

*Higher Education Funding
Models: Florida and Other
States*

Florida College Task Force
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Questions

- How do Florida's educational outcomes and funding compare with other states?
- What strategies are most successful for higher education?
- What are emerging trends in funding higher education?

Florida's Colleges Success Story

- Florida awards more
 - certificates and
 - associate degreesthan any other SREB state
- 65,000+ in 2006

Colleges are serving more underrepresented minorities

- 129,900 more black and Hispanic students enrolled in 2005 than in 1995
- a 77 percent increase, compared with a 37 percent increase in total enrollment.

Colleges are productive

- Florida is second among SREB states in first-year persistence
- Florida is first among SREB states in graduation rates (more than 2 times the region and national averages)

College is more affordable than most other states

- Florida's tuition and fees are below the average of other SREB states
- From 1996 to 2006, fees in the SREB region increased by 51 percent after adjusting for inflation, Florida's by 40 percent

Faculty salaries are competitive

- Florida ranks 4th among SREB states in average faculty salary
- From 1996 to 2006, the SREB region's average faculty salary rose 2 percent while the average in Florida rose 3 percent

REALITIES

From 2006 to 2016, Florida's population

- is projected to increase by 3.5 million, or 20 percent
- Florida growth rate is higher than any state in the SREB region

REALITIES

Florida's funding

- Is on the bottom of the SREB in tax support, only above South Carolina
- It would take a 20% increase to be average catch
- When fee revenues are included, Florida is only above North Carolina

REALITIES

Florida is losing ground

- In 2006, the colleges' funding per FTE student was 9 percent (\$500) less than in 2001 after adjusting for inflation
- The regional average was 3 percent (\$200) less

What strategies are most successful?

- Speaking with one voice
- Supporting high quality education

What strategies are most successful?

- Focusing on A, B, and C
- Meeting state and regional needs
- Taking a long-term view

Formulas

- Most states use them
- No two are alike
- Original purpose was fairness and equity
- Formulas have changed to focus on funding needs taking into account mission and unique characteristics

What are emerging trends in funding?

- Mid-year cut backs
- A “double whammy” growth plus structural budget deficits
- Focus on degrees (Kentucky and Ohio)
- Focus on performance and outcomes
- More categorical funding focused meeting the state’s needs

Texas

- Long-standing formula approach (separate for two and four year)
- Recently added small institution supplement
- New focus on outcomes and categorical funding

Texas Outcomes

- Change funding to completed hours (phased-in)
- Add performance focusing on degrees and certificates (\$100 million for 2-year, 4% of overall appropriation)

Texas Categorical Funding

- Additional funding to accommodate dramatic growth
- Developmental Education
- Alternative Teaching Certificates
- Nursing Shortage Reduction

Texas Ratios/Cost Analyses

- Recently completed 3-year analyses

	<u>Lower</u>	<u>Upper</u>	<u>% higher</u>
Teacher Education	1.33	1.79	35%
Teacher Ed. Prac.	1.31	1.99	52%
Nursing	2.73	3.24	19%

Louisiana

Should 25% of funding be allocated on performance?

Ohio's Challenge Funding

- Long-standing *formula* system plus
- Mission-driven *performance* includes:
 - Access Challenge: Limits tuition increases
 - Success Challenge: Promotes degree completion by “at risk” students
 - Jobs Challenge: Provides focused *grants* to provide better workforce
 - Research Challenge: Provides incentives for external research

Challenges For Funding Strategies

- Speaking with One Voice
- Supporting High Quality for New Baccalaureate Programs in tough financial times
- Addressing fairness in start-up funding