

Strategic Issues:

- In 1996, the state legislature started to consider a pre-paid college tuition program as they appointed a legislative committee to look into the matter.
- In 1996, the state merged the community and technical college system consolidating seven administrations into four. In the merging process, six technical college campuses were merged into three.
- During the latter half of the 1990s, the state legislature complied with a state Supreme Court ruling that mandated more funding to K-12 education, leaving higher education funding on the chopping block. It was not until 2000 that higher education institutions received any additional support from the state.

Summary

- *Challenge:* New Hampshire maintained high rates of high school graduation and average college enrollment rates during the 1990s. However, the state's strategy for financing higher education could severely limit financial access for low-income, college-qualified students.
- *Structural Issue:* New Hampshire is a high-tuition, low-grant state with a higher than average percentage of residents enrolling in private colleges. State funding for public colleges is substantially below the national average while tuition is substantially higher. Improvements in need-based student aid would create more college opportunities for low-income high school student who graduate college qualified.
- *Opportunity:* Had New Hampshire maintained need-based grant aid at the equity standard during the 1990s, an estimated addition 6,000 students would have graduated from high school and an addition 21,000 high school graduates would have had the opportunity to enroll in college as freshman. This policy would have been an efficient use of tax dollars, especially given the healthy private sector in the state.

Access Indicators*High School Graduation Rates* (Table 29.1)

New Hampshire saw a slight, steady decrease in the public high school graduation rates over the course of the decade. At the start of the decade, the graduation rate stood at 78%, dipped to 75% by the middle of the decade, and rested at 74% at the close of the decade. New Hampshire fared well in comparison to the nation at seven percentage points above the national average across the decade.

College Enrollment Rates (Table 29.1)

New Hampshire's college enrollment rates increased slightly over the decade. In 1992, the college enrollment rate was 56%, had increased to 57% in 1996, and closed the decade at 59%. New Hampshire was two percentage points above the national average for college enrollment rates at the beginning and end of the decade.

State Demographics*State Demographics* (Table 29.2)

The poverty level lowered over most of the decade, after a slight spike in 1998. Still, the poverty levels in New Hampshire were lower than the national average for the decade. At the start of the decade, New Hampshire was 5% below the national average and by the end of the decade, the state was 6% below the national poverty level. The percent of the population with a bachelor's degree or higher was on the rise. In 1992, 26% of the state's population held a bachelor's degree or higher, but by decade's end it was 30%. New Hampshire has been five

percentage points below the national average for degree attainment for most of the decade, excluding 1998 when it was three percentage points below. Per capita income in New Hampshire increase over the decade. At the start of the decade, per capita income was \$27,070, had increased to \$28,242 by mid-decade, and rested at \$33,169 at the end of the decade. New Hampshire was above the national average for per capita income over the decade. In 1992, the state was \$1,344 above the national average and increased to \$3,700 above by the close of the decade.

State System Composition (Table 29.3)

Enrollment in the public four-year, two-year, and private sector remained relatively constant over the decade. At the start and end of the decade, 44% of students were enrolled in public four-year institutions. These enrollments were congruent with the national average over the decade. Enrollment in the private sector included 45% of students over most of the decade, except a jump to 48% in 1998. Enrollment in the private sector was well above the national average. In 1992, New Hampshire was 20 percentage points above the national average; and by the end of the decade, the state was still 18 percentage points above the national average.

Financial Indicators

State Financial Capacity (Table 29.4)

The tax rates in New Hampshire have been fairly stagnant, opening and ending the decade at 4%. The state was three percentage points below the national average at the start of the decade and ended the decade at two percentage points below the national average. Expenditures at the K-12 level increased over the decade. In 1992, the state was spending an average of \$4,074 per student. By the middle of the decade, the state was spending \$4,101 per student and closed the decade spending \$4,493 per student. New Hampshire has also made progress in its K-12 expenditures relative to the national average. At the beginning of the decade, the state was \$454 below the national average and steadily improved to spending \$300 above the national average at the close of the decade.

Educational Revenue (Table 29.5)

State and local appropriations for higher education stood at \$3,335 at the beginning of the decade, dropped to \$3,244 by mid-decade, and ended the decade at \$3,683. In comparison to the national average, New Hampshire appropriated \$3,024 less than the national average at the start of the decade and appropriated \$3,812 less than the national average at the close of the decade. Adding tuition to the state and local appropriations, institutions earned \$7,257 per FTE at the start of the decade and made a sharp increase in earnings to \$9,587 by the end of the decade. The state also made strides relative to the national average, having earned \$1,434 below the national average in 1992 and earning \$637 below the national average at the end of the decade.

Tuition and Fees (Table 29.6)

The state has forced students to cover an increasing share of their educational costs. In 1992, students were paying \$3,992 for tuition and fees at public institutions. By mid-decade, students were paying \$4,753 and by the end of the decade, students were paying \$5,903 for

tuition and fees. Charges in New Hampshire are well above the national average. At the start of the decade, tuition and fees were \$1,590 above the national average and increased to \$3,175 by the end of the decade.

Need-based Grants (Table 29.6)

New Hampshire has shown continual support for need-based grants over the decade. The state invested \$46 per FTE at the start of the decade and dropped that amount to \$21 by mid-decade. Need-based grants rose to \$53 in 1998 and rested at \$36 by the close of the decade. In comparison to the national average, the state still has progress to make in order to reach average levels. At the start of the decade, New Hampshire was \$298 below the national average; and by the end of the decade, the state was \$331 below the national average.

Non-need Grants (Table 29.6)

The state has not made a strong effort to invest in non-need grants. Briefly in 1994, the state invested \$2 per FTE in non-need grants. However, for the remainder of the decade there was not program. Compared to the national average, New Hampshire was well below the national average.

Projections

Coordinated System of Grants

If New Hampshire increased its need-based grant aid, given tuition charges, 600 more students would have graduated from high school, a four percentage point increase. Of the state high school graduates, 2,100 more students would have attended postsecondary institutions within the state, a fourteen percentage point increase.

Federal Grant Program Prospectus

Had the federal government provided incentives for New Hampshire to provide adequate grant aid, equaling one-quarter of the tuition on top of current state aid, 600 additional high school students would have graduated, a four percentage point increase. In addition, 2,200 more high school graduates would have enrolled in postsecondary institutions, a fourteen percentage point increase over the current college continuation rate.