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ABSTRACT

The economic well-being of higher education in Massachusetts is seen as a vital concern to the state. It is described as a single system, with independent and state components. Discrimination in the right of access to higher education is cited for the 42 percent of the state residents who attend independent colleges and universities in the commonwealth; i.e., those not state-owned and taxpayer subsidized. Public and private institutions are equated in terms of goals and actual costs, but differences are cited in terms of price to the student. Statistics are reported to indicate the economic benefit to the state of private institutions as well as the economic burden carried by the institutions themselves. Comparative graphs are presented on expenditures such as maintenance, retirement and insurance costs, cost-of-living adjustments, fuel deficiency, debt service, and taxpayer/student expenditures. The Massachusetts House Bill 2882, which provides an apportionment to each qualified Massachusetts high school graduate that the student can take to the college of his choice within the commonwealth, is supported with modifications recommended. It is concluded that if the General Court continues to restrict its subsidy of public higher education to the state sector and continues to discriminate against the independent sector, it will eventually destroy a significant part of the system of quality education in Massachusetts. (LBH)

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The "Private" Contribution to Public Higher Education

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U.S. DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
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Testimony delivered before
Education Committee
General Court of Massachusetts
February 24, 1975

Higher education is essential to the life of Massachusetts – its economic life and its intellectual life. The economic health of all of its educational institutions is consequently of vital concern to the General Court and the general public, no less than to those who work in colleges and universities or those who attend them.

The higher educational institutions of Massachusetts enroll about 240,000 full-time students, of these, 140,000 or 58 percent are in independent institutions and 100,000 or 42 percent are in state institutions. The total number of residents of Massachusetts enrolled in all our institutions is about 170,000, of these, 98,000 or 58 percent are in state institutions and 70,000 or 42 percent in independent institutions. I emphasize these figures and the reversal of the percentages to make clear a central point. *public higher education is a single system, with independent and state components.*

State policy makers have never asked how many places are required in Massachusetts to educate all qualified state residents. This question would have led to the discovery that most of the required places could have been provided in the independent sector, access to those places depends not on new state-owned facilities but only on adequate scholarship aid to reduce the price to the individual student. Instead, the General Court has not treated higher education as a right for all residents of Massachusetts but as a right only

for those who attend state-subsidized institutions. The General Court has not acknowledged any right of access in higher education for the 42% of the residents of the state who attend independent colleges and universities in the Commonwealth.

This discrimination in the right of access to higher education has gone unnoticed because of misleading terminology: terminology that identifies the broad system of public higher education narrowly and mistakenly with its state-owned and taxpayer-subsidized component. The other component of public higher education, roughly equal in size in Massachusetts, has been erroneously designated as private. This confusion has been compounded by equating tuition – the *price* charged to students – with the *cost* of education.

These confusions are not limited to Massachusetts. These confusions defeat public understanding of higher education throughout the nation. But the confusion is more serious, wasteful, and damaging in Massachusetts because of the large size and extraordinary quality of the independent sector in this state.

Here in Massachusetts we are constantly told that there are two kinds of education. One of these, we are told, is called private, and it is said to be costly, elitist, and not truly in the interest of the public, the other, we are told, is called public, and it is said to be inexpensive, populist, and responsive to the public interest. This distinction is false and dangerously misleading.

All students are members of the public. All higher education is *public* higher education for the simple reason that there is nothing but the public to educate. One sector of public higher education, better called *independent*, provides the cost of education through substantial tuition charges, fees, and outside income in the form of gifts and grants. The other sector, more accurately called *state-owned* or *state-subsidized*, assigns the cost of education to the taxpayer: its operating expenses are provided in annual appropriations, its facilities are financed by bond issues of the Commonwealth, and tuition payments by the student are minimal.

Both sectors educate the public, both are public education. They are differentiated only by the mechanisms each uses to pay the costs. A low tuition does not mean a low cost of education, it merely means that someone else, the taxpayer, is meeting the bills. A high tuition does not imply an undemocratic philosophy, it merely

demonstrates that, where there is no Santa Claus, deficits are synonymous with bankruptcy.

This confusion of price and cost is illustrated by comparing prices and costs at Boston University and the University of Massachusetts. The price this year is \$2,890 at the former, but only \$300 at the latter. That is, the *price* is nine times higher at Boston University than at the University of Massachusetts. As we shall see, however, the *cost* of education at Boston University is at least \$1,000 less per student than the *cost* at the University of Massachusetts.

The public would not be so easily confused on this issue if the budgets of each state institution included all costs. Unfortunately, major elements of the cost of education in the state-subsidized sector are scattered across many state accounts, consequently they cannot be identified with particular institutions or even with higher education.

In order to find out the actual cost of higher education in the state sector we must go through the state budget, item by item, reassigning expenditures to individual institutions. In their present form, the appropriations for higher education in Massachusetts typically ignore the cost of buildings, the cost of the debt service on construction, the costs of retirement, and of group insurance for faculty and staff.

An independent institution by contrast must face all of its costs and it must face them in a single budget. At Boston University, the Board of Trustees knows that the cost of education is an indivisible and inclusive sum – that land costs, building costs, retirement costs, and insurance costs are all educational costs.

These forgotten costs of education are major, and their systematic exclusion from all discussions of higher education in Massachusetts generates much of the fog that envelops these discussions. The Commonwealth must dispel the fog and count all the costs of education.

These confusions encourage the notion that Massachusetts is 49th in the nation in support of higher education. When these forgotten costs are recognized and added in, the budget for state sector higher education in Massachusetts is not \$199.76 million – the figure used to establish the rank of 49th – but \$325.52 million. The rank of Massachusetts is not 49th, but some very much higher

rank Just how much higher cannot be known until there is a full report of state higher education spending not only in Massachusetts but in every state in the country

But there is yet another confusion that must be dispelled. It is the claim that only the state provides public higher education. Between 1636, the founding of Harvard, and the creation of state universities, was there any public higher education in Massachusetts? The answer is clearly, yes! Long before Massachusetts established its first state-owned institutions of higher education, it already had in its large independent sector the finest system of public higher education in the United States. Now that system, still led by independent institutions, is the finest in the world.

It is only by refusing to count all the payments made to Massachusetts independent institutions by Massachusetts residents for the education of Massachusetts residents and then by excluding more than one-third of the state's total expenditures — building and land costs and all other non-operating costs — that one can erroneously conclude that Massachusetts ranks 49th in the nation in educational expenditures per capita, behind every state except New Hampshire.

When expenditures made by independent institutions are added to the state expenditures, Massachusetts has the highest per capita spending on higher education in the country! The latest figures reported by HEW for national current-fund expenditures on higher education are for 1972. They show that Massachusetts led the nation with a per capita expenditure of \$203. In terms of absolute expenditure on all higher education, Massachusetts ranked fifth at \$1.2 billion a year, behind California, New York, Illinois, and Pennsylvania, all of which are greater in population and industrial wealth.

The legislature should be grateful that the number, strength, and quality of the independent institutions in Massachusetts have given it the nation's finest system of public higher education at next to the lowest cost to the taxpayer. Massachusetts stands at the top of the list for per capita spending on all public higher education, but the taxpayer contribution to that total was only 19 cents out of every dollar, less than one-half the New York taxpayer share and one-fourth that in Michigan, where the taxpayers' share was 83 cents of

every dollar spent in higher education.

The superb independent institutions of Massachusetts are geese laying golden eggs for the Commonwealth Boston University is currently educating 4,500 residents of the Commonwealth as fulltime students. The Commonwealth's contribution to their education comes in two forms - tax exemption and \$456,000 in state scholarships. The value of Boston University's contribution may be measured by the standard proposed in the 1976 budget request of the University of Massachusetts. Explaining a request for increased funding, President Wood said, "The remaining \$1.9 million in program increases is to support a planned enrollment increase of 400 FTE students." This works out to \$4,750 for each of the additional students. By the standard set forth in the budget of the University of Massachusetts, the 4,500 state residents at Boston University save the Commonwealth \$21.4 million, in operating costs alone.

Forevery two cents it receives from the state, Boston University gives to the state \$1 worth of education for Massachusetts residents. A great bargain for the state, as long as the goose survives. The General Court must seriously consider the prospect that Boston University and other independent institutions cannot survive indefinitely on that ration.

The problem of paying for higher education in an era of inflation is further complicated by the decline in live births since 1960. Nationally, there were 4.3 million live births in 1960, but only 3.1 million in 1973. Is there anyone in educational administration who believes that this 26.3% decline will not be reflected in empty desks, empty classrooms, empty schools - and ultimately in academic ghost towns?

The situation in Massachusetts is as dramatic. There were 115,000 live births in 1960, 95,000 in 1970, and 71,000 in 1974. Is there anyone in Massachusetts who thinks that a 44,000 drop in births between 1960 and 1974 will not be reflected in the sizes of freshman classes in 1978 and 1992? And 1992 is only four elections away. While the number of live births in Massachusetts was drop-

ping from 95,000 in 1970 to 71,000 in 1974, the General Court approved a total of more than \$600 million in new bond issues to finance new expansion in state-subsidized higher education. Much of this expansion will be superfluous by 1985.

Neither the legislature nor the informed public can come to grips with the implications of inflation and population change for higher education without knowing the actual costs of higher education. For that reason, I have prepared a series of charts to present these figures graphically.

CHART I

**Maintenance Expenditures Less Revenues
as Stated in Higher Education Budgets**

(in Millions)

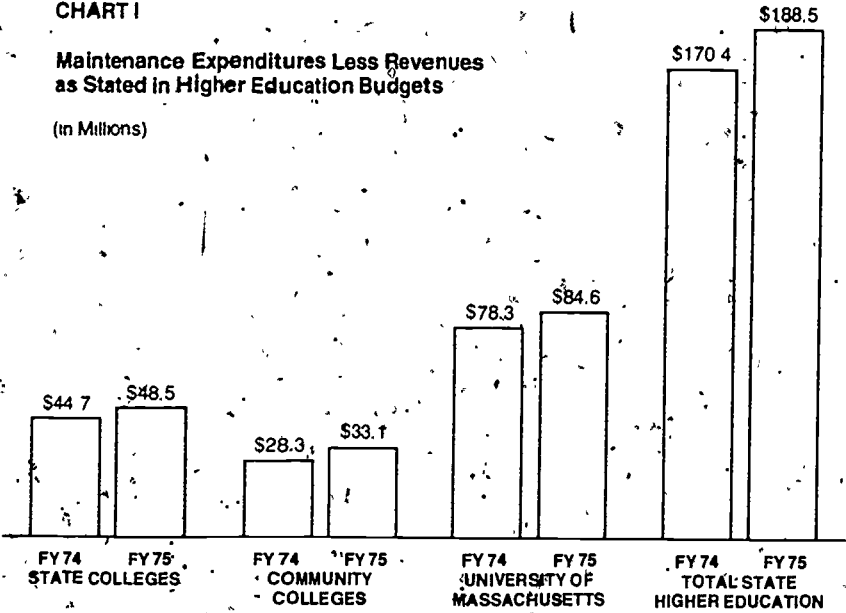


Chart I shows the net 1974 maintenance budget expenditures and the net 1975 maintenance budget appropriations for the state colleges, the community colleges and the University of Massachusetts. For this chart, we have subtracted revertible revenues from gross expenditures in order to show a net taxpayer contribution towards the costs set forth in the maintenance budgets.

For FY 1974, gross expenditure figures were taken from the "Statement on Appropriations, Expenditures, and Unencumbered Balances as of June 30, 1974," in the Massachusetts Financial Report for the Fiscal Year Ending June 30, 1974 (Public Document 140), issued by the Comptroller's Division of the Executive Office for Administration and Finance. Only "taxpayer" funds have been included, this has meant excluding expenditures for continuing studies, summer schools, and transfers to revenue receipts. In FY 1974, these amounted to \$10,547,257.

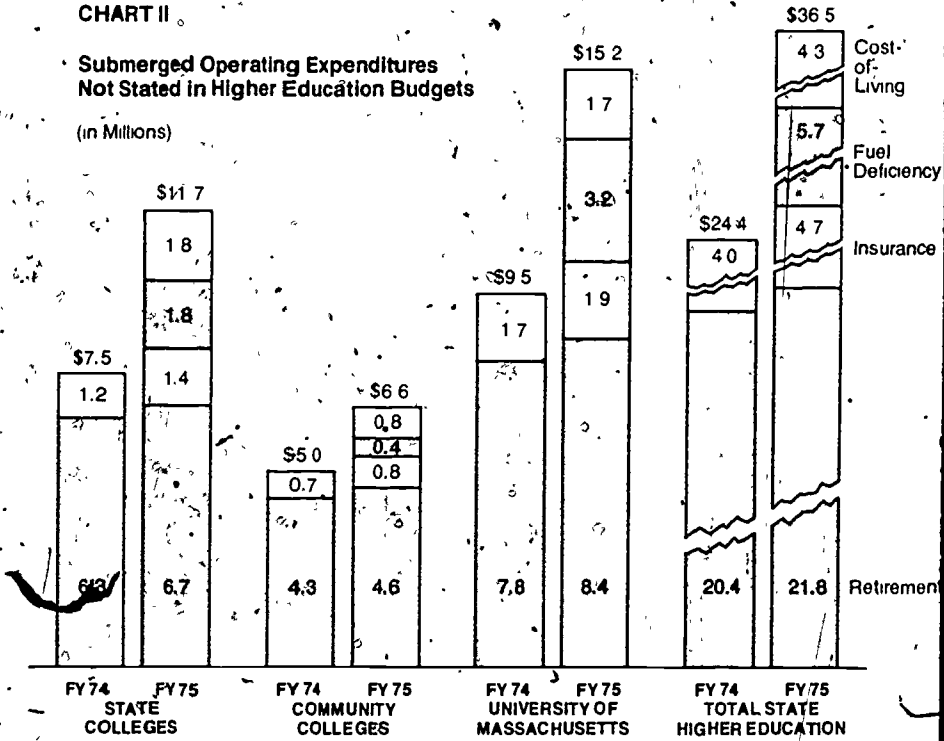
For FY 1974, expenditures have been based on the appropriations made under Chapter 431 of the Laws of 1974.

The 1974 revenue figures are taken from "Comparative Revenue - Detail by Agency, Actual 1969-74," a document in the Bureau of the Budget of the Executive Office for Administration and Finance. The FY 1975 revenue estimates come from the Bureau's "Monthly Revenue Comparative Report," November 30, 1974.

CHART II

**Submerged Operating Expenditures
Not Stated in Higher Education Budgets**

(in Millions)



(The scale of the bars for total State Higher Education has been compressed to allow the graph to fit onto the page)

Chart 2 details submerged operating expenditures, costs that have not appeared in the maintenance budgets, such as pensions, insurance, cost of living adjustments and fuel adjustments. These submerged costs are not inconsequential in 1975, they add 24% to the maintenance appropriations less revenues at the state colleges, 20% at the community colleges, and 18% at the University of Massachusetts. Statewide, they add 16% to the maintenance appropriations less revenues. It should be obvious that no accurate estimate can be made even of the operating costs in the state sector until these submerged costs are identified and added to the maintenance expenditures.

RETIREMENT COSTS

The estimate for FY 1974 was derived by the following methodology. The base figure is the 1974 total pension cost for Commonwealth employees, from the FY 1974 *Financial Report*, amounting to \$70,862,754. The proportion of state employees in higher education was derived by dividing the average quarterly employment in higher education (20,700) by the equivalent total Commonwealth figure (83,600). This yielded a proportion of 24.76%. The average FY 1974 salary in higher education (\$12,405) was then divided by the average salary paid to Commonwealth employees subject to the Employment Security Law (\$10,685). The Quotient, reflecting the higher level of salaries in higher education, was 1.161. This was used as a multiplier for the higher education proportion of total state employees to yield a figure of 28.75%. This has been used as an estimate of the proportion of the total state retirement cost attributable to higher education. For 1974, the figure is \$20,370,000. This was then allocated among the state systems in proportion to the authorized positions in each.

An analogous methodology was used for FY 1975. Between July and December 1974, the proportion of higher education employees was 26.1%. Between July and September, 1974, the ratio of average salaries in higher education and statewide was 1.18. The product of these figures, 30.8%, was projected against the FY 1974 total of \$70,862,754 to arrive at an FY 1975 estimated total retirement cost of \$21,818,000. This figure will almost certainly be revised upward when the FY 1975 total pension costs are known. The possibilities are suggested by the Retirement Law Commission's 1973 Annual Report (House No. 7642, January 1974, which found that the annual increase in pension payments between 1963 and 1971 averaged 15%.

All the above employment and salary data are taken from the "Current Employment Statistics Program" of the Occupation Industry Research Department of the Division of Employment Security.

INSURANCE COSTS

The FY 1974 insurance figures are taken from "Book I and Book II - Recapitulation by Month" at the Group Insurance Commission, listing employees' payments. Since this share is 1/3 of the state's share, the state share has been derived by multiplying the employee share by 3. For FY 1975, an estimate was derived by projecting the rate of increase July-November 1974 against the 1974 total.

COST-OF-LIVING ADJUSTMENTS

Chapter 422 of Laws of 1974 established a state salary reserve for the payment of cost-of-living increases. The chart reflects an estimated allocation made in February 1975 by the Bureau of the Budget.

FUEL DEFICIENCY

The fuel deficiency allocation is also from the Bureau of the Budget. February 1975 estimates of the allocation of an appropriation made under Chapter 112 of the Laws of 1975.

CHART III

Debt Service on Higher Education Facilities

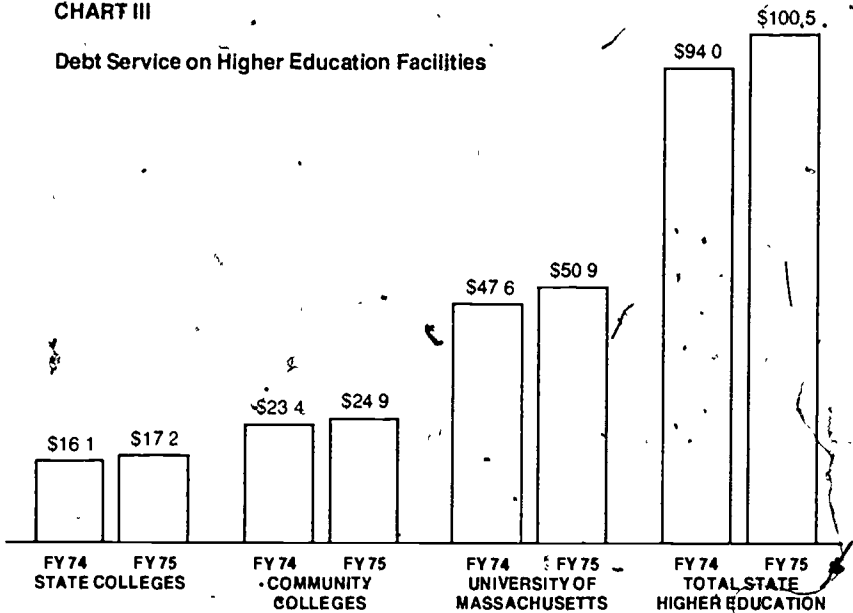


Chart 3 details another kind of submerged cost—debt service. The costs incurred in the state system include not only operating expenditure but also capital costs for buildings and equipment. The annual cost of retiring the bonds by which such expenditures are funded is a cost of education (and is so counted by an independent institution.) In the state system, these costs have not been so counted. They are huge. 1975, debt service, if added to the net budgeted maintenance costs, would increase them by 35% at the state colleges, by 75% at the community colleges, and by 60% at the University of Massachusetts.

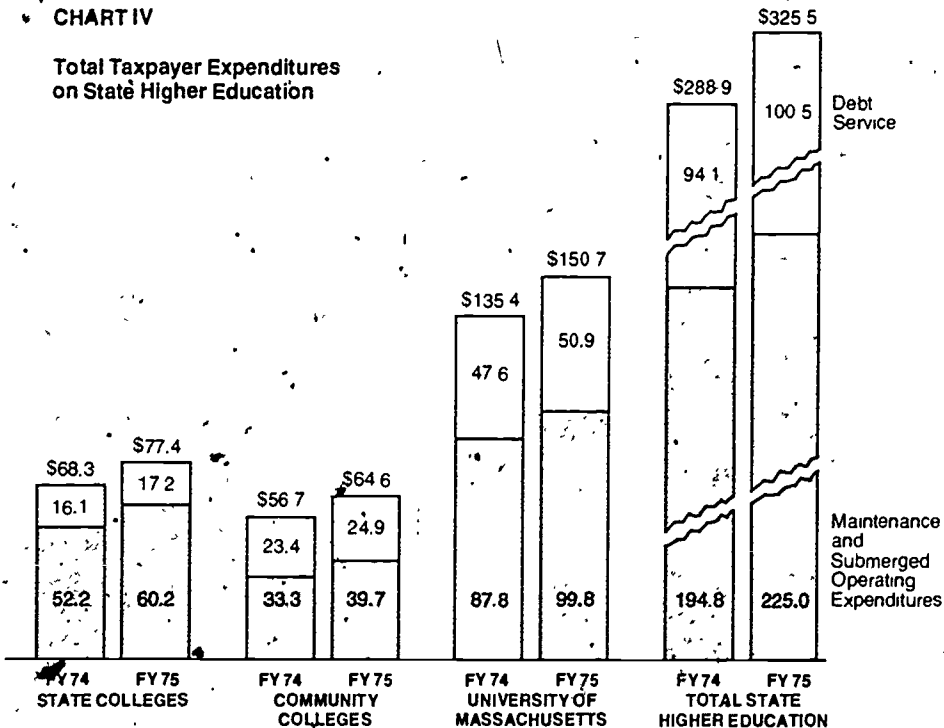
Debt service estimates for FY 1974 and 1975 were made using methodology adopted for Table IV, "Allocation of FY 1974 Debt Service to Departments, by Proportion of [Bond Fund] Expenditures, FY 70 to FY 73," on p. 154 of *FY 75 Budget Summary of Programs and Recommendations*, or *The Budget in English*, issued by the Executive Office for Administration and Finance on January 23, 1974. The data base for this table was updated by adding bond fund expenditures for FY 1974, as listed in the *1974 Financial Report*.

The bond fund expenditures made in FY 1970-74 for each unit in the Commonwealth's system of public higher education were then taken from the appropriate *Financial Reports* and then calculated as percentages of the total for higher education, which equalled just 50% of the state total. These unit percentages were then projected against the FY 1974 and FY 1975 estimated debt service to derive an estimated debt service for each unit.

The total debt service for FY 1974, \$188.3 million, is given in that *1974 Financial Report*, and for FY 1975, \$201.0 million, in Chapter 431.

CHART IV

**Total Taxpayer Expenditures
on State Higher Education**



(The scale of the bars for total State Higher Education has been compressed to allow the graph to fit onto the page)

Chart 4 combines maintenance budget, submerged operating, and debt-service costs to establish the total cost to the taxpayer of the state's system of higher education. It is important to realize that the net maintenance budget costs accounted in 1975 for only 63% of the total cost of the state colleges, only 51% of the total cost of the community colleges, and only 56% of the total cost of the University of Massachusetts. The total cost of the Commonwealth's system of higher education in 1975 was in fact \$325.5 million. The maintenance appropriations less revenues was only \$188.5 million, or 58% of the true cost. The true taxpayer cost was larger than the maintenance appropriations less revenues by 73%.

CHART V

**Total Taxpayer Expenditure
Per Full-Time Equivalent Student, FY 1975**

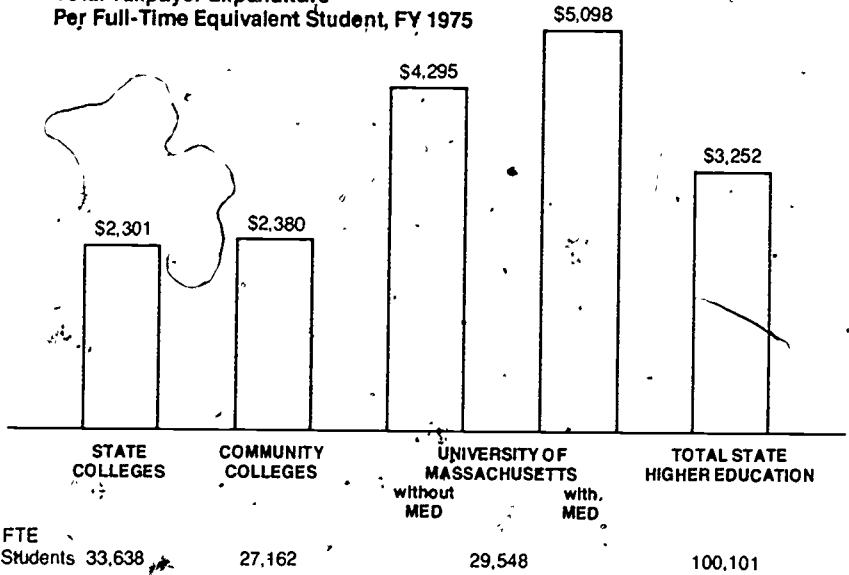


Chart 5 displays the cost to the taxpayer per full-time-equivalent student (FTE) for the major systems and for the state system as a whole. FTE figures were obtained from the Massachusetts State College system, from the Massachusetts Board of Regional Community Colleges, Lowell Technological Institute, Southeastern Massachusetts University, and the University of Massachusetts.

CHART VI

**Average Student Expenditures FY 1975
in State Higher Education Institutions**

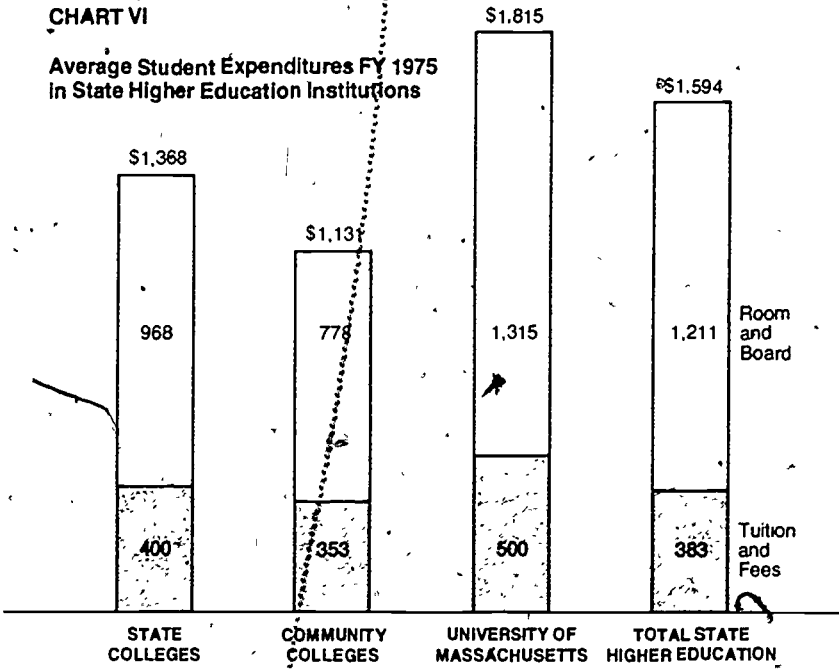


Chart 6 displays average student expenditures – tuition, fees, and room and board at the three major systems and in the Commonwealth's sector as a whole. The University of Massachusetts figures exclude room and board expenses at the Boston campus, which has no dormitories. In order to provide comparable figures, the community college figures include a national average room and board expense, taken from *Student Expenses at Post-Secondary Institutions*, by Elizabeth W. Suchar, William D. Van Dusen and Edmund C. Jacobson, published in 1974 by the College Scholarship Service of the College Entrance Examination Board. This merely reflects the fact that even a community college student who lives at home cannot live free. The tuition and fees have been verified at each institution cited. The average room and board expenses for Massachusetts state institutions have been taken from *The Higher Cost of a Higher Education Undergraduate Trends in New England, 1970-75*, by Robert L. Melican with Jeffrey L. Weinstein, published by the New England Board of Higher Education in 1974.

CHART VII

**Combined Taxpayer/Student Expenditure
FY 1975**

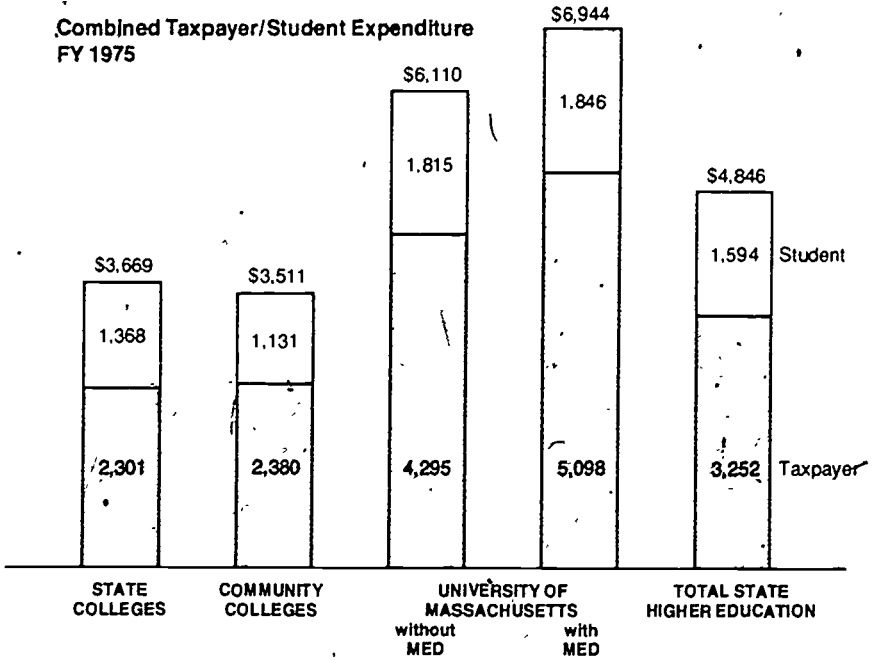
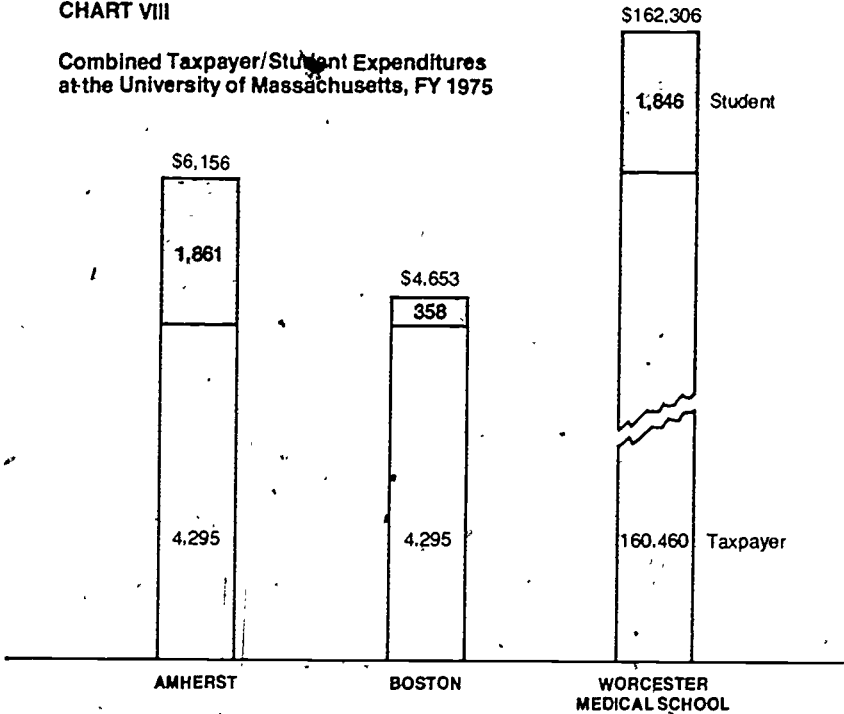


Chart 7 combines student expenditures and taxpayer expenditures in the three major systems and the state sector at large.

CHART VIII

**Combined Taxpayer/Student Expenditures
at the University of Massachusetts, FY 1975**

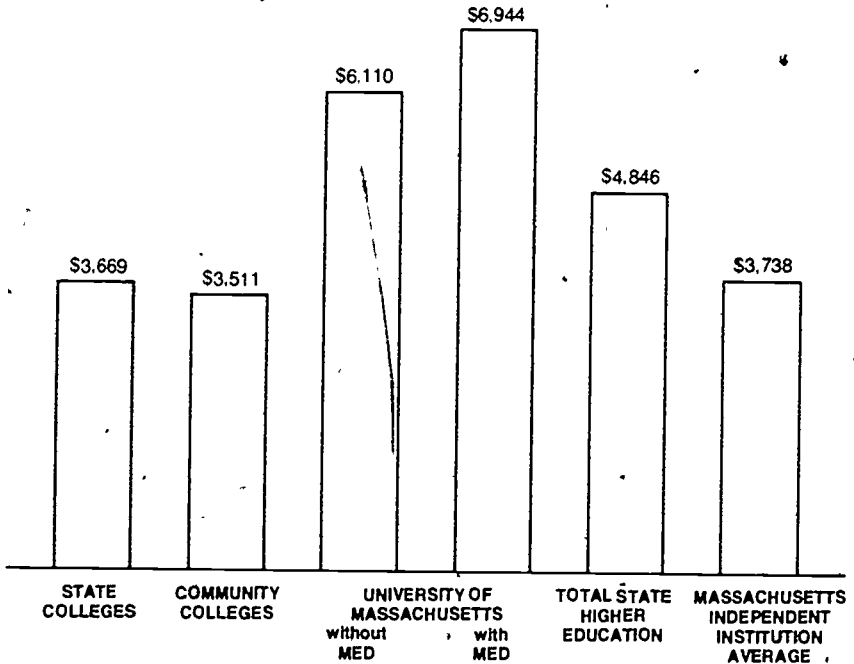


(The scale of the bars for total Worcester Medical School has been compressed to allow the graph to fit onto the page.)

Chart 8, which breaks down the costs for the separate components of the University of Massachusetts, is particularly dramatic. First, it shows that even with the Medical School costs removed from the University of Massachusetts total, the combined cost to the taxpayer and the student for this year's education at the Amherst campus is over \$6,000. The cost at Worcester is simply off the scale. This reflects the exceptionally high operating cost, \$6.6 million for 152 students, and high debt service, \$17.8 million this year, or \$160,000 per student. Even if the Medical School were at its projected full enrollment of 400 students this year, its total \$24.3 million cost would come to about \$60,000 per student per year. The medical education of the first graduating class at Worcester will have cost the taxpayer nearly \$1 million per graduate. These doctors could have been educated at Harvard, Tufts, or Boston University at a four-year cost of \$50,000 each.

CHART IX

Combined Taxpayer/Student Expenditures FY 1975
at State Institutions vs. Average
Massachusetts Independent Institution



Since there is, for all practical purposes, no state money spent on independent institutions, the combined student taxpayer cost at these institutions is simply the charges paid by the student and the student's family

Chart 9 compares the average taxpayer and student expenditures at the three major state systems and the state sector with the student expenditures at the average independent institution in the Commonwealth as given in *The Higher Cost of a Higher Education*. Since there is, for all practical purposes, no state money spent on independent institutions in Massachusetts, the combined student and taxpayer expenditure in them is simply the student expenditure.

CHART X

**University of Massachusetts Combined Taxpayer/Student
FY 1975 Expenditures vs. Selected Independent Institutions**

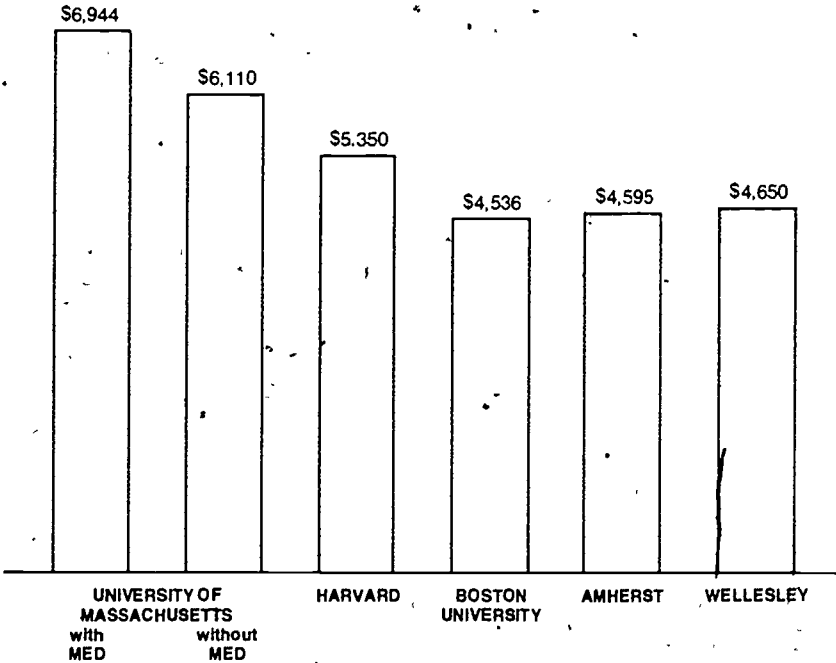


Chart 10 compares combined taxpayer and student expenditures at the University of Massachusetts with student expenditures at Harvard, Boston University, Amherst, and Wellesley. Not only is every one of the independent institutions less costly to the taxpayer and student than the University of Massachusetts as a whole (Harvard and Boston University also have medical schools), each is less costly than the University of Massachusetts even when the astronomical costs of the Worcester medical school are excluded.

These charts reveal the central fact of higher education — comparable institutions have comparable costs, and recently constructed institutions have significantly higher costs. A community college cannot build a freshman chemistry lab more cheaply than an independent junior college, a state college cannot hire a professor of undergraduate chemistry at a lower salary than an independent institution, a state university cannot mount graduate programs in chemistry at costs less than independent universities.

The state sector of higher education is established and here to stay. But the General Court should now turn its attention *as a matter of the highest priority* to providing higher education for qualified students in the most economical way. Only thus can the stability of the entire public education system of Massachusetts be preserved, and only in this way can the future burdens on taxpayers be controlled.

House Bill 2882 (a copy of which is appended) provides an apportionment to each qualified Massachusetts high school graduate that the student can take to the college of his choice within the Commonwealth. This enables Massachusetts students to have access to education and choice of institution.

We suggest that the value of the apportionment be fixed by reference to the cost in state-subsidized institutions, where the General Court can enforce accounting procedures that will produce an accurate figure. We do not propose that the debt service be included as part of the cost of education in calculating the value of an apportionment, for that would indeed raise their cost to impossibly high levels. Further, since the credit of the Commonwealth cannot be compromised, the taxpayer must pay debt service whether or not any students are educated in buildings financed by bond issues.

We estimate that there are approximately 30,000 residents of Massachusetts registered as full-time students in the nine independent universities in the state. Three-quarters of this year's University of Massachusetts operating cost would yield an apportionment of \$2,333 per student, or a little less than half the total taxpayer expenditure per student at the University of Massachusetts. The

total cost of such an apportionment for residents in independent universities would be around \$76 million, were the program fully funded this year.

We estimate that there are about 32,000 residents of Massachusetts registered as full-time students in independent four-year colleges in the state. An apportionment for these, based on state college operating costs, would be \$1,350 per student. The total cost would be about \$43 million.

At the two-year college level, the numbers are smaller, about 2,800 residents are registered in independent schools. The apportionment, based on community college operating costs, would be \$1,100 per student, or about \$3 million total. There are an additional 3,000 residents registered in specialized independent institutions, such as conservatories. The apportionment cost of these would total about \$4 million.

Immediate full-funding of an apportionment scheme on this basis to 70,000 residents in independent institutions as fulltime students would cost about \$126 million.

If all were forced to transfer, the cost of educating these 70,000 students in the state sector would be \$168 million at current state operating costs and would require hundreds of millions in new construction. At the full taxpayer expenditure this year, including debt service, the cost to the state of educating these 70,000 residents now in independent institutions would be \$241 million.

An apportionment program fully funded at 75% of state operating costs would give the goose of independent institutions 52 cents of grain for every \$1 worth of education produced at actual state costs. It remains a golden egg.

The apportionment scheme in House Bill 2882 is an outline open to modification. The General Court would want to introduce such a scheme over several years, phasing would certainly be needed to reduce the competitive pressure that might develop between some state and independent institutions. It might be necessary to set an upper limit in the first years well below the figures cited above, but a limit that could gradually be increased to a reasonable fraction of state costs.

It is vital for Massachusetts to accept in principle that an entitlement to higher education for qualified residents should not discriminate against those residents who choose to attend indepen-

dent institutions in the public higher education system of Massachusetts. It is of vital importance that the General Court make access available at a price the student can afford to pay, not merely in the state sector, but also in the independent sector.

Higher education is probably the most valuable asset left to the Commonwealth. If the General Court continues to restrict its subsidy of public higher education to the state sector and continues to discriminate against the independent sector, it will eventually, destroy a significant part of the system of public higher education that makes Massachusetts unique in educational quality and diversity. The ultimate cost to the taxpayer of such a short-sighted policy will be astronomical. The General Court must find new ways to support public higher education in both state and independent institutions, it must preserve an irreplaceable asset.

If the cost of such support seems excessive, the General Court should contemplate the disastrous consequences that would attend the collapse of one or more major independent institutions. If the state had to assume the operating budget of even one major institution, it would face annual appropriations of between \$50 and \$100 million. If it refused to assume these costs, it would have to deny educational opportunity to thousands of students or pay the much higher costs of educating them in new state institutions. And it would have to accept the unemployment of thousands of residents, the loss of millions of dollars in payrolls, taxes, purchases, and personal spending of students, parents, and visitors. Basic economic multipliers would raise the actual loss to hundreds of millions.

An apportionment scheme is the best way for the General Court to serve the citizens, and particularly the young people of the Commonwealth. It expands access and choice by making the entire system of public higher education available to residents, it saves the taxpayer the costs of wasteful duplication, and it helps preserve independent institutions whose loss would be an educational, and economic and social calamity for the Commonwealth.

Note – Since February 24, when this testimony was delivered, more recent data has become available from the Bureau of the Budget. This data has been incorporated into the charts and testimony. No significant changes resulted.

Expenditures in the State System
of Public Higher Education
Commonwealth of Massachusetts

	Maintenance Appropriations (Chapter 431)	Cost-of-living Adjustment (Chapter 422)	Fuel Adjustment (Chapter 132)	Gross Maintenance Expenditures	Revenues	Net Maintenance Expenditures
University of Massachusetts	94 693 056	1 700 000	3 200 000	98 975 056	9 482 425	89 492 631
Southeastern Massa- chusetts University	10,261 827		130,000	10,391,827	1 349 417	9 042 410
Lowell Technological Institute	11 379 246		210,000	11 589 246	1 198 800	10 390,446
State Colleges	60,619 725	1 804,136	1 774 000	64,197 861	12 099 455	52 098,406
Community Colleges	40,359,769	797 286	402 000	41 559 055	7 233 474	34,325,581
Board of Higher Education	2,293 007			2,293,007	79 725	2,213,282
New England Board of Higher Education	971,810			971,810		971,810
Total	220,578 440	4 301 422	5 716,000	229 977,862	31 443 296	198 534,566
Scholarships	11,217 000			11 217,000		11,217,000
Total with Scholarships	231,795 440			241 194 862		209,751 566

*Excludes \$618,000 allocated to University of Massachusetts Teaching Hospital

Estimated Retirement	Group Insurance	Operating Expenditures	Estimated Debt Service	Total Taxpayer Expenditure	Full-time Equivalent Students	Expenditure per FTE Student
8 355.000	1 947 538	99 795 169	50.850 000	150 645 169	29.548	5 098
1.090.000	232 140	10 364 550	3 620 000	13 984.550	4,713	2.967
1 113 000	236 596	11,740,042	3,920 000	15,660.042	5,040	3 107
6 700 000	1,406 746	60,205,152	17 190 000	77 395 152	33 638	2,301
4.560 000	831 546	39,717,127	24 920 000	64,637 127	27 162	2,380
	8,698	2,221 980		2 221 980		
		971 810		971 810		
21 818 000	4,663,264	225 015 830	100 500 000	325 515 830	100 101	3,252
		<u>11 217 000</u>		<u>11 217 000</u>		
		236 232 830		336,732 830		

By Mr. McGee of Lynn, petition of Thomas W. McGee that provisions be made for state financing of higher education for graduates of high schools in the Commonwealth. Education.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Five.

AN ACT TO PROVIDE STATE FINANCING OF HIGHER EDUCATION FOR RESIDENTS OF THE COMMONWEALTH.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Chapter 15 of the General Laws is hereby amended by adding
2 after Section 1Q a new Section 1R, to read as follows:—

3 STATE FINANCING OF HIGHER EDUCATION
4 FOR RESIDENTS OF THE COMMONWEALTH.

5 *Section 1R.* State financing for the higher education of,
6 graduates of high schools in the commonwealth of
7 Massachusetts at publicly and non-publicly sponsored in-
8 stitutions of higher learning.

9 (1) Notwithstanding the provisions of any general or specific
10 law to the contrary, the board of higher education is hereby
11 authorized to apportion for each annual period commencing
12 July first nineteen hundred seventy-five and to transfer to any
13 institution, meeting the requirements of paragraph two of this
14 section, on behalf of a graduate of a Massachusetts high school
15 enrolled in such institution, upon application by the student and
16 such institution, such amounts of state aid as are authorized to
17 be paid in paragraph three of this section.

18 (2) In order to qualify for state aid apportionments pursuant
19 to this section, any institution of higher education must meet
20 each of the following requirements:—

21 (a) The institution must be a college or university chartered
22 or incorporated by the legislature, or under the General Laws or
23 the Massachusetts Constitution.

24 (b) The institution must maintain one or more earned degree
25 programs, culminating in an associate or higher degree.

26 (c) The institution must meet such standards of educational
27 quality as may be from time to time established by the board.

28 (d) The institution must be eligible for state aid under the
29 provisions of the constitution of the United States and the
30 constitution of the commonwealth of Massachusetts.

31 (3) The amount of such annual apportionment for
32 Massachusetts high school graduates enrolled at institutions
33 meeting the requirements of paragraph two of this section shall
34 be fixed in the annual appropriation for higher education by the
35 legislature, and shall be equal to three-quarters of the average
36 operating cost per student at comparable institutions of higher
37 education under direct commonwealth control, as determined by
38 the board of higher education. Each individual apportionment
39 credited to a graduate of a Massachusetts high school shall be
40 payable to the institution at which said student is enrolled,
41 providing the institution meets the conditions set out in
42 paragraph two. The individual apportionment of a student
43 enrolled in a non-publicly sponsored institution shall not exceed
44 the actual tuition charged by such institution, the individual
45 apportionment of a student enrolled in a publicly sponsored
46 institution shall be increased to cover the cost of education in
47 that institution, as determined by the board. The board shall
48 promulgate rules defining and classifying professional education
49 for the purpose of this section.

50 (4) One-half of each such annual apportionment payable
51 pursuant to this section shall be paid on or before July tenth and
52 the balance on or before the tenth day of January.

53 (5) The board may promulgate regulations requiring the
54 submission, by any institution intending to apply for appor-
55 tionments pursuant to this section, of reports in such form as
56 shall be satisfactory to the board.

57 (6) This act shall take effect immediately.