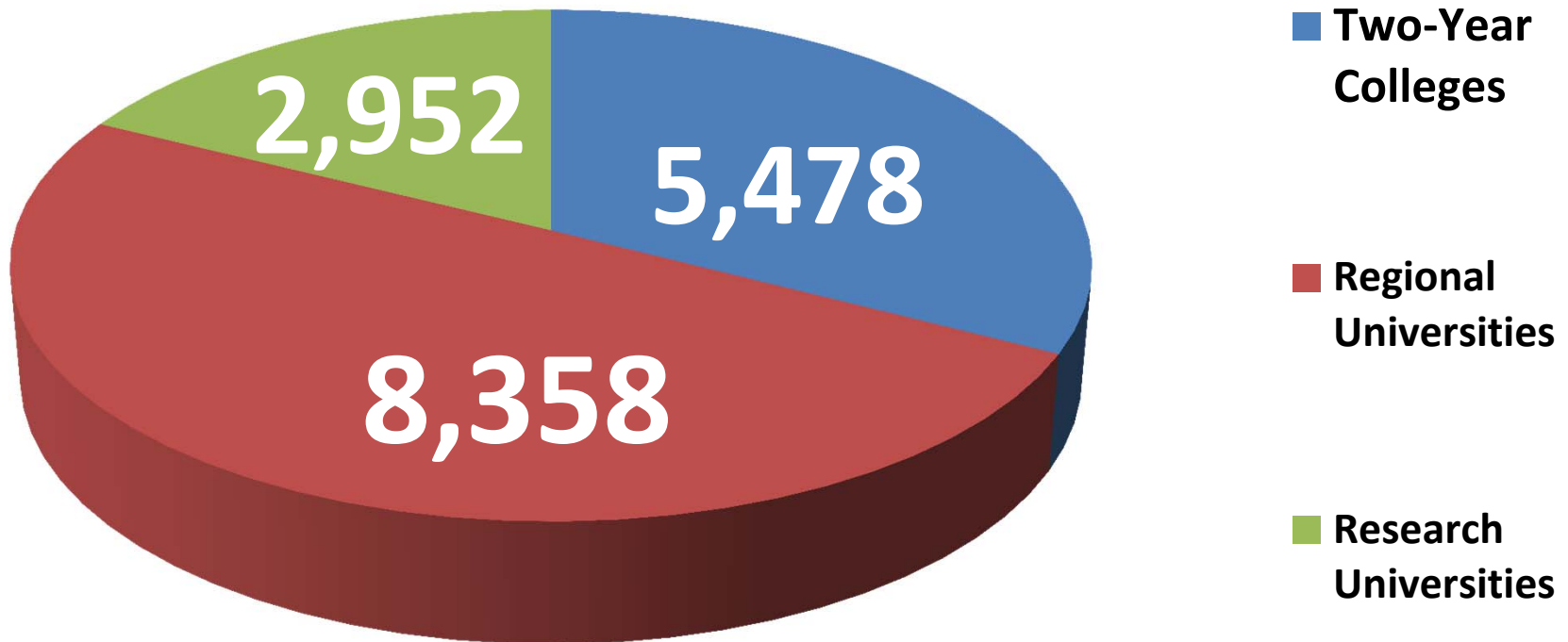
Predicted Changes in Operating Budgets for Public Higher Education, *FY2012-13 to FY2013-14*



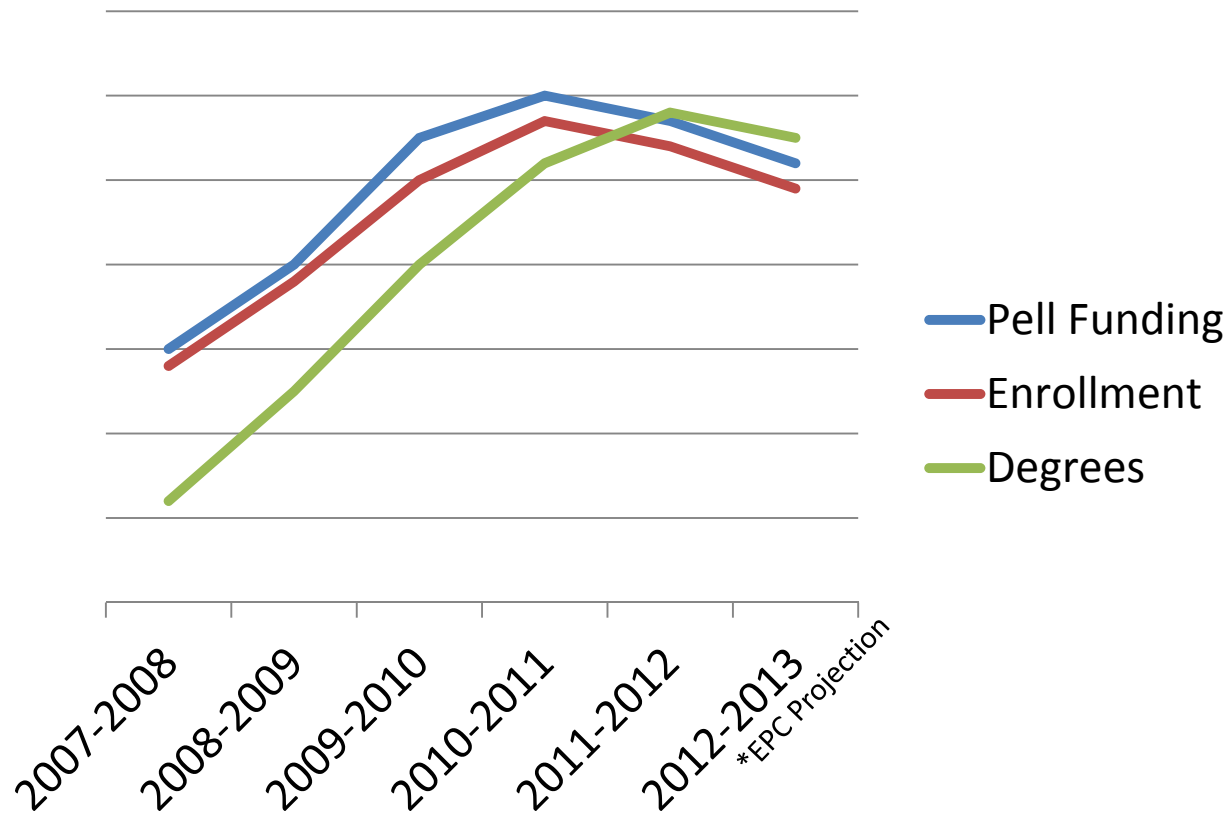
Access to Public Research Universities, Regional Universities, and Community Colleges is Threatened in Many States, *FY2013-FY2014*



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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