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# Overview of Higher Education Funding in Florida

presented to the Council of 100  
Dr. Bill Proctor, Executive Director

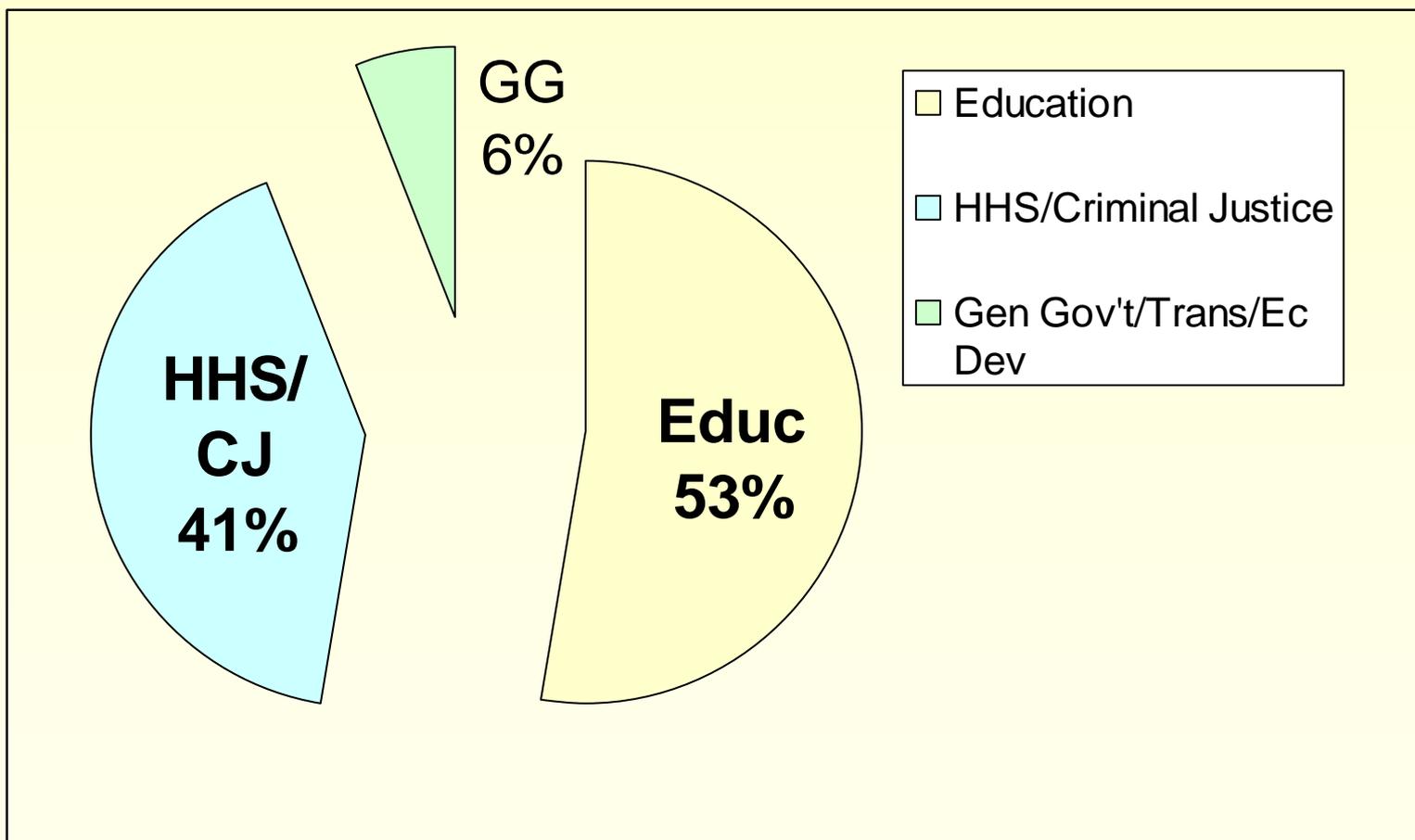
November 7, 2002



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# FY 2002-03

## State General Revenue





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# FY 2002-03 GAA Education Appropriations

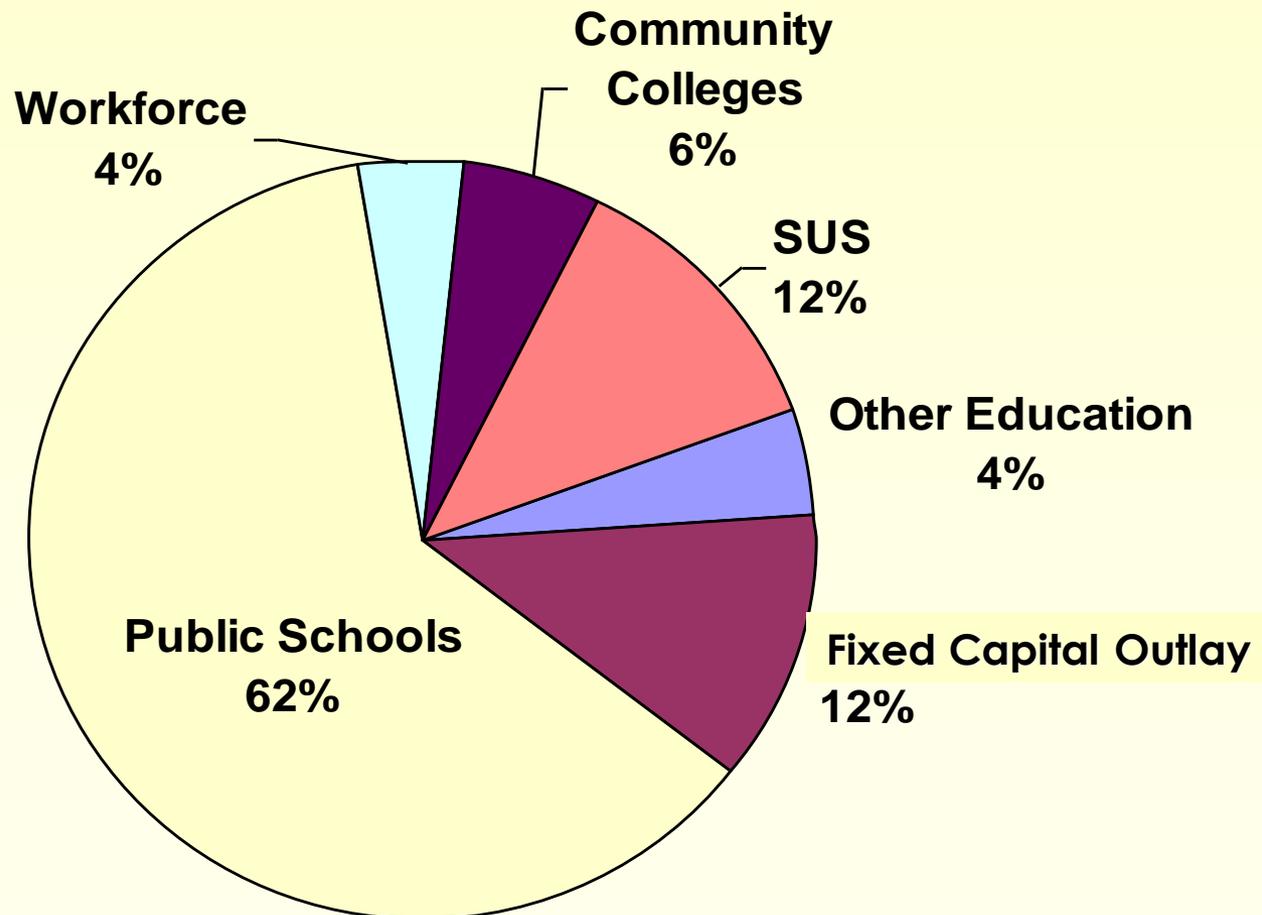
(in millions)

• Public Schools	\$ 9,823 m
• Community Colleges	902 m
• State Universities	1,914 m
• Other Education	712 m
• Workforce (includes Voc Rehab)	642 m
• Fixed Capital Outlay	1,864 m
• <b>TOTAL</b>	<b>\$ 15,857 m</b>



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# FY 2002-03 GAA Education Appropriations





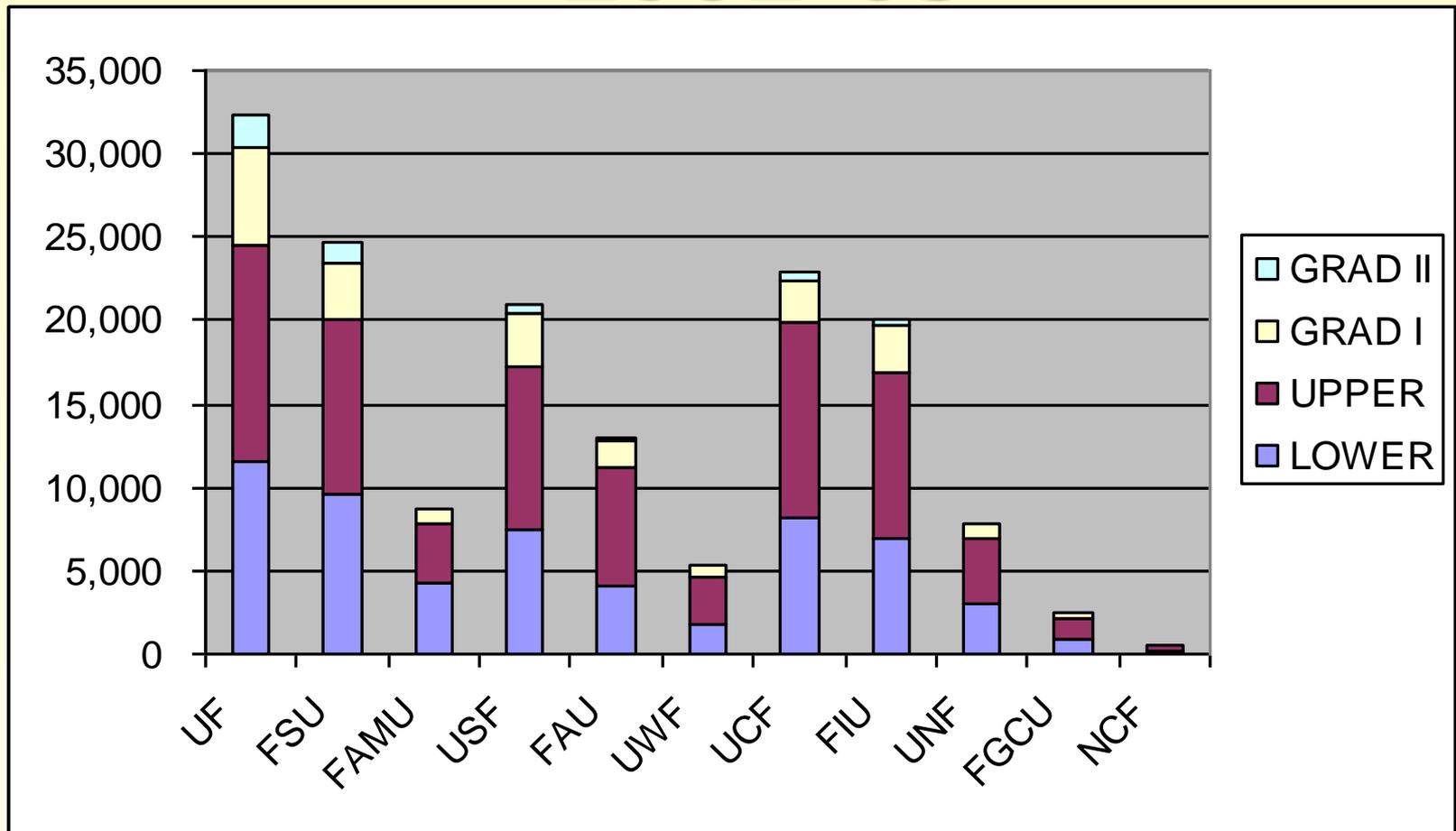
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# Funding for State Universities in Florida

# State Universities FTE Enrollment Plan 2002-03



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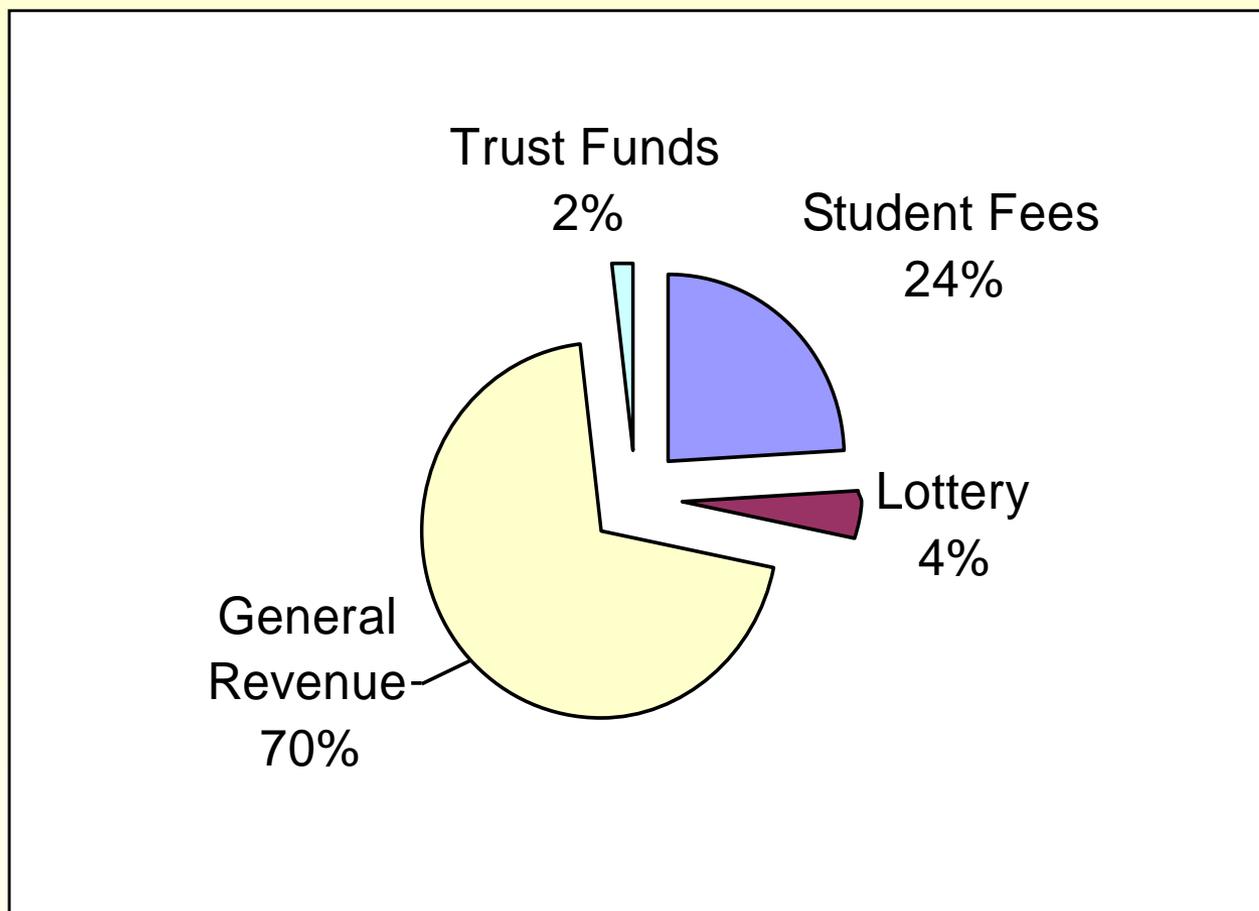


Note: Educational and General (E&G) enrollment



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# State Universities Educational & General \$2.5 billion Operating Budget





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# State Universities Total Operating Budgets

## 2002-03 (in billions)

• <b>Educational and General</b>	<b>\$ 2,535</b>
• <b>Contracts and Grants</b>	<b>1,224</b>
• <b>Auxiliary Enterprises</b>	<b>661</b>
• <b>Local Funds</b>	<b>1,210</b>
(Student Activity, Athletics, Concessions, Student Financial Aid, Self-Insurance Programs)	
• <b>Faculty Practice Plans</b>	<b>323</b>
<b>TOTAL</b>	<b>\$ 5,952</b>

# State Universities E&G Expenditures



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## 2000-01 (in millions)

• <b>Instruction</b>	<b>\$ 814.6</b>	<b>42%</b>
• <b>Other Enroll-Related</b>	<b>246.6</b>	<b>13%</b>
• Academic Admin	152.8	8%
• Other Academic	284.5	15%
• University Support	203.8	11%
• Physical Plant	181.9	9%
• Stand-alone	44.0	2%
<hr/> <b>Total</b>	<hr/> <b>\$1,928.0</b>	<hr/> <b>100%</b>



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# State Universities: Policy Issues Related to Funding

- Relationship between funding and achievement of mission
- Student expectations v. taxpayer expectations
- Balance between local & state control/accountability
- Articulation incentives
- Performance funding



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# State Universities: Policy Issues Related to Funding

- Funding planned enrollment
- Decline in PECO funds
- Unnecessary obstacles to accessing funds?
- Best Financial Management Practices for community colleges and universities?



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# Funding for Public Community Colleges in Florida



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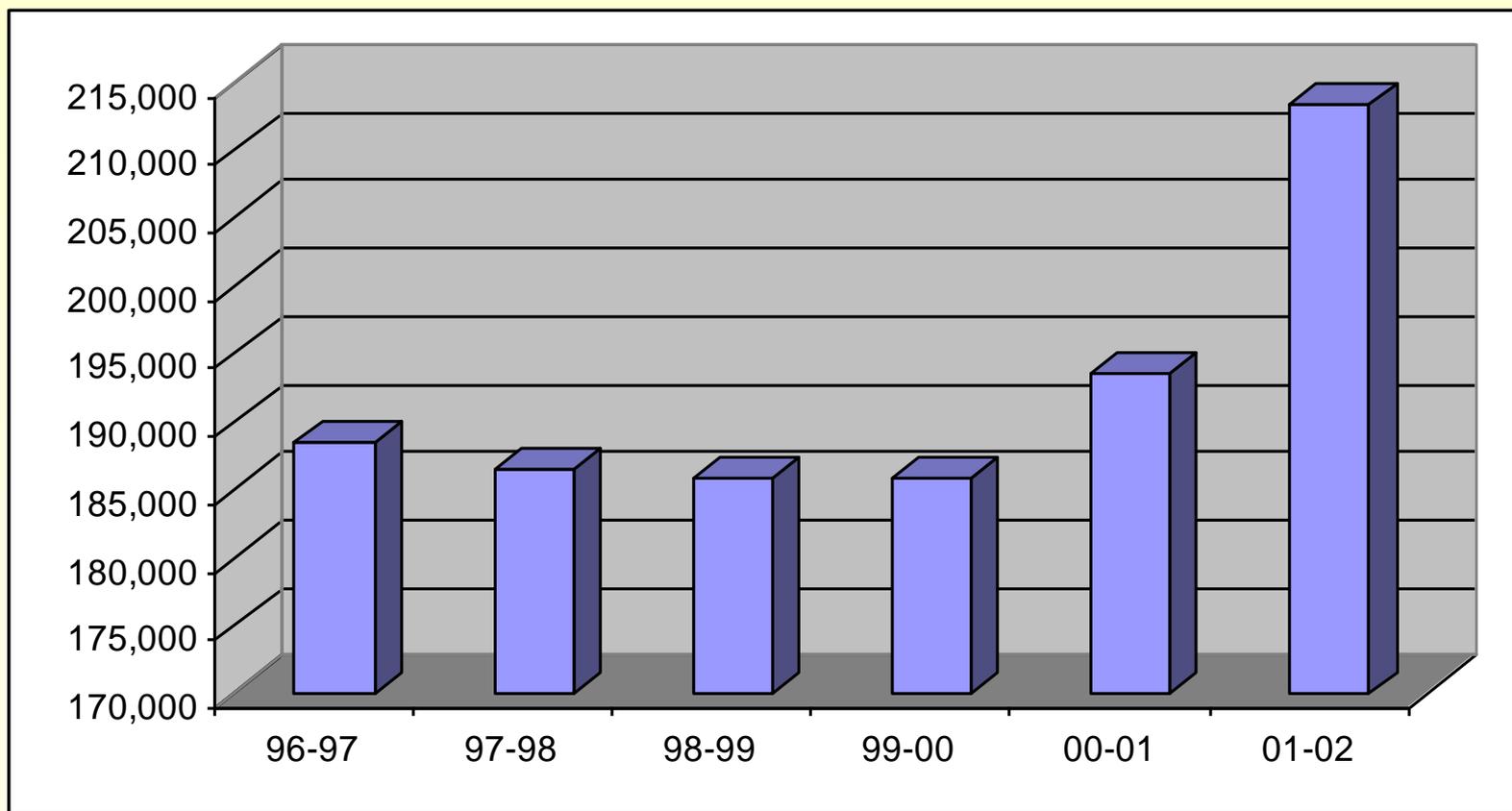
# Community College Profiles, 2001-02

- 28 colleges, 157 sites
- Student headcount: 834,570
- Part-time students: 69%
- Average age: 27
- Minority enrollment: 37%
- Faculty members: 40,541
  - Part-time faculty: 75.5%



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# Community College Enrollment History



**Note: Full-time equivalent (FTE) enrollment**



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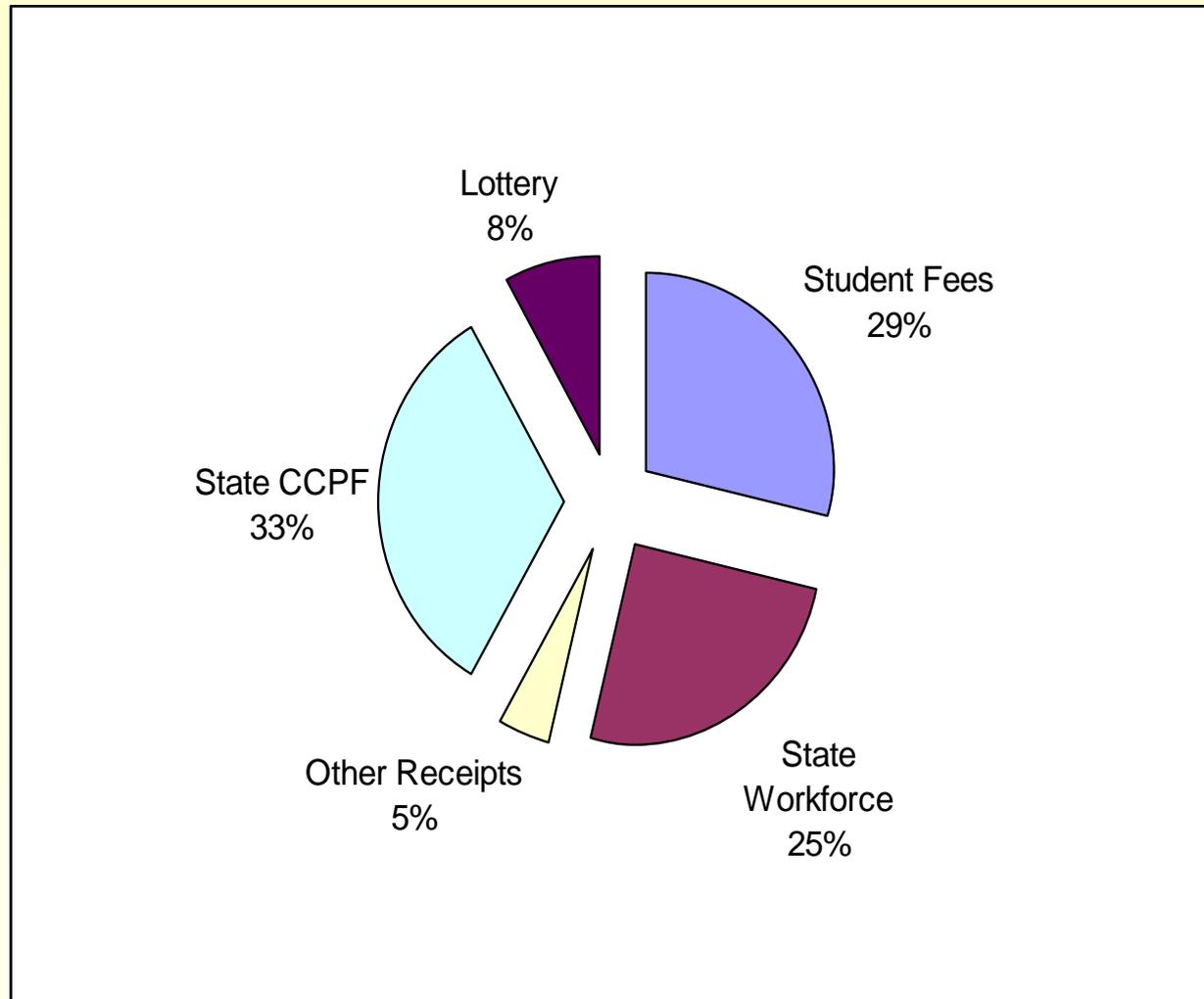
# Community College Appropriations Process

- Community Colleges have adopted formula, but it has not been consistently used by the Legislature
- Formula is allocation model, not model for requesting funds
- Formula takes 3-year average enrollments into consideration, but not projections

# Community College Revenues, 2000-01



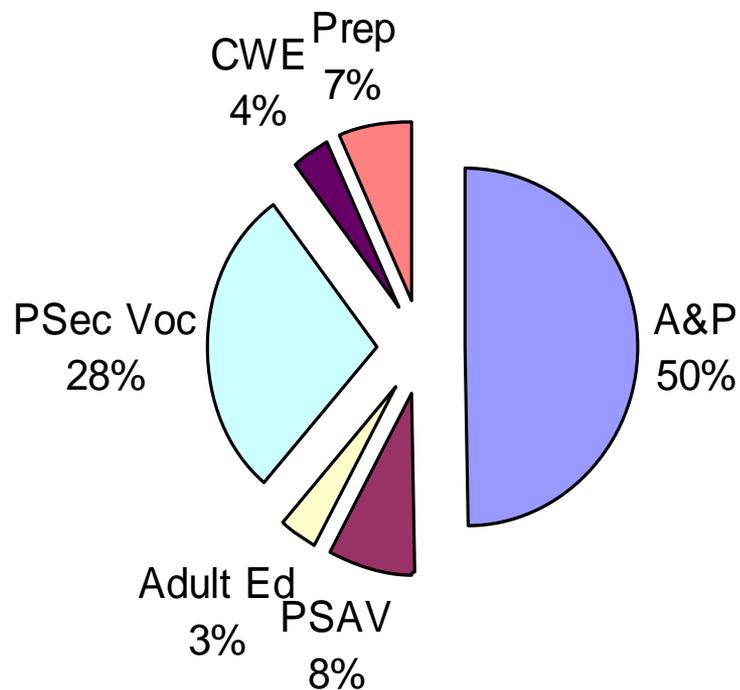
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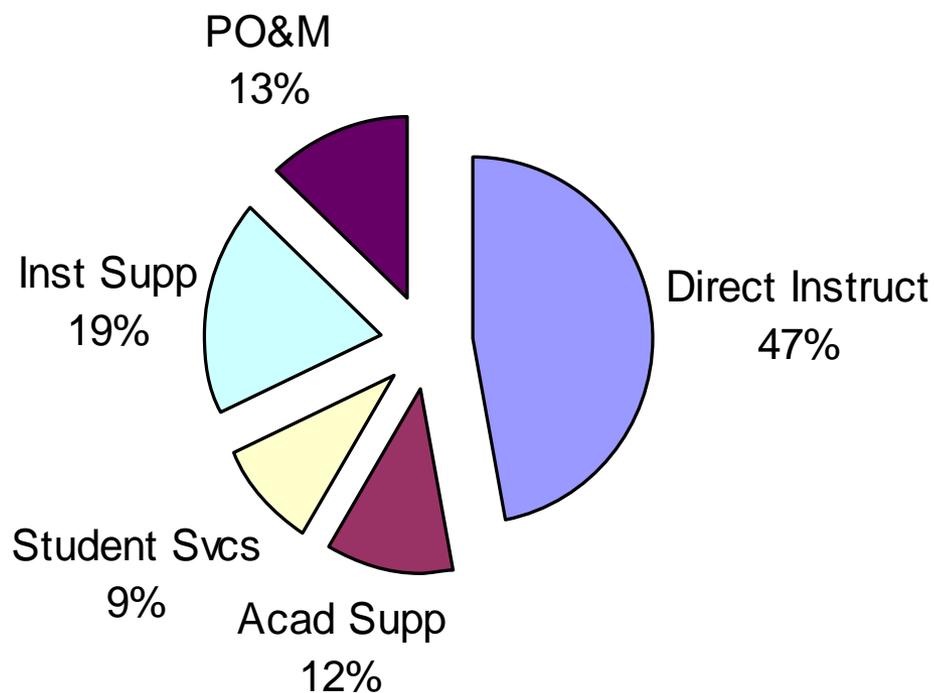
# Community College Expenditures by Program 2000-01





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# Community College Expenditures by Function 2000-01





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# Community Colleges: Policy Issues Related to Funding

- Relationship between funding and achievement of mission
- Student expectations v. taxpayer expectations
- Ensuring workforce needs are being met
- Balance between local and state control/accountability
- Results of workforce performance funding

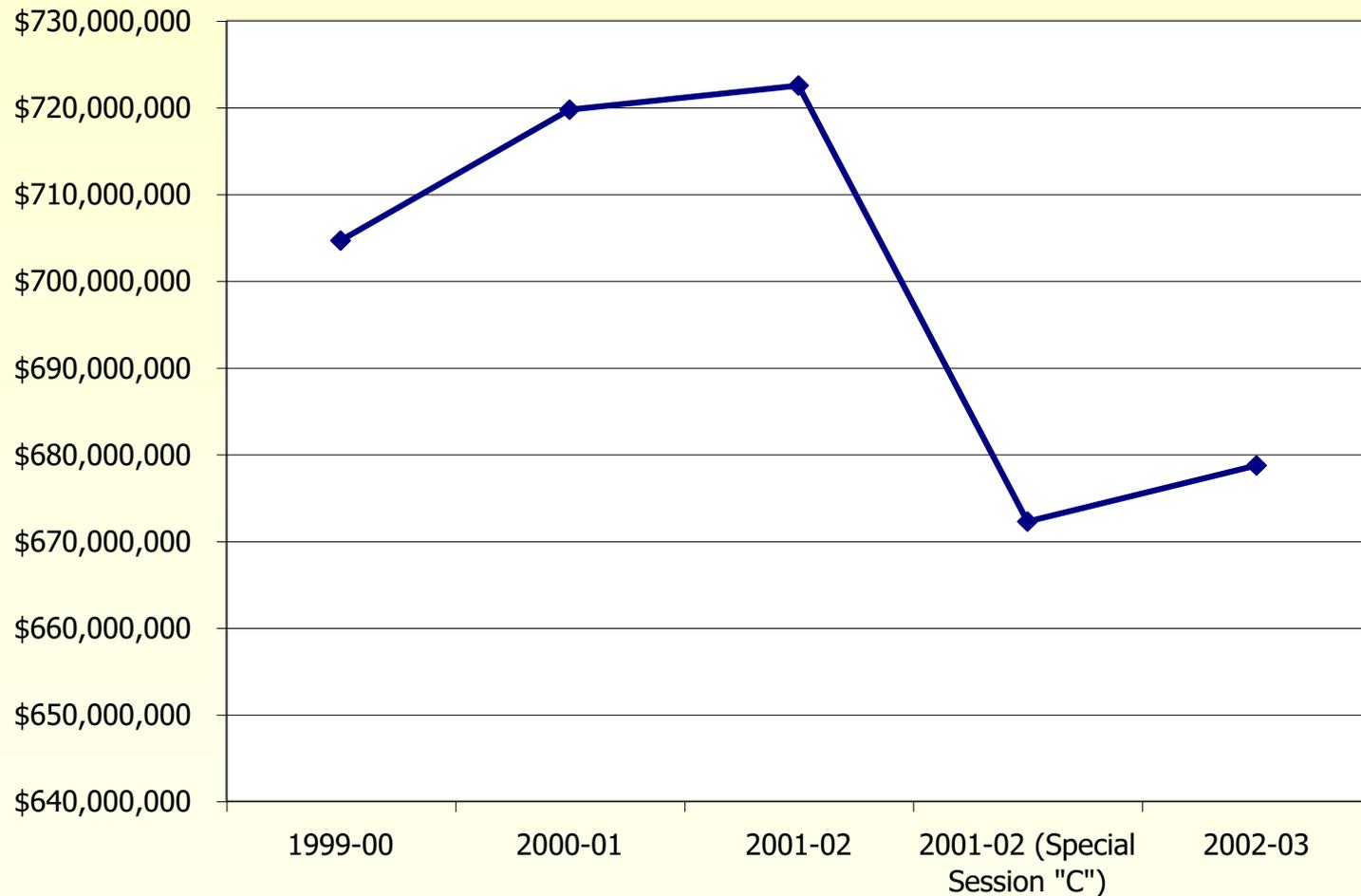


workforce



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# Workforce Appropriations 1999-00 to 2002-03





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# Workforce Funding Issues

- \$640 million in state funding, administered by 272 state and local agencies, with very little coordination
- Rewards have not kept pace with increases in performance
- Only 4% of K-12 funding is in workforce education (therefore it tends to receive less priority than at community colleges)



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# Approaches to Funding in the States

1. Formula
  - Budget decisions rely on mathematical formulas
2. Justification of increment
  - Budget decisions rely on incremental increases
3. Formula plus
  - Combination of 1 and 2
4. Performance funding (at the margins)
  - Incentive funding or performance-based budgeting
  - Florida does both



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# 13 Guiding Principles for Postsecondary Funding

1. Based on state goals for postsecondary education
2. Sensitive to colleges' different missions
3. Provide adequate funding
4. Provide incentives for or reward performance
5. Appropriately recognize size-to-cost relationships
6. Be responsive to changing demands



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# 13 Guiding Principles for Postsecondary Funding

7. Provide reasonably stable funding
8. Simple to understand
9. Fund colleges and universities equitably
10. Appropriately recognize size-to-cost relationships
11. Make provisions for special purpose units
12. Use valid, reliable data
13. Allow administrative flexibility in spending funds



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# **“Shared Responsibility” and Funding for Postsecondary Education in Florida**

- Florida ranks 26<sup>th</sup> in state and local appropriations per full-time equivalent student at public degree-granting institutions...
- ...but ranks 49<sup>th</sup> in resident undergraduate tuition at state universities



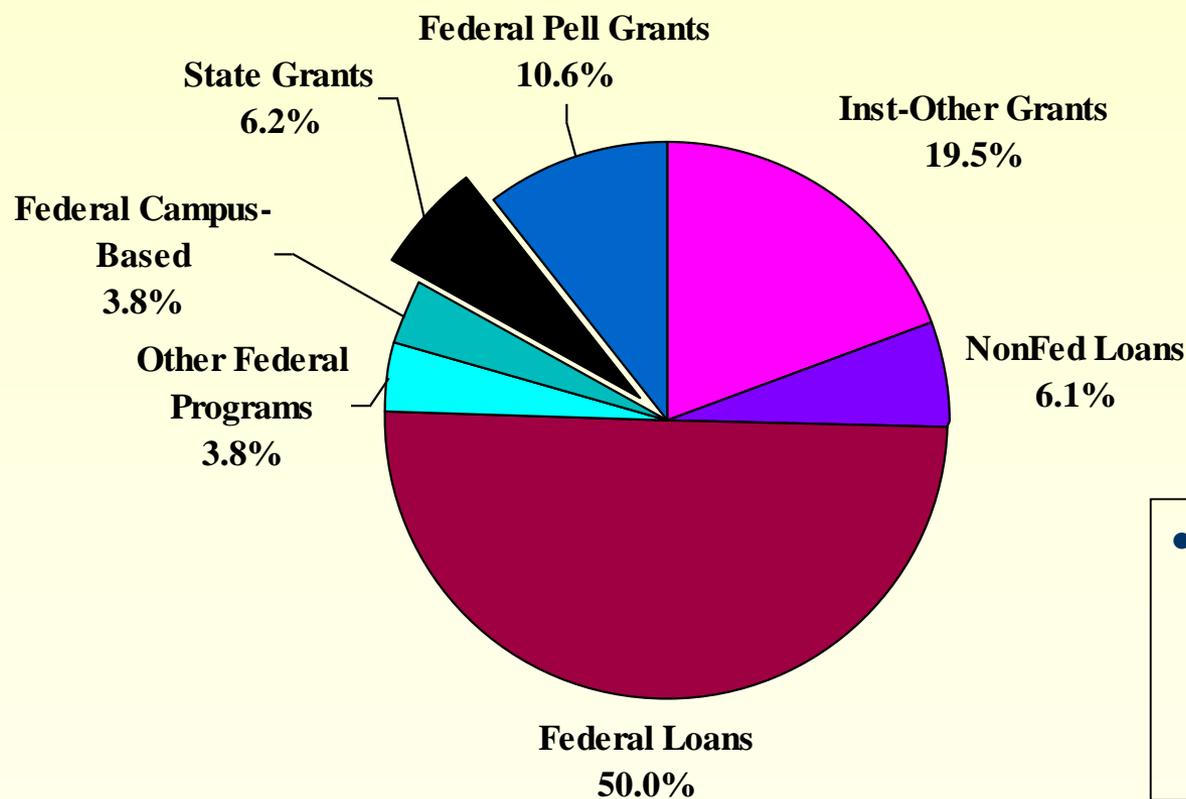
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# Tuition and Financial Aid



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# Student Aid in the U.S., by Source



*Total Aid  
Awarded*  
**\$74.4 billion**

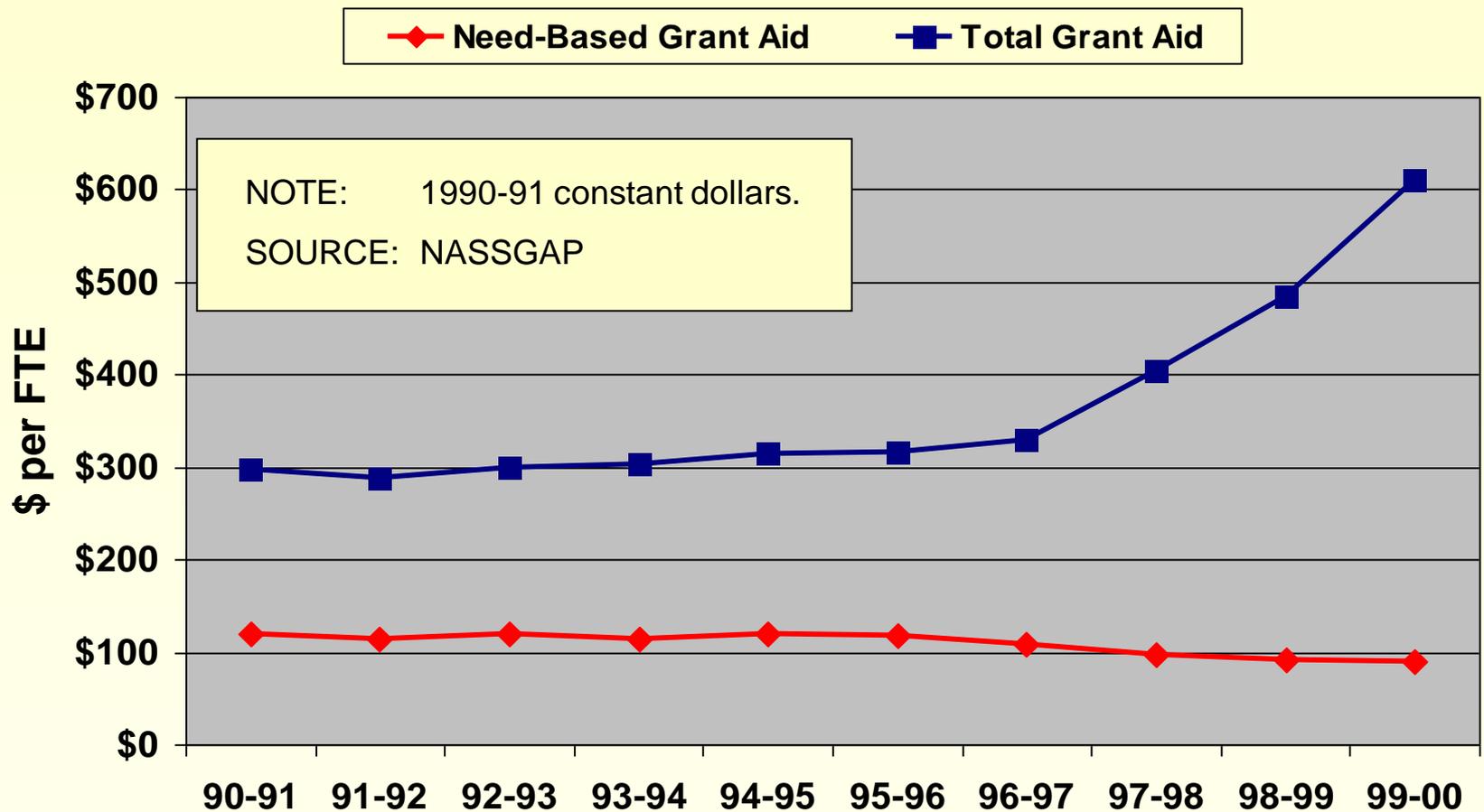
- State programs are a small but growing source of student financial aid.

SOURCE: The College Board.



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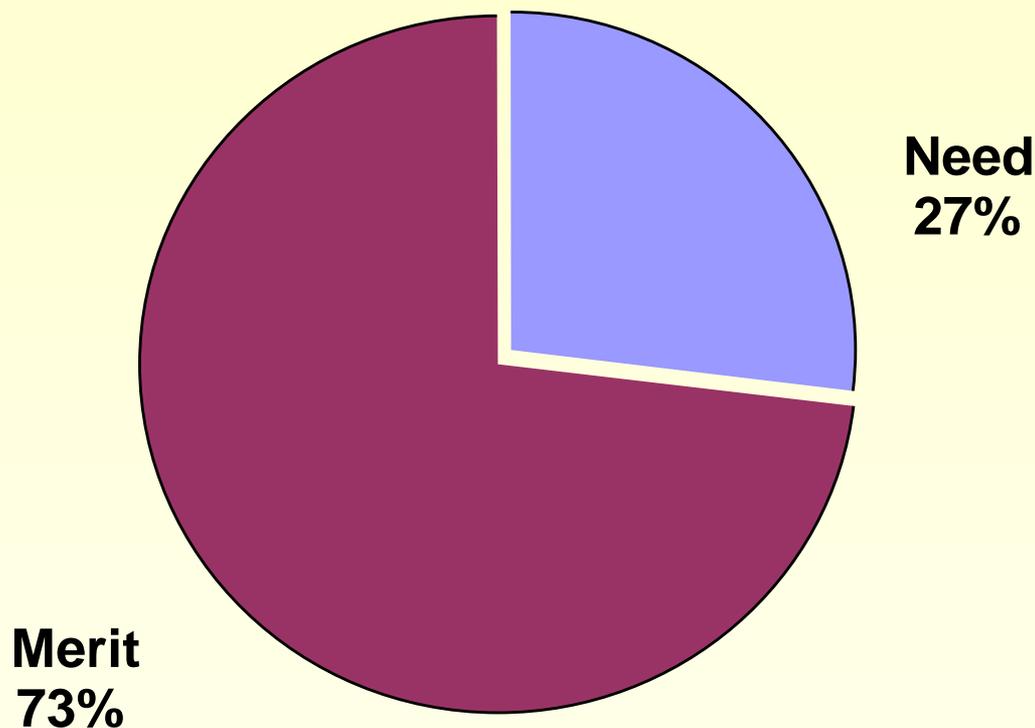
## Total and Need-Based Undergraduate State Grant Aid per Full-Time Equivalent Student, 1990-91 to 1999-00





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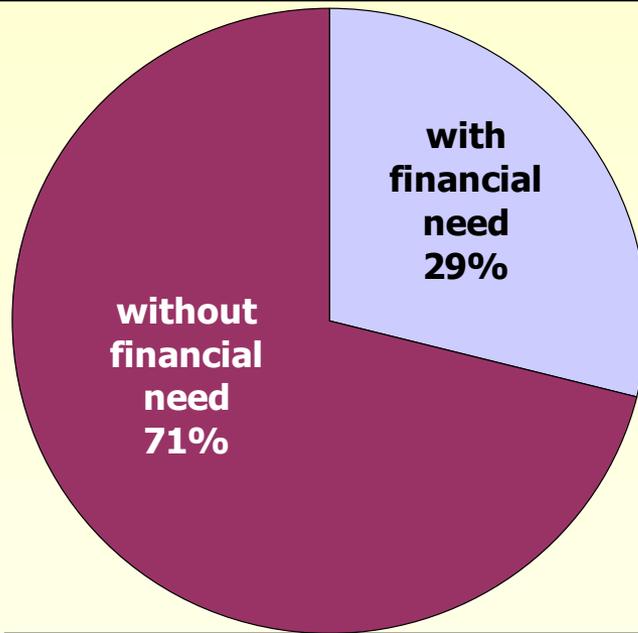
## Florida Legislative Appropriations for Financial Aid, by Basis of Award, 2000-01



*Source: State Student Aid Policy, PEPC, January 2001.*

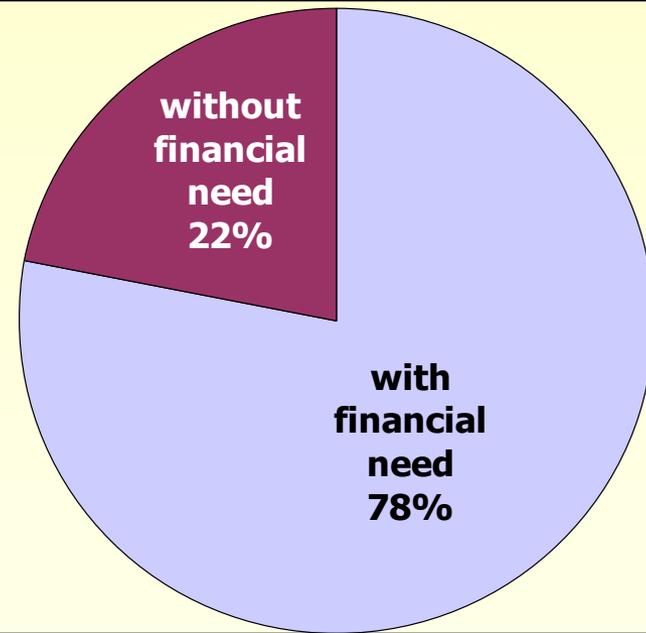


# Need Status of Financial Aid Recipients in the State University System, 2000-01



**Students with Bright Futures**

N=63,085



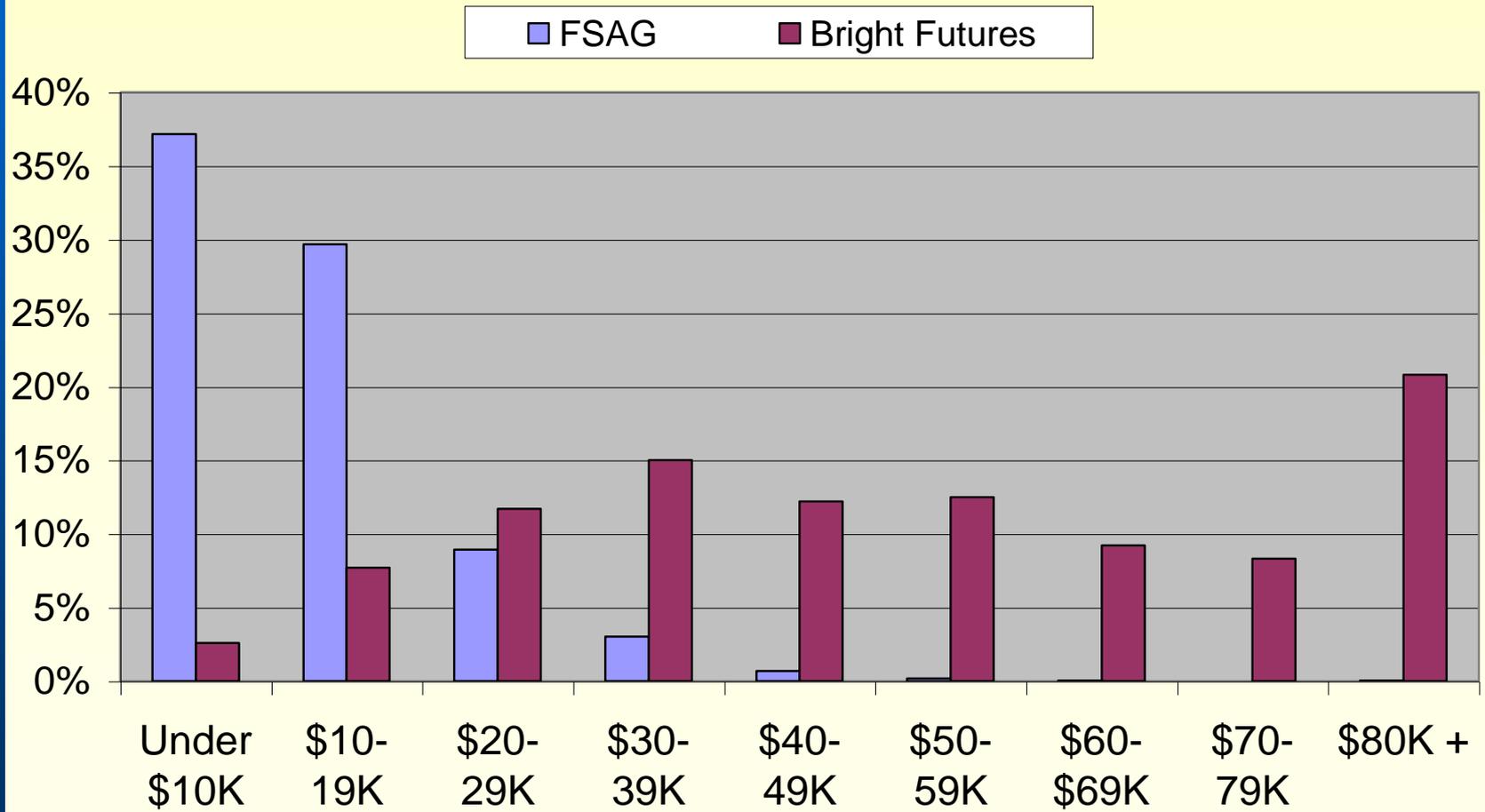
**Florida resident students without Bright Futures**

N=60,299



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# 1998-99 Family Income Distribution, FSAG Recipients and Bright Futures Initial Recipients

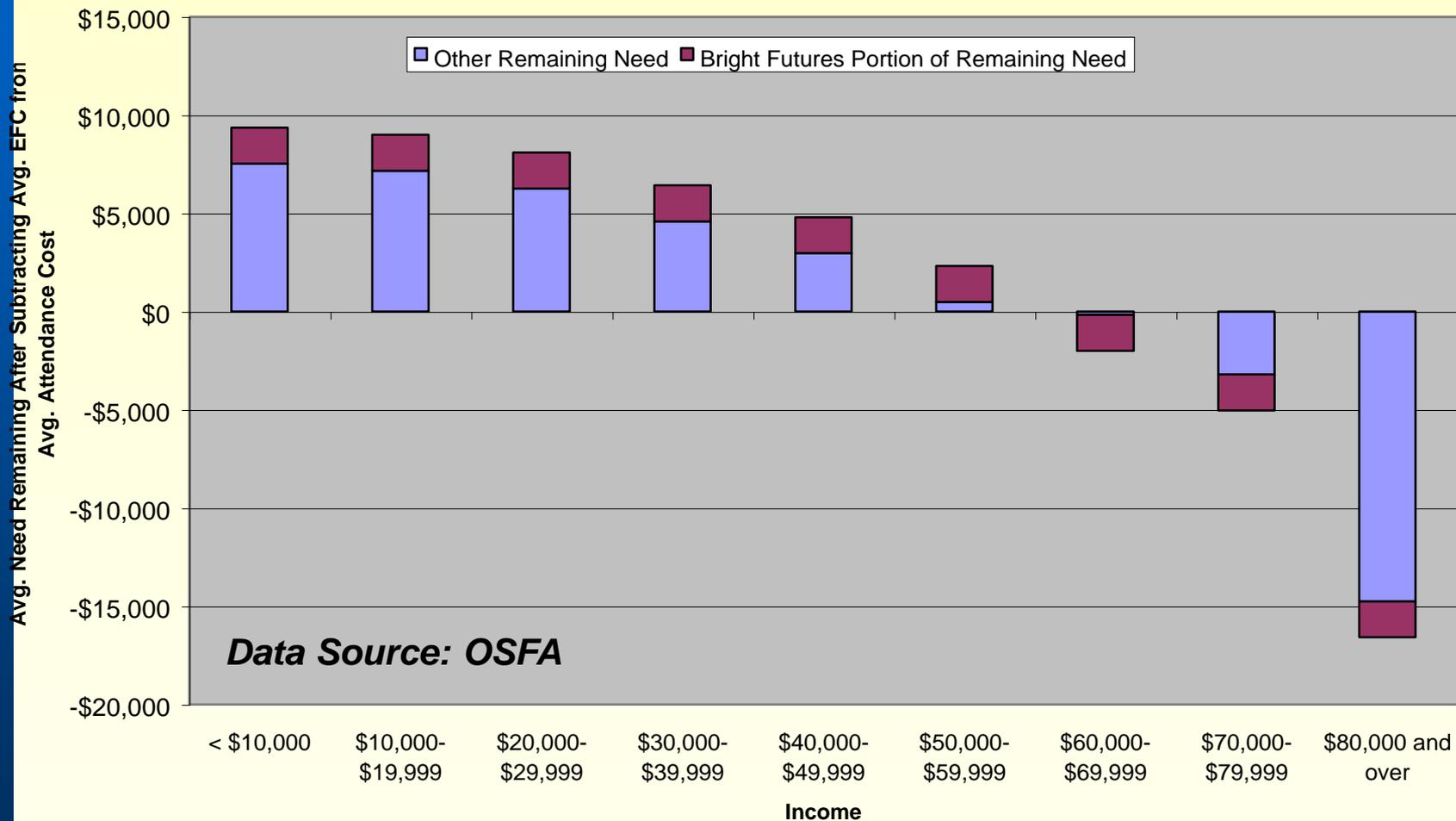




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# Unmet and Overmet Financial Need, by Family Income, for Aid Applicants Who Received Initial Bright Futures Award in 1998-99

(State University System: Dependent, Resident)



# Student Financial Policy Issues



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- Target financial aid to likely growth areas of the postsecondary education market

## Examples:

- Part-time students
- Students in career education programs
- Students in training for high-demand occupations
- Adult students

## Current Reality:

- ✓ Part-time FSAG 1% of OSFA budget
- ✓ Private postsecondary FSAG is 2% of OSFA budget; no postsecondary FSAG for use at public institutions
- ✓ Aid for targeted occupations & populations is 3% of OSFA budget
- ✓ Bright Futures usage must begin within 3 years of HS graduation



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# Council Web Site

<http://www.cepri.state.fl.us>