

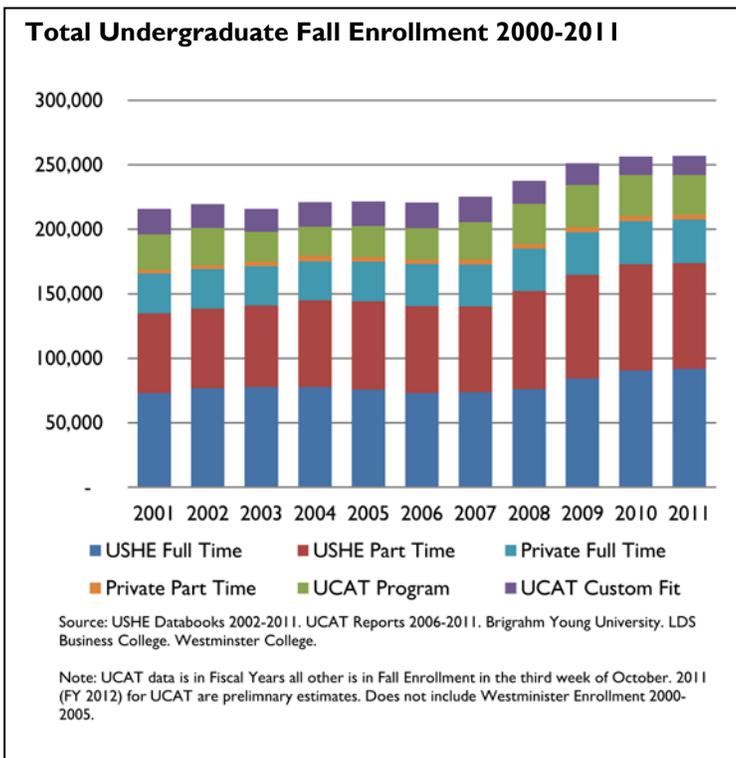
PRIORITY ISSUE #6: HIGHER EDUCATION

Each gubernatorial election year since 2004, Utah Foundation organizes the Utah Priorities Project in partnership with the Hinckley Institute of Politics. The project is designed to engage the public and political candidates in serious dialogue on the most important issues facing our state. It begins with survey work that establishes what voters view as the top ten issues for the election year. This month, Utah Foundation releases a series of policy briefs of each of the top ten issues. In 2012, voters listed higher education as the sixth most important priority in the election year.

In the 2012 Utah Priorities Survey, 58% of respondents reported that they were concerned or very concerned with higher education in Utah.¹ Higher education in Utah faces serious challenges, such as increasing levels of enrollment and tuition and decreasing funding per student, which has led to increased student loan debt. In addition, research shows that the Utah's declining levels of educational attainment, compared to other states, may hurt the state's economic future and make it less competitive in the global economy.² Despite this, the University of Utah's acceptance to the Pacific-12 Conference, which elevates the institution's recognition academically and athletically through association with other premier institutions, and the transition of Utah Valley University from a state college to a full university have strengthened Utah's higher education system.

Higher Education in Utah

The Utah System of Higher Education (USHE) is composed of eight public universities, including the University of Utah, Utah State University, Weber State University, Southern Utah University, Utah Valley University, Snow College, Dixie State College, and Salt Lake Community College. In 2001, all the regional centers for nine former Applied Technology Centers and Service Regions were organized under the new Utah College of Applied Technology (UCAT). UCAT programs provide technical training, vocational certificates and associate degrees. Utah also has several private universities and colleges most notably Brigham Young University and Westminster College.



Enrollment

Undergraduate enrollment in Utah has consistently increased over the past decade. The number of full- and part-time students enrolled in USHE schools increased by 38% from 126,337 in 2000, to 174,013 in the 2011 academic year.³ UCAT enrollment increased 12% from FY 2000 to FY 2012 (UCAT's records are in Fiscal Years as they do not follow a traditional academic calendar).⁴ However, the Custom Fit program, which provides a partnership between UCAT and employers for retraining and workforce alignment, has decreased in that time period. Private institution enrollment levels remained relatively constant.

Tuition and Funding

Since 2000, tuition for Utah students had increased at an average of 8.6% per year, representing a total increase of 147%.⁵ This increase is in part due to the decline in state funding of higher education. In 1986, the state spent \$8,798 per full-time student, this fell to \$5,338 per full-time student in 2011.⁶ Despite that trend, Utah still ranks high in funding effort. In 2008, Utah ranked 13th among states and above the national average in spending

effort, or funding per \$1,000 of state personal income.⁷ An additional measure showed that in 2011, the state was 26th in funding effort per capita.⁸

Student Loan Debt

The increase in costs associated with obtaining a college degree is not just a state problem, but also a national one. One of the consequences of this is a record level of student loans. The outstanding student loan balance in the United States, as of the first quarter of 2012, stood at about \$904 billion, surpassing auto and credit card debt individually for the first time in history.⁹ Additionally, since the peak of the housing bubble, student loans represent the only consumer debt to increase (\$293 billion) while all other debt fell by a collective \$1.53 trillion.¹⁰ Currently, 14.4% of student loans accounts are past due, and 27% when controlling for deferral and forbearance periods.¹¹ Comparatively, 10% of other types of debt, including mortgages, credit cards, and auto loans, are past due.¹² However, unlike these other forms of debt, student loan debt is not dischargeable under bankruptcy proceedings. Utah does offer the Utah Saving Education Plan, a tax-advantaged savings account designed to encourage individuals and families to save for the future costs of higher education. The plan's participant pool has grown significantly from 8,328 accounts and \$41,500 in assets in 2001, to 182,232 accounts and \$4.2 million in assets in 2011.¹³

Cost of Full-Time Tuition at USHE institutions

Institutions	2000-2001	2011-2012	% Change
University of Utah (1)	\$2,370	\$ 5,850	147%
Utah State University (2)	1,945	4,737	144%
Weber State University	1,670	3,773	126%
Southern Utah University	1,613	4,658	189%
Snow College	1,084	2,520	132%
Dixie State College (1)	1,189	3,288	177%
College of Eastern Utah	1,138	2,472	117%
Utah Valley State College	1,362	3,944	190%
Salt Lake Community College	1,362	2,640	94%
USHE Four-Year Institutions Average	\$1,899	\$4,592	142%
USHE Two-Year Institutions Average	1,227	2,730	122%
USHE Total Average	1,526	3,765	147%
U.S. Public Four-Year Institutions Average**	\$5,150	\$6,669	26%
U.S. Public Two-Year Institutions Average**	2,641	2,721	0%
U.S. Public Total Average**	3,896	4,695	17%

*Cost of Tuition for 2 semesters of 15 credit hours - USHE used statistic

** National Data includes Tuition and Fees and for Academic Year 2010-2011. USHE data does not include Fees.

(1) Lower division (freshman & sophomore) rate only. Differential rates for upper division (junior and senior) may apply

(2) Rate for undergraduate returning students. Higher differential rate for new students, and students enrolling in Business and Engineering courses

Note: All Values are in Nominal Amounts

Source: Utah System of Higher Education Research and Data, U.S. Department of Education National Center for Education Statistics. Calculations by Utah Foundation.

The 66% Goal

Utah's leaders have set a goal that by the year 2020, 66% of Utah's population will have a post-secondary degree or a vocational certificate. This goal is based on a study that projected that Utah's economy would require that 66% of its population be highly educated in order to remain competitive. As of October 2010, 35% of Utahns had a post-secondary degree and 10-15% had certificates, totaling 45-50% of the state's population.¹⁴ Closing this gap, while also accounting for increasing population and enrollment levels, will present significant challenges to the state's higher-education system.

This brief was written by Utah Foundation Research Intern Michael Merrill. For more information, please contact Utah Foundation Research Director Morgan Lyon Cotti at (801) 355-1400 or by email at morgan@utahfoundation.org.

¹ Utah Foundation Report 702. March 2012.

² The Georgetown University Center on Education and Workforce "Help Wanted: Projections of Jobs and Education Requirements Through 2018" Anthony P. Carnevale - Nicole Smith - Jeff Strohl

³ Utah System of Higher Education Data books 2002-2012.

⁴ Utah College of Applied Technology Annual Reports 2001-2011.

⁵ Utah System of Higher Education Data books 2002-2012.

⁶ State Higher Education Officers "Education Appropriations per FTE, 1986-2011"

⁷ Utah Office of Legislative Research and General Counsel "2012: Utah Databook." February 2012.

⁸ Ibid.

⁹ New York Federal Reserve. "New York Quarterly Report on Household Debt and Credit." May 2012.

¹⁰ Ibid.

¹¹ New York Federal Reserve. "Grading Student Loans." May 2012. Meta Brown, Andrew Haughwout, Donghoon Lee, Maricar Mabutias, and Wilbert van der Klaauw

¹² Ibid.

¹³ Utah System of Higher Education 2012 Data book.

¹⁴ "Education panel sets ambitious goal for higher education." October 2010. Lisa Schencker. Salt Lake Tribune