

Most Rhode Islanders share a vision of what the Ocean State should strive for: great schools for our children, safe roads and bridges, vibrant communities, prosperous families, and access to quality and affordable health care, housing and child care. The primary way we pay for these things is through our taxes.

Rhode Island Needs to Double Down on New Investments in Higher Education to Ensure Prosperity for the State and All its Residents

Like most states, Rhode Island's state funding for higher education remains well below pre-recession levels (though Rhode Island's disinvestment in higher education preceded the onset of the Great Recession by several years, as seen in Figure 1). Economic opportunity and a thriving state economy depend on a high-quality, affordable system of public higher education. At a time when the benefit of a college education has never been greater, state policy makers need to make going to college more affordable and more accessible to the students most in need.

Rhode Island falls behind most of our New England neighbors in educational attainment. We need to adopt policies and make investments that move Rhode Island into the top tier of states for education. US Census Bureau data show that 32 percent of Rhode Islanders age 25 years or older have a Bachelor's degree or higher, slightly higher than the national average of 30 percent, but trailing Massachusetts (41 percent), Connecticut (38 percent), Vermont (36 percent) and New Hampshire (35 percent) [See Figure 2]. Significant disparities in educational attainment by race and ethnicity persist in Rhode Island, with just 13 percent of Latino Rhode Islanders and 19 percent of Black Rhode Islanders age 25 or older having a Bachelor's degree or higher.

Key findings of a new Center on Budget and Policy Priorities report, "A Lost Decade in higher Education Funding: State Cuts have Driven Up Tuition and Reduced Quality"¹, show that Rhode Island

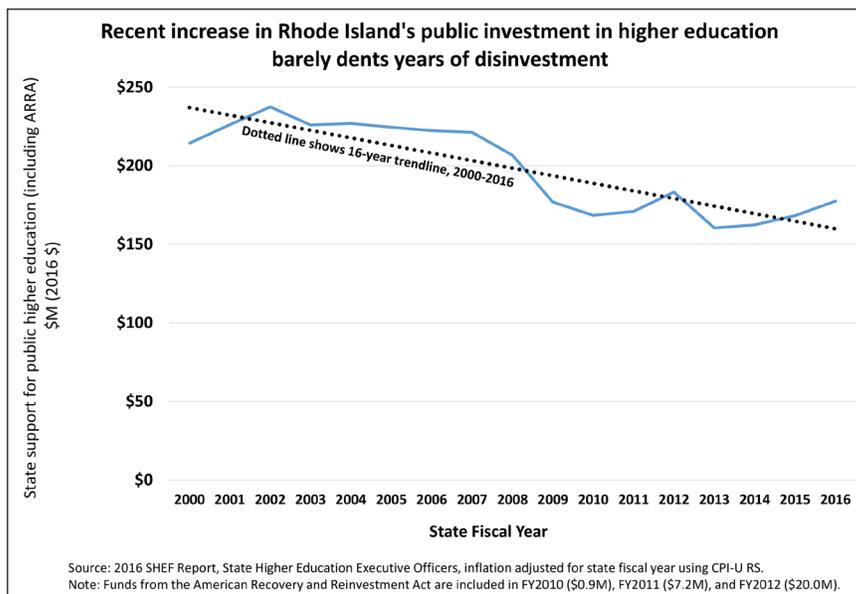


Figure 1

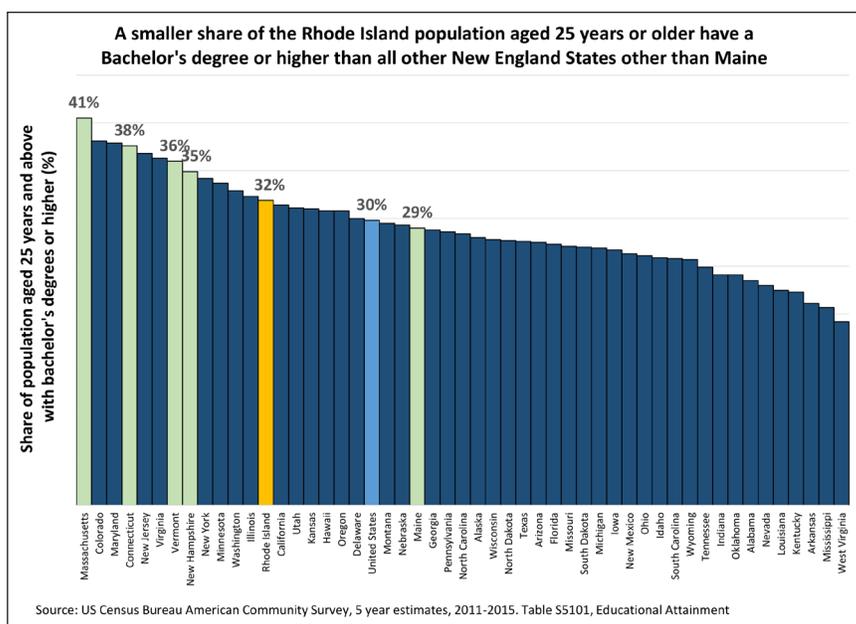


Figure 2

compared favorably to other states between FY2016 and FY2017, but over the longer time frame since the Great Recession, we fall in the middle of the pack. Specific findings include the following:

2016 - 2017

- Inflation adjusted tuition at public four-year colleges in Rhode Island (RIC and URI) decreased by \$132 between FY2016 and FY2017, ranking 2nd most favorable among all states, and in contrast to the majority of states which increased tuition over that period.
- Like most states, Rhode Island increased its per student funding of higher education in FY2017 compared to FY2016, increasing by \$283/per student, inflation-adjusted, the 18th highest dollar increase among all states.
- Rhode Island's 4.8 percent increase in funding (inflation adjusted) between FY2016 and FY2017 ranked 10th among all states.

2008 - 2017

- Inflation adjusted spending per student in FY2017 was 16.1 percent less than in FY2008, ranking Rhode Island 24th among all states.
- State cuts in higher education funding since 2008 have resulted in sharp increases in tuition at public colleges and universities. Rhode Island's average tuition at public four-year colleges has risen 36.5 percent in inflation-adjusted terms since FY2008, ranking 21st highest among all states.
- In dollar terms, Rhode Island's \$3,048 increase in tuition since FY2008 ranks 13th highest among all states.

One of the Governor's signature accomplishments during the 2017 General Assembly session was the adoption of the Rhode Island Promise Scholarship Program, providing two years of free tuition and fees at CCRI for Rhode Island high school graduates and students who attain a High School Equivalency Diploma before turning 19. While the budget does not provide similar funding for students attending URI or RIC, as the Governor had proposed, Rhode Island's new commissioner of postsecondary education, Brenda Dann-Messier, has indicated she wants to return to the original plan. Dann-Messier has also noted that in order to meet the Governor's target of having 70 percent of all Rhode Island adults with some post-secondary education by 2025, we will have to also expand access to adults who do not go directly from high school to college.

With a 2018 price tag of \$5.5 million in FY2018 (of which \$2.8 million is for student scholarships), Rhode Island Promise as currently structured represents a modest step in the right direction, though pairing it with a 7 percent increase in tuition for CCRI students who do not qualify for the scholarship reduces the positive impact on the affordability of post-secondary education in Rhode Island.

We need to ensure that all Rhode Islanders - including those currently left on the margins - have the education and training necessary to thrive, with the skills needed for the economy of today and tomorrow. We need smart budget choices that preserve or enhance revenues available for Rhode Island to achieve broadly shared educational excellence.

¹Michael Mitchell et al., "A Lost Decade in Higher Education Funding State Cuts Have Driven Up Tuition and Reduced Quality" Center on Budget and Policy Priorities, August 22, 2017, <https://www.cbpp.org/research/a-lost-decade-in-higher-education-funding-state-cuts-have-driven-up-tuition-and-reduced>