

Does Students United really help state
funding for higher education:
Analyzing the Strength of State
Student Associations Effect on State
Higher Education Funding in the U.S.
(2013-2018)

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Abstract:

There are many different types of state student associations (SSAs). They simply work as a form of student systems. These organizations seek to represent their respective public college or university while also being a voice for state students. SSAs also lobby on big issues such as higher education funding at the state level. I evaluate the overall success of SSA types and higher education funding in the United States between 2013 and 2018. In order to test competing higher education funding theories and my thesis I used Phillip H. Pollock III's states data (Pollock III, 2016) and Grapevine data from Illinois State University. I also used data from the Student Empowerment Training Project, which documents state student association types in each U.S. State. I researched the effect these state student associations or SSA types have on higher education funding across all 50 U.S. states.

The following are the SSA types in the U.S.

(Type 1) None- State simply has no student association.

(Type 2) Informal- Activity at the state level varies year to year and has no full time staff.

(Type 3) System Organized- Is created through state legislature or a higher education state governing system. Receives allocated state funding every cycle and has an organized state staff consistently.

(Type 4) Independent- Has an institutionalized student fee that has been mandated by state statute for example Students United (MN). Also has some consistent state staff.

(Type 5) Multiple- State has more than one form of state student association.

Literature Review

Introduction:

Higher education funding comes from many places including individual state's government. The following are some examples. (1) The money is allocated every fiscal cycle, typically every couple of years. (2) Some states spend more or less funding than other states. (3) At times some states display trends with their funding dependent on status of state budget.

Why is higher education funding important? It is important for many reasons. The amount of funds determine how public universities and community colleges make financial plans and how they achieve educational goals. Inadequate funding can result in cutting educational programs. Typically, smaller institutions of higher learning depend heavily on state funding for financial support for example community colleges in rural areas. Higher education funding even effects public university or college faculty, staff and overall the students. For example, state funding can negatively result in increased student cost, job layoffs within state institutions and cutting educational programs.

There are state officials known as the Board of Regents, which most states use to govern their state university system. Each Regent is typically appointed by the state governor and confirmed by the state senate. The Board's purpose and job is to coordinate and manage potential state funding for the state university system. They work with each public college and university within the system. The legislative session determines state funding for these public institutions of higher education.

Competing Theories:

There are many competing theories about higher education funding and how that funding is decided. There are traditional principles to the funding like economic review of state budgets which Adams (1977) does. Addressing the state economic status can help explain higher education funding allocations. Over time, more and more complex variables effect these theories. Kane and Orszag (2003) look at such variables including the status of the state and federal economy, inflation, state expenditures and budget. Stability of a state's or even federal economy effects higher education funding. Political matters also influence the state locally and nationally. Economic recessions can negatively affect funding on higher education. The opposite is true if there is an economic boom. These are just a few factors of which effect the funding amount of higher education for starters.

Theories also take into consideration funding patterns state support of higher education such is a focus of Strathman (1994). Over time previous patterns of state support in funding can give an educated estimate for future cycles. There are many advocates for better higher education funding. With the inclusion of state student organizations, state legislatures and even state senators will at times advocate for higher education funding on the state's behalf.

Specifically, I analyze theories discussed in the article "State Spending on Higher Education" (2011) by Jennifer A. Delaney and William R. Doyle. They review the political business cycle model, balance wheel model and theories on the politics of higher education funding.

Political Business Cycle Theory:

This complex model addresses state politics, policy, state or party political agendas, economic factors, U.S. state elections, and how other political factors effect higher education funding. Elections can affect the amount of money allocated to public universities and colleges. Oates (1972) suggests the state employment retention rate of college graduate's influence funding allocation. Some years the plethora of political variables affecting higher education funding may change in intensity during local or even presidential elections. It's believed elected officials would use the funding platform and policies to manipulate potential election results or voter targeting. Policy makers have a different agenda based on the percent of unemployment and if inflation is high or low. William Nordhaus (1975) was one of the first to look at the relationship between the affects political business cycle and higher education funding. He believes voters can be more concerned about the unemployment rate especially when it is rather high. When the voters are concerned about this, candidates and state government officials look to raise the inflation rate in order to decrease the unemployment rate. By doing this the candidates or incumbents will look more favorably with the voters, increasing the chance to win the election or re-election. This plays on the idea politicians can use power for personal gain or there is corruption in government. There is even suggestion political parties use their power to influence election results to follow a political agenda. If there is any validity to this theory, changing the inflation rate could negatively affect other monetary areas like higher education funding. Alesina (1987, 1988) and Drazen (2000) would also test the correlation between policies and allocated state funds of higher education following Nordhaus' conclusions. They found some positive patterns between higher education funding, economic, and political dynamics. Humphreys (2004) also found that state income effects the cycle of higher education appropriations.

Balance Wheel Model Theory:

The balance wheel model is the focus of Jennifer A. Delaney and William R. Doyle (2007, 2011) in their research of higher education funding. The Balance Wheel model simply suggests that if the economy is doing well then more money will be spent on higher education funding and the opposite is true when the economy is not doing well. Higher education funding is typically one of the first things to be cut if the state needs money elsewhere. The state's budget changes from year to year and this effects the institutions that rely on that state funding such as public universities and colleges. The model also addresses other factors that affect higher education funding, like certain economic characteristics. Harold Hovey in 1999 believes that state budgets use higher education funding to scale the budgets spending during that cycle. That current and previous cycles' financial volatility determines state prioritizing and financial planning. This model can help predict funding expectations. Is this normal higher education funding change (Doyle, 2013)? Negative changes in funding have huge impacts on higher education institutions and the affordability for students. Ultimately, according to Hovey's findings, they explain some effects on other parts of society like the state economy, jobs, student debt and much more. He suggests the balance wheel pattern exists because higher education is unlike other state budgets. State higher education has an increased chance of acquiring funding from alternative means compared to other state budget categories. If higher education funding in the state is lacking, public colleges and universities can use other revenue streams such as tuition and student fees. Harold Hovey's theory of funding correlating to the balance wheel model theory best explains the results of his study of state appropriations from 1984 to 2004. Overall, the suggested balance pattern of state statuses for good and bad economic times aim to fundamentally explain allocations for state higher education.

The Politics of Funding for Higher Education:

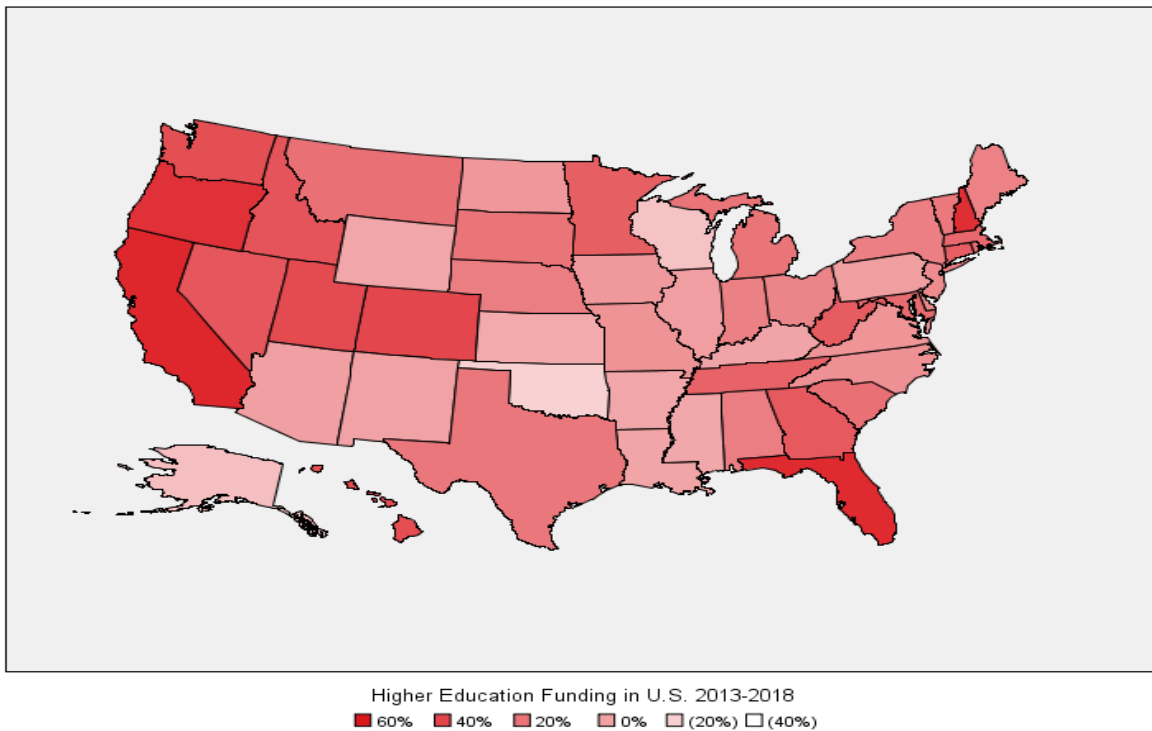
Michael K. McLendon, James Hearn and Christine Mokher (2009) look at the influence state politics have on higher education funding. Specifically, this work focuses on the degree to which different U.S. states squeeze higher funding and the use of state funds in other areas. It takes a closer look at how some political agendas choose more spending in other state matters such as healthcare over higher education for example. Spending on other budget categories will result in more squeezing on funding. There is a necessity to study the decline of public funding for higher education over the years. It is also proposed that policy makers try to benefit from financial investment on higher education funding. If there is less enrollment or bad year for the economy, there could be less investment from policy makers having a negative impact on higher education funding. Part in which, trends focus more on student financial aid it increases the chance of overall funding to decrease and increase tuition amongst these public universities and colleges. Many political variables determine allocated amount of funding. At times, correlation between funding and these variables are linear or sporadic. These educated conclusions are in the similar realm of how the political business cycle model theory effects higher education funding. Cooley (2015) reviewed political policies and advocacy coalitions. She often found during her research of political policies and advocacy coalitions are motivated by their respective beliefs or political motives. This results in Cooley finding most political and policy theories of higher education funding having limitations. Cooley believes there is a disregard for some internal (state advocacy) and external factors influencing higher education funding. Policy and advocacy diffusion across the states are a more neglected focus that may better explain the correlation between the politics of higher education funding (Dougherty 2015).

Why this matters:

This matters because there are many different competing theories on how U.S. states are funded money for higher education and how said funding is effected by other budget expenditures. These are some of the more fundamental approaches to explain the trends of funding per state and why some states might do a better job than others. The overall success of funding at this level can reflect how well states invest in higher education and how that averages out nationally. This information has intrigued me into formulating my own questions. By considering the political and economic variables that play a vital role in higher education funding as suggested by Jennifer A. Delaney and William R. Doyle (2007). I will be looking at internal factors at the state level specifically SSAs and the impact they have collectively on state higher education funding. Many of the theories previously reviewed cite countless factors associated with state higher education funding results. Particularly, Cooley (2015) was one of the few political scientists recently to be intrigued by the impact state advocacy groups' impact on higher education funding. She wanted to learn their degree of significance in determining state higher education allocated funds. Despite her conclusion she has not yet tested this and implores the need to. Through my own research of state funding for higher education and Delaney and Doyle's review of testing the balance wheel over time, many theorist hint or suggest at the internal factor of SSA groups but none of them have deliberately focused on their impact. Ultimately, I will be looking at how successful individual types of state student association groups are at achieving increased funding in the U.S. these past five years. Do these state student association groups really impact higher education funding?

Methods and Analysis

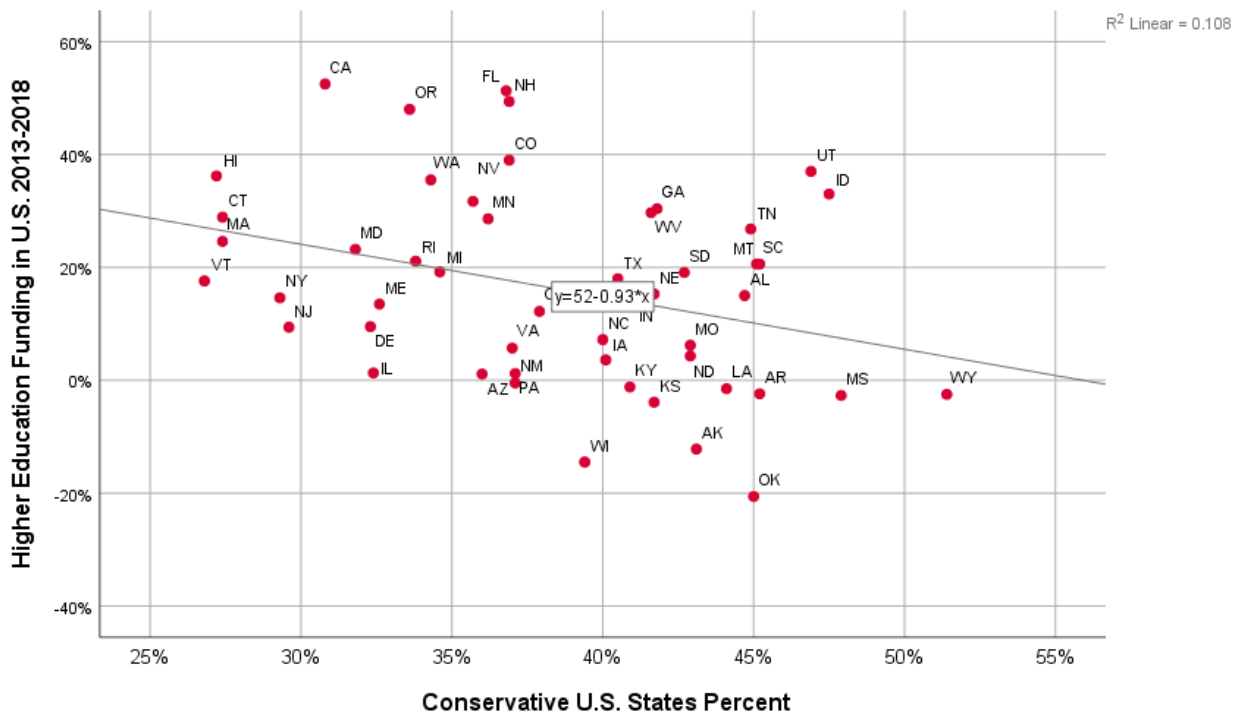
Figure 1: Percent Change in Higher Education Funding in U.S. 2013-2018



Above is a United States' graph of higher education funding from 2013-2018. This graph shows the percent of higher education funding percentage in each state. The scale is from -40% to 60% increase in higher education funding. In visual terms, the percentage of higher education are represented by white to the darkest shade of red being the most increased funding among the U.S. States. The states from 2013-2018 with the most decreased funding include states such as Wisconsin, Alaska and Oklahoma. The states with the darkest shade of color and the most increased higher education funding include New Hampshire, Florida, Oregon and California. The graph appears to geographically show a grouping of western states with the best higher

education funding in the U.S. Possible explanations for this could include state population growth, an increase of state student enrollment or perhaps positive economic growth within said states. More research is needed to test and determine the potential causality.

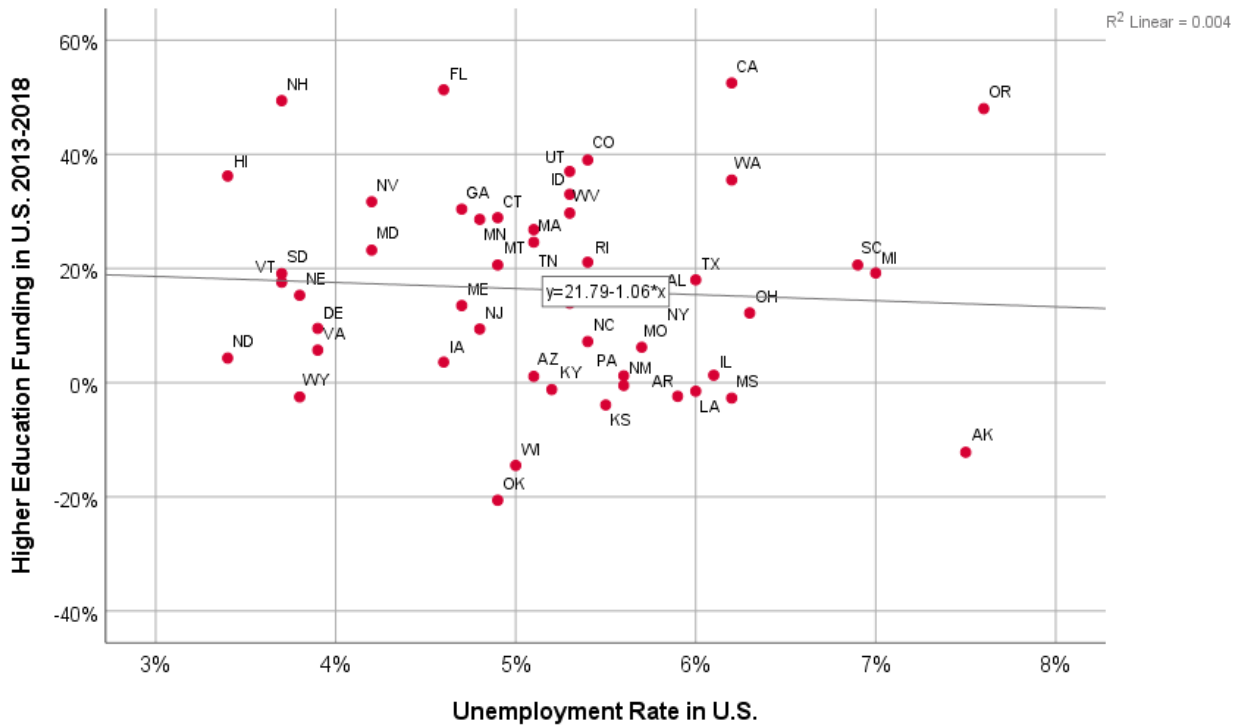
Figure 2: Analyzing the Percent Change in Higher Education Funding Between Conservative Percent of U.S. States (Testing the Balance Wheel Model Theory 2013-2018)



This scatter plot is testing higher education funding percentage (2013-2018) and the correlation of how conservative U.S. states are percentage. Higher education funding percentage on the y-axis and the increase of conservative U.S. state's percentage on the x-axis, which increases as it, moves toward the right. The equation in the center is the line of regression. Overall, the line gradually moves down and declines as the state becomes higher in conservatism. Again, the balance wheel model theory theoretically is like a teeter totter or

balance scale. The scale swings up one year and down the next. These movements are thought to mirror the opposite funding cycle year to year. Keeping this theory in mind the test above shows an overall decline in higher education funding percentage in the more conservative states over these five years. U.S. states such as Alaska, Oklahoma and Wyoming for example have gradually expressed a pattern of decrease in higher education funding these past five years. This test, factual results and visual representation do not give much validation to the balance wheel model theory for these conservative states over the duration of these five years.

Figure 3: Analyzing the Percent Change in Higher Education Funding and Unemployment Rate in U.S. States (Testing the Political Business Cycle Model Theory 2013-2018)



The higher education funding percent change is on the y-axis. The unemployment rate in the U.S. is on the x-axis. Scattered are the individual U.S. states. The equation in the center is the regression line. The overall objective is looking at the correlation that the unemployment rate in

U.S. states have on their allocated higher education funds. On average, the line appears to gradually decline from 2013-2018 in higher education funding as the state's unemployment rate increases. This plot displays the effect higher unemployment rates have on state higher education funding. Let us use this knowledge to test the validity of the political business cycle model theory. It is important to remember some core aspects to the theory, which include the status of a state's economy and state's unemployment rate. Typically, states with a higher percentage of unemployment have less money in the state budget to increase allocated funds to state higher education. Some of this theory positively correlates with the information reflected in the scatter plot figure. Despite the line decreasing very gradually, the political business cycle model theory may still offer some explanation of higher education funding results in the U.S. from 2013-2018.

Figure 4: SSA Type and Percent Change in Higher Education Spending 2013-2018

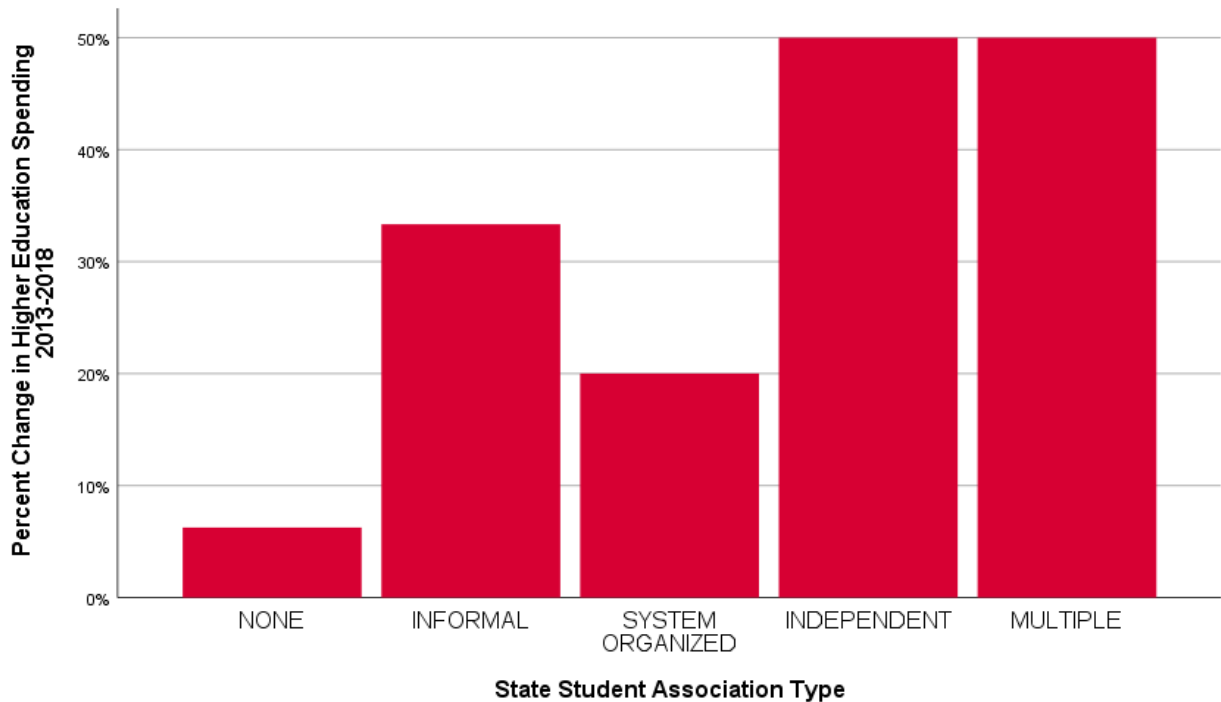


Figure shows overall percent increase in higher education funding by state student association type from 2013-2018. Specifically, this simple bar chart expresses the higher education spending percent change by SSA type from 2013 to 2018. The state student association type with the smallest increased percentage is SSA type none. Following upward as seen above is Informal, System Organized. Then SSA types Independent and Multiple increased higher education funding the most by percentage over these five years. This bar chart is a visual representation that supports my findings in my case summaries. The two types of state student associations that have the most professional and collaboration at the state level include System Organized and Independent. According to the S.E.T. project’s SSA definitions, logically System Organized should be having similar success as SSA type Independent because they have the largest employed state staffs. They both have the most professional state involvement in efforts to increase funding for higher education. However, System Organized is second to last following U.S. states that have no state student associations.

Figure 5: U.S. States’ SSA Type and Percentage Change in Higher Education Spending 2013-2018



Figure above displays the United States grouped by state student association type on the x-axis and their higher education funding percentage from 2013-2018 on the y-axis (just like all my plots and graphs for future reference). The x-axis displays the state student association type. This plot specifically displays the U.S. states that have what SSA type. Within each SSA contains their respective states percentage of funding from 2013-2018. Higher up the y-axis are the states with the highest increase in higher education funding over the past five years. Looking at the plot the SSA types that belong to the most U.S. states are None and System Organized. However, on average the states with SSA types Independent and Multiple contain the states that have increased higher education funding by the most percentage and have put a larger emphasis on secondary education in these states the past five years. This information now creates the question what SSA type is potentially the most effective and leads to more increased higher education funding on average. If it has been SSA types Independent and multiple the past five years, perhaps other states may be influenced to adjust or change their SSA type to enhance an opportunity for better higher education funding in the future.

Conclusion:

In conclusion, I learned the relationship between each U.S state and its SSA groups while looking at the percent change in higher education funding collectively in the last 5 years.

Overall, I'm analyzing the total effectiveness of these state student lobbying groups and their national impact on higher education funding. In conclusion, from the years 2013-2018 the SSA types best at higher education funding are type Independent and Multiple. U.S. states better at funding appear to be toward the western coast as seen in my country graph, but some of the best

states are scattered geographically. The best U.S. states include New Hampshire, Florida, Oregon and California who have increased their higher education funding the most the past five years. In total 40 out of 50 U.S. states have sustained higher education funding or increased funding by some amount from 2013-2018 (MN and Students United has increased funding 16%). With mixed results and some inconsistencies, the balance wheel model and political business cycle model theories don't prove to completely explain higher education funding in all U.S. states from 2013-2018. However, the political business cycle model theory slightly has more validity explaining higher education funding than the balance wheel model theory from the years 2013 to 2018. Overall, the U.S. states with SSA type None and System Organized reduced funding the most, those states need to work harder to achieve better higher education funding nationally. This subject is important to me personally because of my own previous SSA experience with the Montana University System and annually important because often SSA groups strive to achieve better affordability for college students. Nationally, it is crucial we measure and evaluate the collective success frequently U.S. states and their state student associations have on higher education funding.

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