

## **Sunset Advisory Commission Board and Commission Review**

The Commission reviews every State board and commission and takes testimony regarding whether each board or commission should continue to operate or be eliminated and whether the powers and duties of any board or commission should be revised. Each board and commission has the burden of justifying its continued operation.

The Commission also reviews whether members of a board or commission should be entitled to a per diem and, if so, the amount of that per diem.

In testifying before the Commission, you should be able to provide the following information:

- 1. In general, how often does the board and commission meet? Provide specific information on how often the board or commission has met in the past two fiscal years. Provide information on where agendas and minutes of meetings can be found.**

### **OVERVIEW – THE NEW ENGLAND BOARD OF HIGHER EDUCATION**

In 1954, New England's six governors (including Vermont) created the New England Higher Education Compact and its operating agency, the New England Board of Higher Education (NEBHE). The Compact was ratified by the six state legislatures and authorized by the U.S. Congress (Chapter 1089, P. L. 719). For over 60 years, Vermont has been a member of the Compact along with the other five New England states of Connecticut, Maine, Massachusetts New Hampshire and Rhode Island.

Thus, NEBHE is an organization that is created and owned by all six New England states. Each of the six (6) member states appoints eight (8) formal delegates to represent the state and its needs and interests in the decision making, programs and activities of NEBHE. These formal delegates are appointed by the governor and legislative leadership. A complete list of delegates that represent Vermont on the NEBHE Board is detailed below.

The full Board meets in person twice each year in fall (two-day meeting) and in the spring (a one-day meeting).

NEBHE's Executive & Finance Committee meet at the two board meetings.

NEBHE's Legislative Advisory Committee (LAC) meets at the two board meetings.

- FY17**    September 14 & 15, 2017, South Portland, Maine  
              March 26, 2018, Boston, MA
- FY18.**    September 27 & 28, 2018, Meredith, New Hampshire  
              March 11, 2019, Newton, Massachusetts
- FY19**    September 26 & 27, 2019, Woodstock, Vermont

NEBHE's Investment Committee meets quarterly in January, April, July and October via phone.

NEBHE's Policy Committee meets three times per year (in person or video conference)

All meeting minutes are available upon request from NEBHE's Office of the President.

NEBHE conducts annual higher education excellence award presentations in Vermont and other five states, as well as regionwide professional development workshops, policy briefings and conferences.

**2. Provide the names of members of the board or commission, their term length and expiration, their appointing authority, and the amount of any per diem they receive.**

*New England Higher Education Compact -Title 16, Chapter 083 - #2732:*

“Vermont members of the board shall receive \$30 a day for the time actually spent in the performance of their duties and all members of the board shall receive their actual expenses when away from home for their official duties.”

***See attached lists of NEBHE Board delegates and Legislative Advisory Committee members.***

**3. Provide an overview of the board or commission’s purpose.**

NEBHE is a nonprofit, congressionally authorized agency, established by the New England Higher Education Compact in 1955.

***See the attached Vermont enabling legislation: New England Higher Education Compact -Title 16, Chapter 083.***

NEBHE’s mission is to promote greater educational opportunities and services for the residents of New England. NEBHE programs are principally focused on the relationship between New England higher education and regional economic development.

NEBHE seeks to assist the governments, institutions, and citizens of New England in maximizing the efficient use of their investment in, and the total resources for, higher education in the region by providing procedures, programs and services aimed at avoiding excessive duplication of services and facilities and the development and maintenance of high-quality instruction and training.

To those ends, NEBHE engages in a variety of activities, programs and services to benefit Vermont and each member state. These include to:

- a) Collect, correlate and evaluate data related to education, higher education and the workforce in New England; publish reports, bulletins to share the results of its research;
- b) Assess continuously the needs of higher education in New England, assist in developing plans and programs to meet those needs; and sponsor activities, programs and events and research for the purpose of improving the quality of and expanding opportunities in higher education for residents of the region;
- c) Provide other programs and services to the states, policy makers and higher education institutions (public and independent) and serve as administrative, coordinative, and fiscal agent for the implementation of interstate activities related to higher educational services for residents of the region;
- d) Provide consultative and advisory services to the compacting states, to institutions and agencies of higher education in the region, and to other relevant institutions and agencies, in matters concerned with the purposes and functions of the Board;
- e) Act as sounding board and spokesperson on both general specific matters of concern to the higher education community in New England, and issue major policy statements relative to such matters;
- f) Identify problems and opportunities for which cooperative agreements among states may be a solution to offer greater efficiency and outcomes, facilitate such interstate agreements and, when appropriate, administer their implementation;

g) Develop regional programs that support state-wide higher education systems, campuses, faculty and students that offer economies of scale, elimination of duplicated efforts, provide increased capacity, and a wider selection of opportunities or other programmatic improvements

#### **4. Is that purpose still needed? What would happen if the board or commission no longer fulfilled that purpose?**

All of the purposes outlined above are still needed and relevant today. They are reviewed annually by delegates to the NEBHE Board that are appointed by the governors and legislative leaders of each New England states.

**If NEBHE did not exist, the New England states would have to create a similar organization with appropriate legal status and authority to execute its specified functions.** The effort to do so would be very costly and laborious and would again require both federal and state legislation to create and enable such an entity.

Of primary importance, Vermont would lose participation in NEBHE's **Regional Student Program (RSP) Tuition Break**: Vermont residents would lose the benefit of significant out-of-state tuition savings at public colleges and universities in the five other New England states. The Vermont State Colleges and the University of Vermont would lose the benefit of the Tuition Break helping them attract and retain out-of-state students, and helping them meet critical enrollment goals. NEBHE helps to promote program offerings at public colleges and universities to school counselors, students and families throughout New England.

Vermont residents and institutions have benefited from participation in NEBHE's Regional Student Program for more than 60 years. In FY 19 alone, because of NEBHE's Tuition Break, Vermont residents saved \$2.4 million on their tuition bills and Vermont public colleges and universities received \$9.3 million in tuition revenue from eligible enrolled students.

Given the demographic downturn in numbers of high school graduates, the region's public colleges and universities are increasingly leveraging the RSP as a platform for attracting and enrolling out-of-state students. That in turn means more opportunities for upfront cost-savings for students and families.

Vermont would also lose participation in the **State Authorization Reciprocity Agreement (SARA)**, which is enabled through the New England Board of Higher Education and included in NEBHE's annual assessment.

- Federal regulations require that colleges and universities be authorized in every state to which they deliver online programs. Regulations and fees are constantly changing in all 50 states and territories requiring substantial staff time and expense for institutional compliance.
- NEBHE, in partnership with its regional counterparts and a National Council, have created a solution, the State Authorization Reciprocity Agreement, to resolve the inconsistent, complicated and expensive maze of regulatory processes and fees to which institutions must navigate in order to enroll students outside of their State.
- There are **13 institutions** approved to participate in SARA through the State of Vermont's overseeing entity, the Vermont Agency of Education. The Agency was recently approved to renew its SARA membership this Spring.
- In Fall 2018, Vermont institutions delivered online programs to **over 3,500 students, located, on average, in 26 different states** by complying with one set of policies and definitions, at the cost of one simple fee based on institution FTE.

- Participation in SARA has been essential to support our institutional enrollment goals by accessing valuable markets outside of the State of Vermont which may have been cost prohibitive otherwise.
- To put savings into perspective, as an example, an initial authorization in the State of New York to offer online programs, costs a *single* institution \$17,000 plus annual fees for subsequent licensure renewal.
  - In Fall 2018, 10 of the 13 participating institutions in the State of Vermont, enrolled students in New York State.
  - Through their SARA participation, by virtue of NEBHE, these 10 institutions were able to save \$132,000 collectively, on maintaining authorization in one single state, in addition to hours of valuable staff time.
- Continued participation in SARA at the state level is contingent upon both the state agency as the overseer continuing to meet the requirements of the agreement in addition to remaining in good financial standing with its regional compact.

**5.. How well is the board or commission performing in executing that purpose? What evidence can you provide to substantiate that performance?**

Vermont benefits from NEBHE’s programs and services in multiple ways.

As a key example, NEBHE annually calculates the return on investment from NEBHE’s Regional Student Program. In FY 19, the benefit of tuition savings provided to Vermont families was an ROI of 29-to-1, in terms of the assessment paid by Vermont to NEBHE. By including the tuition revenue paid through the RSP, the ROI is 148-to-1.

Vermont’s annual assessment to NEBHE has been at the same level for the last 12 years (starting in FY 08). In FY 08 the ROI for RSP tuition and revenue was 116-to-1. The ROI for RSP tuition and revenue in FY 19 represents a 21% increase from the FY 08 ROI.

***See attached FY19 NEBHE RSP Benefit to Vermont.***

**Vermont’s participation in the State Authorization Reciprocity Agreement (SARA) has been crucial to Vermont institutions**

Institution	100% online SARA student enrollments in Fall 2018	No. of SARA states where operating	Annual cost to institution to be licensed
Castleton University	91	12	\$2,000
Champlain College	1651	50	\$4,000
Community College of Vermont	143	22	\$4,000
Landmark College	93	14	\$2,000
Marlboro College	0*	0	\$2,000
Middlebury College	0*	0	\$4,000
New England Culinary Institute	7	7	\$2,000
Northern Vermont University	133	42	\$2,000
Norwich University	1,211	50	\$4,000
School for International Training	77	26	\$2,000
University of Vermont	88	29	\$6,000
Vermont Law School	93	31	\$2,000
Vermont Technical College	24	8	\$2,000
<b>Total enrollment</b>	<b>3,611</b>		<b>\$38,000</b>

*\*Institution offers distance education programs which fall outside NC-SARA reporting criteria, thus no enrollments are reported.*

**6. If the purpose is still needed, can State government be more effective and efficient if the purpose was executed in a different manner?**

- The purposes for which NEBHE was created by the six New England states in the mid-1950s remain fully relevant today.
- NEBHE’s primary functions are those that are unique to an interstate entity and would not be effectively provided by a state attempting to do so on its own. NEBHE has unique origins as a formal interstate compact organization, with unique legislative authority to develop and implement multi-state and multi-institution programs. For Vermont or any other New England state to undertake the roles provided by NEBHE would only duplicate, complicate and create additional bureaucracy at notable cost and expense to the state—the very issues for which NEBHE was created: to avoid duplication and increase the efficient use of resources.
- Per the enabling legislation in each member state, all six New England states pay an annual assessment through legislative appropriation. The specific amount for each state is based on its proportion of the region’s total population (per the enabling legislation) and is approved by all members of the Vermont delegation to NEBHE and by the 48-member NEBHE Board as a whole.

The following details Vermont’s annual NEBHE assessment, relative to other member states:

Connecticut	\$183,750
Maine	\$147,000
Massachusetts	\$367,500
New Hampshire	\$147,000
Rhode Island	\$147,000
<b>Vermont</b>	<b>\$84,000</b>

It is important to note that Vermont’s assessment to NEBHE of \$84,000 has been fixed since FY08, reflecting NEBHE’s substantial efforts to lower state obligations while continuing to increase the benefits NEBHE provides. Specifically:

- The NEBHE Board has frozen annual assessments for all six states from FY08 through FY19. In real terms, through the current fiscal year, Vermont’s assessment to NEBHE has actually decreased by over 12% since 2008. The current value of Vermont’s assessment is \$99,934.
- For every dollar Vermont invests in NEBHE, it receives \$29 in tuition savings through the RSP Tuition Break to participating students and families. Additionally, Vermont receives approximately \$9.3 million in tuition and fee revenue at its public colleges and universities.

Per the terms of the New England Higher Education Compact, all member states must be in good financial standing (i.e, be current in the payment of assessed appropriations/dues) to be qualified to participate in—and benefit from—the programs and services provided by NEBHE (including the Regional Student Program and State Authorization Reciprocity Agreement). This requires meeting financial obligations of assessed dues and good faith efforts to address any unresolved issues.

**7. If the purpose is still needed, do any of your board or commission's functions overlap or duplicate those of another State board or commission or federal or State agency? If so, is your board or commission still the best entity to fulfill the purpose?**

As noted above, the mission, activities, programs and services of NEBHE are unique and do not overlap or duplicate those of another Vermont board or commission or of another Vermont or federal agency.

NEBHE remains the best entity to act as an interstate body to assist Vermont and the other governments, institutions, and citizens of New England in maximizing the efficient use of their investment in, and the total resources for, higher education in the region by providing procedures, programs and services aimed at avoiding excessive duplication of services and facilities and the development and maintenance of high-quality instruction and training.

Due to its unique legal status as a multi-state compact entity, NEBHE has the unique role and authority that are needed to execute interstate and multi-institution programs and activities to support higher education in the region.

Two immediate examples of this unique status and authority are key NEBHE programs in which Vermont participates: The Regional Student Program Tuition Break and the State Authorization Reciprocity Agreement (SARA) for distance learning.

**I – Regional Student Program Tuition Break**

Vermont's annual dues to NEBHE qualifies Vermont residents for major tuition savings and access to more than 1,000 specialized, tuition-discounted, undergraduate and graduate programs at public campuses in Connecticut, Maine, Massachusetts, New Hampshire and Rhode Island. All five of Vermont's public institutions voluntarily participate in NEBHE's Regional Student Program Tuition Break, using the tuition discount to fill seats that would otherwise be empty.

For the FY19 dues/assessment of \$84,000, benefits to Vermont included the following:

- \$2.4 million in tuition savings received by 468 Vermont students enrolled in approved out-of-state degree programs with \$6,800 average annual savings per full-time student.
- \$9.3 million in tuition revenue and \$721,000 in mandatory fee payments from 502 incoming RSP students to Vermont's public institutions.

**II - State Authorization Reciprocity Agreement (SARA) for distance learning**

Vermont joined the State Authorization Reciprocity Agreement (SARA) through NEBHE. It authorizes Vermont's colleges and universities to deliver distance education programs across state lines to 48 other states—without the burden of expensive and time-consuming approval processes in each state.

Prior to SARA, federal regulations required colleges and universities be authorized in every state to which they delivered online programs. NEBHE, in partnership with its regional counterparts and a National Council, have created a solution to resolve an inconsistent, complicated and expensive maze of regulatory processes and fees.

**Benefits to an Institution**

Regulations and fees are constantly and independently evolving in all 50 states requiring substantial time and effort of institutional compliance staff. Two examples of the variants in the current regulatory framework, currently if a Vermont institution pursues traditional State Authorization in the

State of Michigan, they may be required to pay a \$5,000 application fee, a \$5,000 license fee and an annual renewal fee of \$5,000. If they also pursued authorization in the State of Maryland, a \$50,000 bond and a \$1,000 application fee is required.

To be in compliance with these state regulations, in 2016, **one New England university estimated spending over \$50K per institution to obtain authorization in 49 states**, in addition to labor costs of a full-time staff member, totaling **\$1,450,000**.

### **Benefits to the State**

- SARA member institutions pay a fee based on FTE to their state (if applicable) and to the National Council. This new source of revenue to the state agency in our region ranges from approximately \$25,500 (for six institutions in RI) to \$495,000 (for 71 institutions in NY) each year. The institutional renewal rate has been 100% thus far.
- An approved SARA institution in a member state agrees to abide by SARA standards. This reduces the burden of student complaint resolution and data collection from a state agency to SARA, allowing the department to pursue other priorities.

Assessment and affiliation fees support NEBHE administrative efforts which enable New England states and their higher education institutions to participate in SARA.

### **8. Does the board or commission's enabling law continue to correctly reflect the purpose and activities of the board or commission?**

Yes. The enabling legislation that created NEBHE and the New England Higher Education Compact in Vermont and the other five New England states continues to reflect NEBHE's purposes and activities.

### **9. Provide a list of the board and commission's last fiscal year expenditures including staffing costs. How are these funded?**

Each fiscal year's expenditures by NEBHE are proposed to, reviewed and approved by, the 48 delegates that are appointed by governors and legislative leaders (House speakers and Senate presidents) to represent the state. NEBHE also provides audited financial reports that are publicly available.

NEBHE's fiscal year expenditures are supported by three sources:

- Member state appropriations/assessments (44%): Vermont and each member state contribute an annual assessment, per the terms of the enabling legislation. This amount totals \$1,076,250 per year. This amount has not changed since 2008.
- Grants and fundraising (51%): NEBHE generates additional revenues through fundraising that results in grants from foundations and other sponsors. This is a growing portion of NEBHE's total fiscal year expenditures.
- Earned revenue (5%): NEBHE generates additional revenues from rental of a portion of its owned real estates in Boston, Massachusetts, and from subscriptions to NEBHE events and professional development programs.

***See attached NEBHE Revenue-Expenditures.***



**10. Is the board or commission required by law to prepare any reports or studies for the Legislature, the Governor, or any State agency or officer? If so, have those reports or studies been produced? Does the board or commission have ongoing reporting obligations?**

*Vermont Chapter 83, New Higher Education Compact*

**#2733. Reports by members to governor**

“The members from this state shall obtain accurate accounts of all the board's receipts and disbursements and shall report to the governor on or before the fifteenth day of November, in even numbered years, the transactions of the board for the biennium ending on the preceding June thirtieth. They shall include in such report recommendations for any legislation which they consider necessary or desirable to carry out the intent and purposes of the compact.”

NEBHE publishes an Annual Report, which is available on our website and in print.

***See attached Annual Report.***

**11. How would you measure the performance of the board or commission?**

NEBHE’s programs and services, and the value that it provides to Vermont and each of the six member states is evaluated on an annual basis by the NEBHE Board. To that end, on an annual basis, NEBHE provides both audited financials to all appointed delegates and to member states. It also produces a formal annual report of its programs and activities and the value that they provide to member states.

Following are examples of key additional programs and activities undertaken by NEBHE.

**Legislative Advisory Committee**

Since 2013, NEBHE’s Legislative Advisory Committee (LAC) has served as an important networking and professional development opportunity for Vermont legislators who are involved in education and higher education committees and oversight. It provides Vermont legislators with regular interactions with peer legislators from the other five New England states. It provides them with regular updates and analysis of education-related legislation that is being proposed and adopted in the regional and nationally. It provides exposure to presentations by national experts on important education issues and examples of model legislation.

It works to strengthen state higher education policymaking in New England, promote regional dialogue among legislators and greater interstate collaboration on education policy making.

Current and former Vermont legislators who have participated in the LAC’s activities include:

- Representative Alice Miller
- Senator Christopher Bray
- Senator Kevin Mullin
- Representative Tim Jerman
- Representative Johannah Leddy Donovan
- Representative David Sharpe
- Representative Kate Webb

## Commission on Higher Education and Employability

In March 2018, NEBHE released the report of a regional, blue-ribbon *Commission on Higher Education and Employability* that included multiple Vermont residents.

The purpose of the Commission and the report was to increase the work readiness of the region's college and university graduates and to expand the collaboration between higher education, regional employers and policymakers. Key recommendations included:

- Effective use of labor market data to inform programs, policy and practice
- Re-envisioning advising and career services offered by colleges to better align supply and demand and implement best practices and “disruptive” approaches
- Targeted higher education-industry partnerships
- Increasing postsecondary opportunities for work-integrated, experiential and cooperative learning (for example, internships, field placements), including policy incentives and student aid programs
- In-demand digital skills bundles that include fundamental IT and coding skills, knowledge of the digital economy, data analytics, cloud computing, technology security and entrepreneurship or other essential 21st century skills
- Policies related to new credentials, including the recognition and aggregation of postsecondary and non-postsecondary training and the work experiences of working adults and veterans

Vermont residents who participated as members of the Commission include:

Joyce Judy, President, Community College of Vermont  
John Neuhauser, Former President, St. Michael's College  
Peter Pollak, Chief Executive Officer, Dynapower  
David Rosowsky, Provost and Senior Vice President, University of Vermont  
Jeb Spaulding, Chancellor, Vermont State Colleges  
Kate Webb, Representative, Vermont General Assembly

## Policy, Research and Technical Assistance

NEBHE's Policy and Research arm serves as a resource to education, government, and business leaders throughout New England. It provides timely information, research and analysis on issues related to higher education and workforce development to decision-makers and the public throughout New England.

Recent high-impact policy reports include:

- *Closing the FAFSA Gap: FAFSA Completion Rates Among New England's Low-Income Students*
  - Through June 29 of the 2018-19 FAFSA cycle, New England states had an average FAFSA completion rate of 62%— five percentage points higher than the national average.
  - Vermont's 2018-19 FAFSA completion rate was 53%.

- *What's the Value of Higher Education in New England? Insights for State and Institutional Leaders*
  - The average bachelor's degree holder in Vermont can anticipate earning \$7,789 (23%) more annually than someone with an associate degree, \$11,216 (37%) more per year than someone with only a high school diploma, and \$18,570 (80%) more annually than someone who has not earned a high school diploma
  - Across the Vermont, approximately 114,500 adults between the ages of 25 and 64 do not have any postsecondary experience (some college/associate degree or higher). If about half of these individuals (57,250) earned an associate degree, this would mean an additional \$196 million annually in taxable wages in Vermont.
- *The Price of Public Colleges in New England, 2017-18*
  - Nearly three-quarters (61.2%) of undergraduates in Vermont enrolled at public institutions – a figure that is slightly higher than enrollment at public colleges and universities in the region (55%).
  - Since the 2012-13 academic year, tuition and required fees have jumped 34% at two-year colleges and 19% at four-year colleges in Vermont.

Policy and Research also brings grant funds into the region to promote innovative programs, practices and partnerships including:

- **Upskilling New England: Bridging the Gap Between Employers and Educators (Strada Education Network)** -- Unemployment in New England is at or near record low rates exacerbating a persistent skill shortage reported by employers across the region. In a recent McKinsey survey, executives increasingly see investing in retraining and “upskilling” existing workers as an urgent business priority. With New England’s share of fast-growing, high-skill industries wherein available jobs largely require a postsecondary credential, upskilling is an essential tool that nearly all businesses need to employ to ensure a greater skills match while improving employee retention and work product. Strada’s Consumer Insights Data indicates that adults in New England with no college experience are most likely to feel as if they need additional education to advance in the workforce—the call for meaningful educational programs exists in the region.

For successful implementation of upskilling programs, collaboration and alignment between New England’s educators and employers is imperative. As a first step to addressing these issues, NEBHE will convene a regional thinkers’ meeting and subsequently produce a white paper that will serve as the basis for state level briefings that will generate momentum around creating and developing successful upskilling programs and policies.

- **High Value Credentials for New England (Lumina Foundation):** Access to and completion of an affordable postsecondary credential of value is the key to our region’s ability to adapt to changing workforce needs. NEBHE’s High Value Credentials for New England (HVCNE), in partnership with Credential Engine, targets the entire spectrum of credentials that are offered in the fields of life/bioscience, healthcare, information technology and business/finance to bring greater transparency to the credential marketplace. As part of the project, institutions and systems receive support to publish their credentials to the Credential Registry, a cloud-based registry that catalogues, compares and connects postsecondary credentials. HVCNE provides individuals, institutions, state policy leaders and employers the tools to:

- Develop a common language to describe credentials
- Evaluate credentials' value
- Identify critical education and employment pipelines
- Understand the skills and competencies obtained in earning a credential

And finally, the Policy and Research team is on hand to deliver presentations and briefings at address higher education and workforce development issues. Recent presentations include:

- *Innovations in New England's Credentialing Landscape*, College Board New England Forum
- *Student Transfer in New England: Are We Making Progress?*, New England Transfer Association
- *The New England Enrollment "Perfect Storm": National and Regional Demographic Trends that Impact Institutions of Higher Education*, New England Association of College Registrars and Admissions Officers

### **Cost-Saving Programs**

NEBHE provides multiple cost savings programs for Vermont colleges and universities—helping them save money and simplify purchasing. These programs leverage national purchasing power to reduce the burden on higher education institutions and other education organizations of sourcing solutions.

These programs include savings on technology goods and services as well as insurance coverage. All technology contracts can be used by higher education institutions and many can also be utilized by K-12, cities, states, and local governments in Vermont and the six New England states.

Vermont entities that participate in NEBHE cost savings programs include:

- Champlain College
- Town of Brighton
- Town of Georgia
- Town of Pawlet
- Twin Valley Elementary School
- Vermont State Colleges
- Vermont Adult Learning
- University of Vermont

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### **New England Board of Higher Education**

nebhe.org

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