

Accessing Higher Education In New Hampshire:

A White Paper Outlining the Importance of Increasing Need Based Scholarship Funding for New Hampshire Students in the 2005 Legislative Session

Prepared at the request of
The Honorable Robert Odell
New Hampshire State Senate

New Hampshire at a Crossroads

The New Hampshire advantage is often framed in the context of its low taxes and strong entrepreneurial spirit. In recent years New Hampshire's advantage has indeed resulted in dramatic increases in both per capita income and the immigration of high skilled knowledge workers. However, several recent trends indicate that New Hampshire's future prosperity may be at risk.

- While NH ranks 9th in the nation in the percentage of adults holding four-year college degree, less than 25% of residents age 30 hold a four-year college degree. Thus, most of NH's most highly educated workers today are closer to ending their careers than they are to starting them. (Ross Gittell)
- As a result of decades of in-migration of well-educated residents, the educational attainment of NH's older workforce is higher than the younger age groups. As older age groups exit the labor force, and the demographic groups behind them are smaller and less well educated, the labor force that remains is less able to support productivity and income growth...**(see Attachment 1)** (Brian Gottlob)
- Nearly two of every three new jobs in the nation will require some college education. Yet, no county in the state has two of three graduates going on to college, and in three of the state's counties – Coos, Belknap, and Strafford – fewer than four of 10 male high school graduates go on to college. (Ross Gittell)
- The percentage of working-age adults in New Hampshire who are enrolled part-time in college-level education or training has declined by 20% over the decade, compared with a nationwide decline of 11% (Measuring Up 2004)

“There are not enough graduates to meet the needs of the economy. We can't rely on in-migration - what drives jobs and economic development is education.”

*-John Lynch
The Union Leader
December 10, 2004*

- Nationally, in 2000 NH ranked 3rd in percentage of residents leaving the state to attend a college outside of NH. This is a substantial increase of out migration of students from 1998, when NH ranked 5th. Approximately 50% of NH students leave the state to pursue higher education compared to a national average of 18%, and the New England average of 39% (Postsecondary Education Opportunity October 2004)

What are the implications?

At the very time economists are proclaiming that the best jobs and the highest incomes in the future will belong to those who are highly skilled and who have the most education and training (**see attachment 2**), more and more New Hampshire students are asking “Can I afford to go to college?” New Hampshire continually ranks near the bottom among states in per capita expenditures for higher education.

Over 42% of New Hampshire state residents seeking financial assistance cannot even cover the average costs (full-time tuition and fees) charged by the NH Community Technical Colleges (NH Postsecondary Commission).

Additionally, scholarship funding is inadequate and must be addressed if the state hopes to build a workforce and an economy based on high skilled knowledge workers.

- In 2002, New Hampshire provided \$2.96 per capita in total state funded grant aid, compared to a national average of \$19.89 (NH Postsecondary Commission)
- In 2002, New Hampshire provided \$68.25 in need based aid per undergraduate enrollment, compared to a national average of \$354.32. (NH Postsecondary Commission)

The cost of higher education is expensive and going up faster than inflation. According to the national report, Measuring Up, 2004, *New Hampshire has made no notable progress in providing affordable higher education opportunities over the past decade. This year New Hampshire receives an F in affordability.*

New Hampshire ranks 3rd highest in tuition and fees at comprehensive state colleges and universities (**see attachment 3**) and ranks 49th in state funded scholarship aid and Pell grants (**see attachment 4**).

“An education advantage is more important than a tax advantage to a strong economy. Investment in children...requires high quality education, starting with pre-school and continuing through graduate school. And it requires ensuring access for all our children to high quality and higher education.”

*-Ross Gittell
Professor, University of New Hampshire
The Union Leader
November 23, 2004*

Thus, not only is higher education in New Hampshire among the most expensive, the state does little to help students finance their higher educations at either public or private colleges and universities.

Current NH Funding for Need-based Student Support

The State of New Hampshire currently provides \$3.1 million annually in need based scholarship support to NH residents in a program entitled: The New Hampshire Incentive Grant Program (**see attachment 5**). This program is funded at the lowest level of any of the New England states. (**see attachment 6**) To be eligible for funding a student must have a family income of \$21,000 or less, and the student's family cannot have more than \$2,500 to provide in support of the students higher education endeavor. The average grant award is \$715, with \$1,000 going to students who stay in NH for college and \$500 available to qualified students going to other New England states. (NH participates in an interstate exchange program with other New England states and annually sends \$486,574 out of state, while receiving \$2,659,981 from the other New England states.)

Federal Assistance

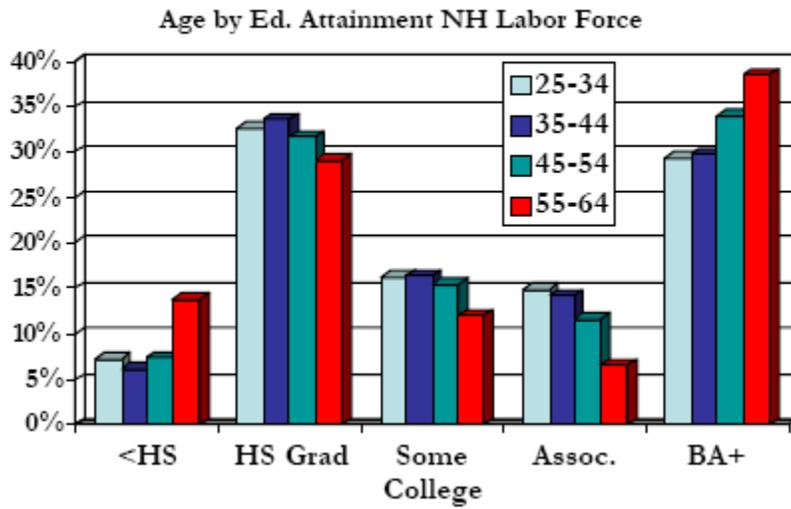
Federal financial aid to students has declined substantially in recent years. In the mid- 1970s the maximum Pell Grant for low income and working families covered nearly **40%** of the average cost of attending a four-year private college; now it covers **15%**. In the 1980's Pell Grants covered nearly **60%** of the total costs at a four-year public college, and today it covers only about **40%**. Increasingly federal resources have shifted away from grants, to loans, which now make up the majority of available federal funding for students.

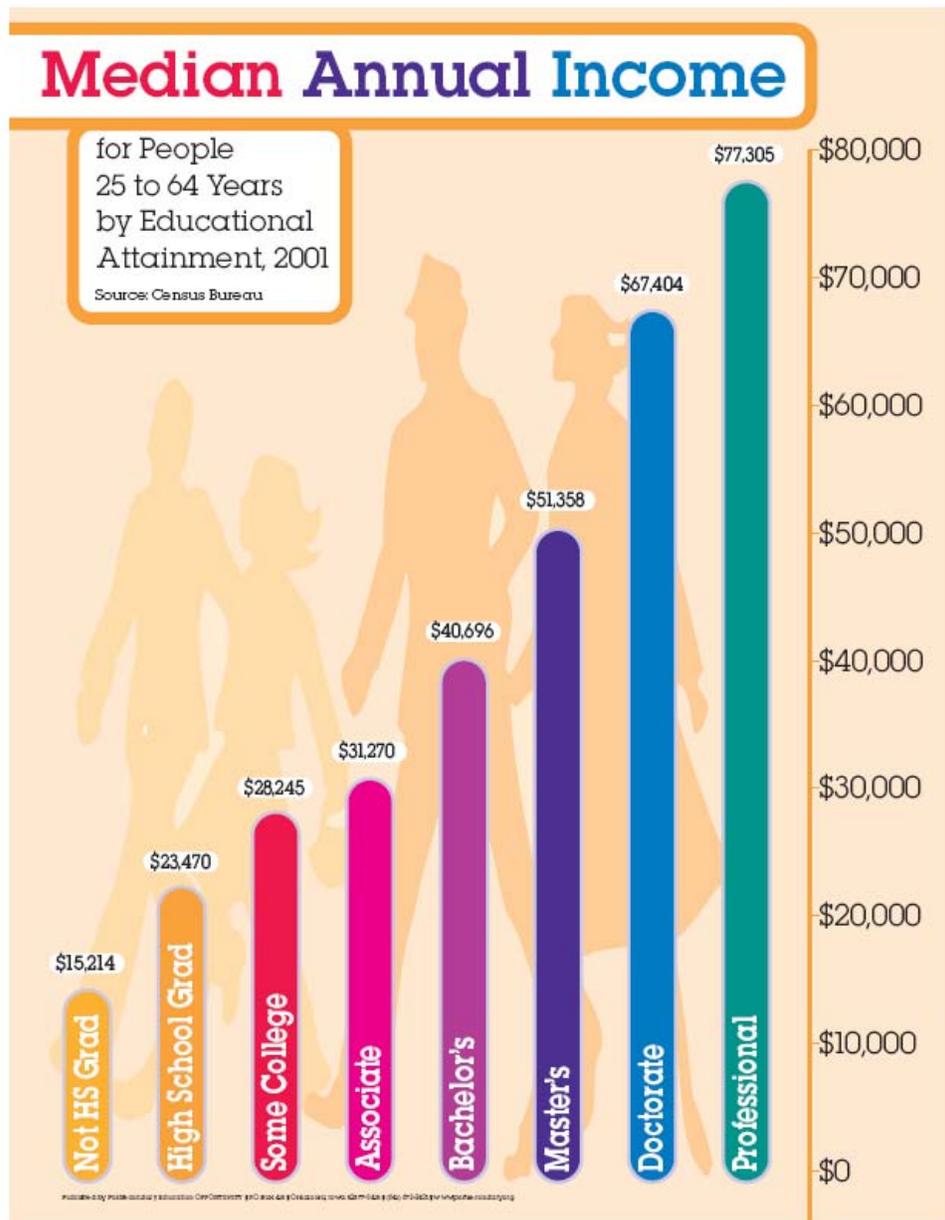
Proposed Legislation to Increase Funding for Incentive Scholarship Support and its Impact

Senator Bob Odell has introduced a bill for the 2005 legislative session to increase need-based aid available to NH students by \$3.1million. The purpose of this legislation is to **double** the current funding to \$6.2 million annually. The intent is three-fold: 1. to increase the number of New Hampshire students served by this program to equal the number of Pell Grant recipients; 2. to encourage greater numbers of New Hampshire student to attend college in New Hampshire; and 3. to provide a substantial increase in assistance to students in need.

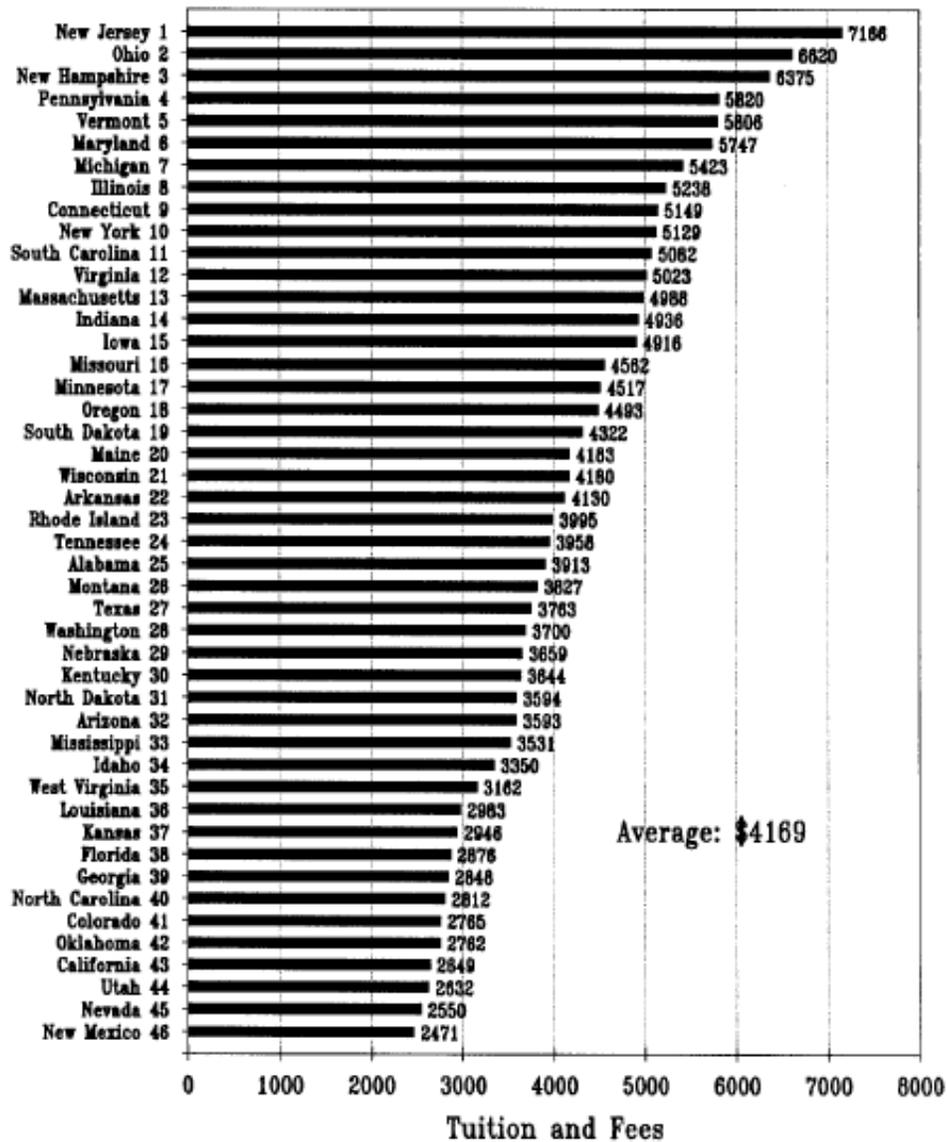
Attachment # 1

The "Age-Wave" Problem Is The Difference In Percentage Of NH's "Older" And "Younger" Workers With A BA+. It Portends A Looming Shortage Of Skilled Workers

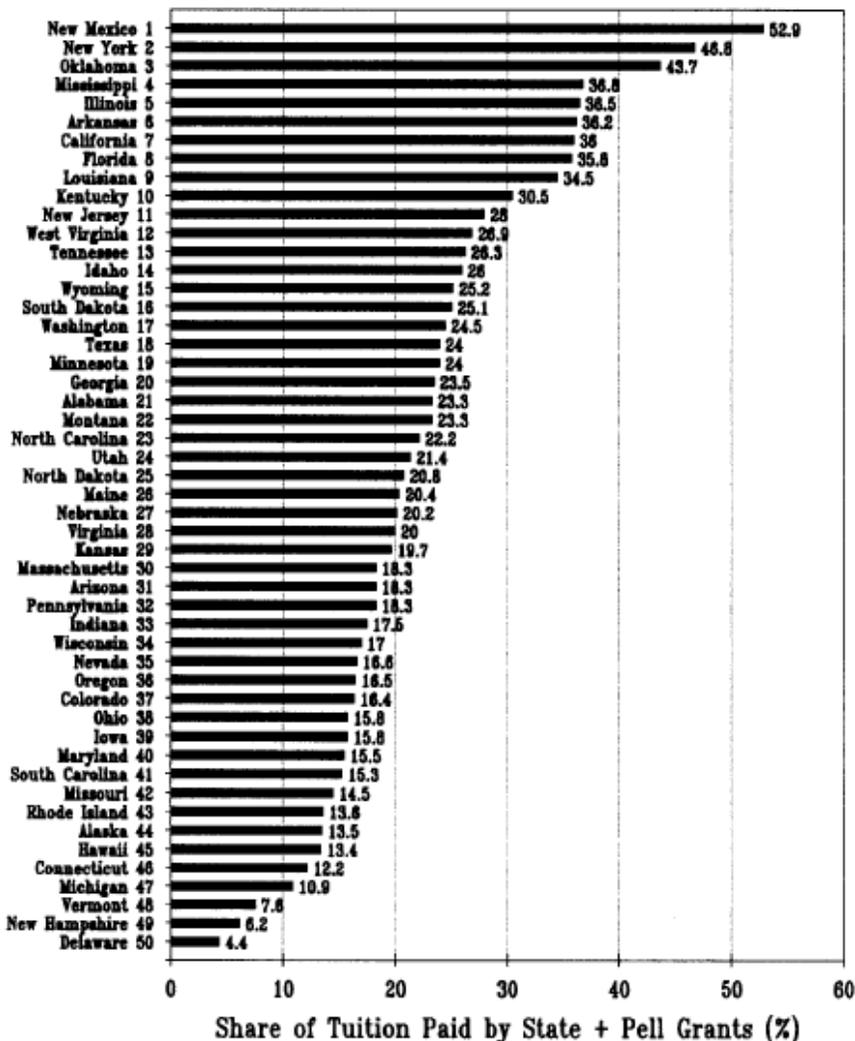




Undergraduate Tuition and Required Fees at Comprehensive State Colleges & Universities, 2003-04



Public Institution Undergraduate Tuition and Fees Paid by State Grants and Pell Grants, FY1997



Attachment # 5

New Hampshire Incentive Program		
Awards by NH Institution		
Institution	No. of Awards	Amount Awarded
Chester College of New England	13	11,750
Colby-Sawyer College	41	41,000
Daniel Webster College	23	20,500
Dartmouth College	11	11,000
Franklin Pierce College	67	63,750
New England College	34	32,000
New Hampshire Institute of Art	22	18,250
Rivier College	78	59,000
Southern New Hampshire University	203	165,750
St. Anselm College	57	56,000
Thomas More College of Liberal Arts	1	500
Total 4-Year Private	550	\$479,500
College for Lifelong Learning	232	124,231
Keene State College	296	265,250
Plymouth State University	313	287,250
University of New Hampshire	867	804,250
Total 4-Year Public	1,708	\$1,480,981
New Hampshire Technical Institute	285	177,000
NH Community Technical College, Berlin	133	96,250
NH Community Technical College, Claremont	71	51,250
NH Community Technical College, Laconia	101	64,250
NH Community Technical College, Manchester	115	64,000
NH Community Technical College, Nashua	64	43,750
NH Community Technical College, Stratham	83	50,250
Total 2-Year Public	852	\$546,750
Hesser College	176	131,250
Total 2-Year Private	176	\$131,250
Total All NH Degree-Granting Colleges	3,286	\$2,638,481
Non-Degree NH Institutions	31	\$21,500
Total All NH Institutions	3,317	\$2,659,981
Out-of-State Colleges	1,082	\$486,574
TOTAL ALL NHIP AWARDS	4,399	\$3,146,555
Prepared by: Judith A. Knapp		
December 7, 2004		

Attachment # 6

Comparison of New Hampshire Incentive Program
to
State Grant Programs in Other New England States

	Connecticut	Maine	Massachusetts	New Hampshire	Rhode Island	Vermont
# of Awards	3,625	13,464	30,424	4,399	11,079	13,588
Avg Awd	\$1,461	\$870	\$792	\$715	\$1,101	\$1,586**
# Awds In-State	2638 (\$4,801,017)	11,444	26,649	3,317 (\$2,659,981)	8,494 (\$9,220,3965)	8,505
# Awds Out-of-State	987 (\$493,500)	2,020	3,775	1,113 (\$486,574)	2,585 (\$2,985,780)	5,083
# Awds to NH Schools	25 (\$25,500)	559 (\$384,625)	970	3,317 (\$2,659,981)	221 (\$257,175)	732
Maximum Award	\$2,000	\$1,250	\$2,300	\$1,000	\$1,500	\$9,100
Total Program Appro	\$21,233,000*	\$11,721,498	\$81,919,000*	\$3,146,555	\$12,206,175	\$17,686,300

* CT - State grant is 15% of money for need-based aid. Balance goes directly to CT schools

MA - State grant is 29% of money for need-based aid

** Average FT award, \$1,586, avg PT award \$426: maximum out-of-state award FT \$5,750; PT \$4,310



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