

HISTORY OF THE COMMISSION ON HIGHER EDUCATION FUNDING 1998-2008

This year marks the tenth anniversary of the Commission on Higher Education funding. In 1998, the Legislature determined that there was a need for the higher education community to address its issue in one voice. The Commission on Higher Education Funding was created in order to critically examine the system of funding and planning for the future the state in educating its citizens for the new century.

In its inaugural year, the Commission authored a report which decried the historical underfunding of higher education, and vowed that our national rank of 49th in funding support could not stand. The Commission was charged with designing a ***“multi-year plan to meet the future needs of Vermont and its people for affordable, accessible, and high-quality post-secondary education programs.”***

The Commission’s report, which supported an increase in support, found that

- a high school diploma was no longer sufficient to enable a person to earn a living wage;
- employers need a highly skilled workforce to fill jobs;
- the “traditional” college student is no longer under the age of 22;
- Vermonters are burdened by high tuition and higher debt loads;
- Vermont colleges and university are struggling to fund their core services.
- and a “disconnect” exists between the needs of its citizens for education and training, and the state’s financial investment in post-secondary education

The reality is that all of the Commission’s findings are still true, but the situation has worsened. Despite a couple of years of significant increases in funding following the report, Vermont’s ranking is still 49th in the nation in its support of higher education. Tuitions have increased substantially since 1999, and our students are laboring under a debt load that has doubled since 1994.

The Commission made several recommendations for action in the 1999 legislative session:

1. **Increased investment through the General Fund:** Increased funding for the core services of VSAC, VSC and UVM should be at a rate that reflects the priority of higher education, and should increase at a rate of 5-10% per year for the next 10 years.
2. **The Fund for Investment in Vermont’s Future:** A Higher Education Endowment Fund should be established for the purpose of supporting financial aid to students and matching funds for UVM and VSC endowment funds.
3. **The Workforce Development Initiative:** A Workforce Education Fund should be created to supplement the post-secondary services provided by the higher education system, which would be responsive to the critical needs of employers and workers in Vermont. The report envisioned a strategic investment in both

short and long term programs which could give Vermonters skills which would be transferable, but also responsive to employer needs.

4. The Commission on Higher Education Funding should become a **permanent body** to continue to evaluate and monitor the status of higher education in Vermont and to underscore the desirability for a unified voice from the higher education community.
5. **A Compact with the State of Vermont: *An Investment Strategy for a Changing World***. The Commission authored a compact reflecting the mutual goals of the state, students, and institutions of higher education to support affordability, access to programs, sustainable core funding to maintain quality, and effective workforce education and training network, an aligned K-16 and lifelong learning system, effective R&D, and assessment and accountability. It was signed by the Governor and state legislative leaders, and higher education.

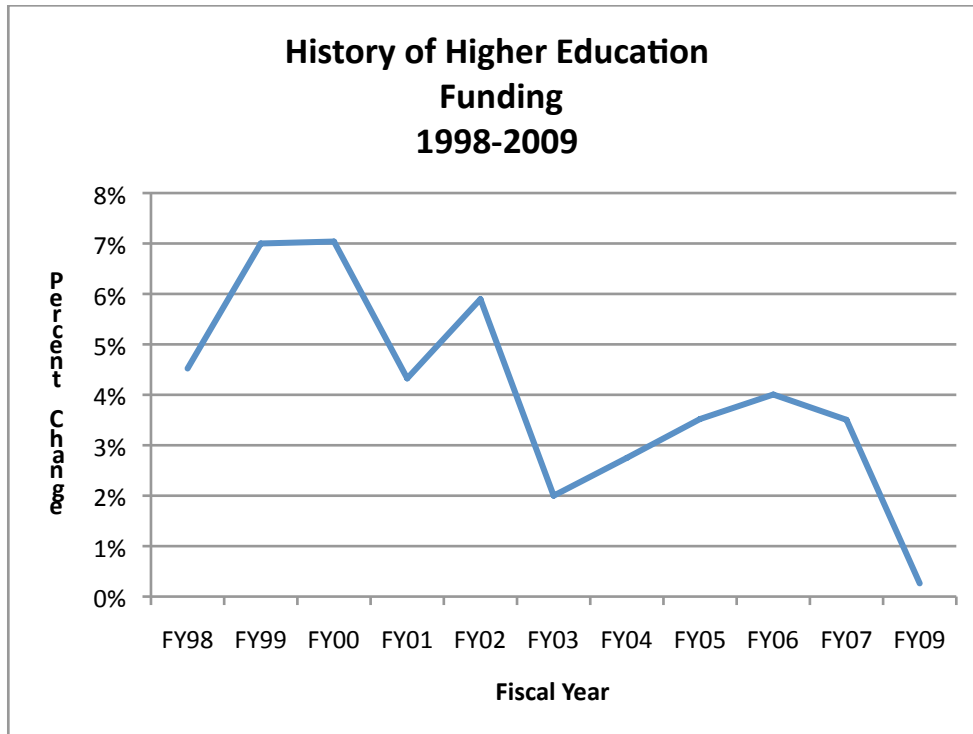
The CHEF report of 2001 further expanded the work of the Commission and set goals and indicators to measure progress. In the ensuing years, the Commission continued to make recommendations to the Legislature on funding levels. Reports on the Benchmarks were published in 2000, 2005, and again in this report. (See Appendix)

Progress on the 1998 Recommendations

All of the recommendations of the CHEF were adopted by the Legislature.

✓ **Sustainable Funding**

Over the ensuing four years, the annual increase for higher education was between 5 and 7%. However, after FY 2003, the annual appropriation increases have been in the 2-4% range, with 2009 at 0%. Vermont has remained at the ranking of 49th in the US in its funding of higher education. (see chart)



- ✓ **The Higher Education Endowment Fund** was capitalized with \$6million, and sustained by the overage in the estimated revenue from the estate tax and today stands at \$18million.
- ✓ **The Workforce Education and Training Fund** was created in 1999 and funded by surplus dollars for two years, and when surpluses ceased, went dormant due to a lack of sustainable funding. It was revived in the Next Generation Initiative, but the interconnection between post secondary education and training has been diminished.
- ✓ **The Compact:** was signed again in 2003, with the new leaders. It was modified slightly, with the addition of a commitment to targeted funding of critical state needs, and providing access to career and post-secondary information.

For the most part, however, the state commitment to prioritizing higher education in order to meet the needs of its citizens has not been realized. We believe that there needs to be a renewed recognition of the value of higher education, and that Vermont cannot afford to fall further behind our neighboring states or the rest of the nation in our support for our citizens. The 1998 Commissioners set out to work with a goal that their work would not become another report gathering dust on a shelf. They vowed that the recommendations would be implemented so that there would be no need for another unread report in ten years.

We are therefore submitting this report to ensure that the message of the original Commission is not forgotten.