

Higher Education in Florida:

An Update

CATASTROPHE FORESTALLED



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Higher Education
Partnership

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About the Business/Higher Education Partnership...

This partnership was established in early 1995 – a collaboration among the Florida Council of 100, the State University System, the Community College System, and the Independent Colleges and Universities of Florida. Its directors include 12 private sector CEOs from the Council of 100, nine college and university presidents and heads of the three member systems. In its first year, the partnership prepared a study, report and strategic vision for higher education in Florida. *The Emerging Catastrophe...And How to Prevent It* was released in January 1996.

The Florida Council of 100, founded in 1961, is an organization of the state's chief executives which informally advises the Governor and periodically studies public policy issues. This partnership has been one of the council's highest priorities for the last two years. Other major projects have included the development of Enterprise Florida, a study of the state's criminal justice system, and the recently-formed Governor's Commission on Education.

Renewing a Vision for Higher Education in Florida

February 1997

Dear Floridian:

We begin a second strategic report on higher education in Florida with several thank yous. First to the Legislature and its staff not only for giving our analysis and recommendations cordial and detailed attention in committee hearings and informal meetings but also for acting on them affirmatively. We appreciate too the support of the Governor, the Commissioner of Education and the Postsecondary Education Planning Commission. And we note with thanks the considerable time and effort our own directors devoted to crafting *The Emerging Catastrophe* report, released last January, and then to advocating our findings.

The results for higher education in 1996 were outstanding. State funding growth was the best it has been in nearly a decade. The Legislature also took meaningful steps to raise tuition and increase support of Florida students in the independent sector.

To the 1997 Legislature we caution that one year of excellent progress in setting our higher education system back on course is not enough. We need another and another after that. The disinvestment that threatened us with a catastrophe of pinched access and falling quality accumulated over several lean years starting in the late 1980s. It cannot be righted with a single productive legislative session. The pressure of a predicted tidal wave of high-school graduates and non-traditional students over the next decade continues. And the centrality of both the higher education enterprise and its trained graduates to quality economic growth for Florida is more obvious than ever.

The Emerging Catastrophe report identified decentralization, privatization, efficiency and productivity as the necessary accompaniment to increased state funding and higher tuition. The year 1996 did not produce significant legislative breakthroughs on this score, though legislation may not be essential to progress. There were a number of forward steps, including a tightening of the sometimes extended time students take to earn a degree and continued aggressive questioning of tenure practices. We reaffirm here our partnership's commitment to looking for ways to extend market discipline into our universities and community colleges and collaborating in identifying opportunities to do the job more efficiently.

■ Letter from the Chairman

Details follow in the balance of this report – details of the successes of 1996 and our recommendations for continuing a balanced strategy for higher education in 1997. We also discuss several issues treated in passing in *The Emerging Catastrophe* that have assumed greater prominence in the year since its publication.

We were urged repeatedly in visits to Tallahassee to continue our work, following through instead of dropping a report and turning to other interests. We intend to do so – Florida's higher education system needs attention, analysis and energetic advocacy. The worst-case catastrophe we warned of a year ago has been forestalled by an excellent state government response, but it has not yet been prevented.

Thanks again to the Legislature, the Governor, the Commissioner of Education, the press and all our other partner participants for your assistance and for your commitment to help again this year.



Charles E. Cobb, Jr.
Chairman
Business/Higher Education Partnership

1996: A Turn For The Better

Important progress on several different fronts

Early in our partnership's work, we were discussing the right word for where Florida's system of higher education seemed headed. Crisis? Decline? "No, it's worse than that," said Tad Foote, president of the University of Miami. "What we have is an emerging catastrophe."

The phrase became the title of our report of a year ago. A few friendly critics thought we were pushing the envelope rhetorically. Well, a prospective catastrophe certainly is preventable (as the subtitle of our report said). And the good news of 1996 is that the Legislature and other key players took the first steps on several different fronts to avert disaster and set the system back on track.

We will discuss the particulars below, but first it may be well to recapitulate the convergence of trends that had our group so worried:

- After years of very healthy growth, funding for higher education in Florida stalled out in the late 1980's.
- Florida is faced with a surge – more like a tidal wave – of high school graduates over the next decade. That component of our community college and university enrollment will be growing by about 50 percent.
- Florida's prospects for economic growth tie directly to a quality higher education system. More and more of our citizens will need a two-year or baccalaureate degree as a prerequisite for good jobs in the economy of the 21st Century.

Our report summarized the worst case as follows:

"Let's be clear about the cost of inaction or of continuing the flat-funding trend of

recent years. It would mean a loss of jobs for Floridians. It would mean a loss of access to higher education opportunities here for our children and grandchildren as they come of college age. It would compromise quality in a system that 10 years ago was at the threshold of excellence.”

And that would be a catastrophe.

* * *

A solution requires additional money from state funding, tuition increases, and other sources. Concurrently it requires a determined effort at efficiency and productivity on the schools’ part. Privatization, decentralization, and market discipline are the most promising avenues to that end.

We recommended four key action steps. During 1996, there was important progress on each. As the accompanying charts show, important trendlines have taken a distinct turn for the better and are headed back in the right direction.

Action Recommendation One

- Stabilize and reinvest in state higher education funding. At a minimum, higher education’s share of general revenue should not go down.

The university system had its best year of growth in nearly a decade. Including the tuition increase discussed later, the overall appropriation for the university system went up \$136 million year-to-year.

That amounts to an increase of 8 percent. It allows for enrollment of 5,000 additional students, along with investments in quality and future growth.

The results were similarly robust for the community college system. Its total appropriation rose \$50 million, an increase of 8 percent.

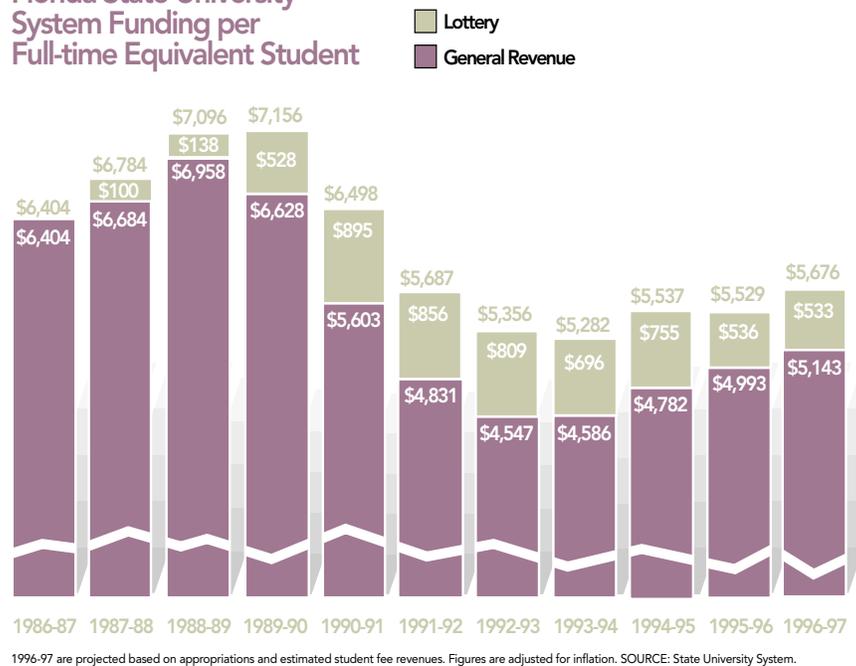
There are several different measures of how the state is doing in supporting its higher education enterprise. Our initial report suggested attention to higher education’s falling share of the state’s general revenue. The percentage fell quickly for both

systems in the first half of the 1990s; hovered near historic lows for a year or two; and now should stabilize and head back up. By this measure too, 1996 was a good year for both systems: community colleges' general revenue share rose to 3.77 percent from an historic low of 3.57 percent in 1993-94; state universities' share was 8.25 percent, up from a low of 7.5 percent.

The charts here show still another way of looking at the changing pattern of state funding – general revenue (with and without the enhancement of lottery funds) per full-time equivalent student. This takes into account enrollment growth and may be the best illustration of how support deteriorated rapidly and cumulatively for a few years, then lingered at the lower level, and now has started heading back up. The pair of charts also show, as *The Emerging Catastrophe* stated, that lottery dollars substituted for lost general revenue in the lottery's first couple of years. Now the general revenue and combined figures move together.

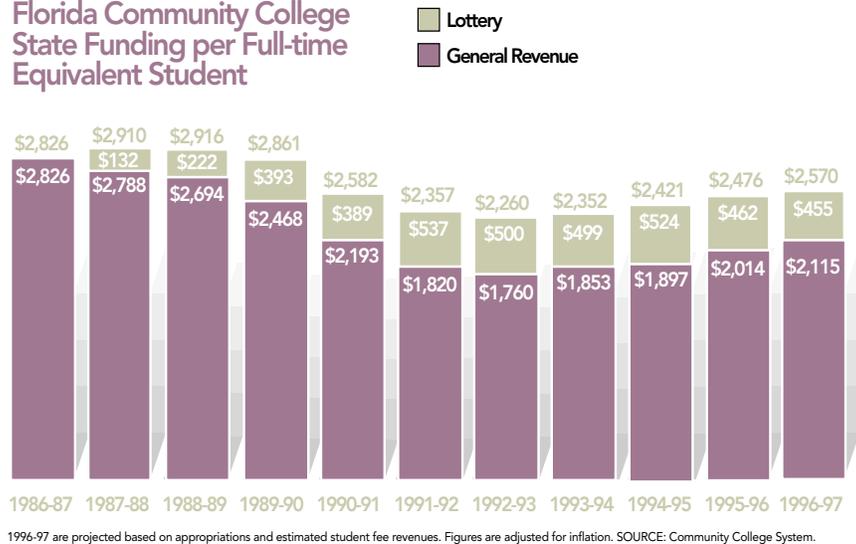
Stripped of statistical intricacies, the state funding picture is straightforward and positive. Florida's support of higher education is headed back the right way. Let that trend continue.

Florida State University System Funding per Full-time Equivalent Student



Figures in these charts have been inflation adjusted to illustrate the decline and turn back up.

Florida Community College State Funding per Full-time Equivalent Student



Action Recommendation Two

- Raise tuition and fees by up to 10 percent a year until Florida reaches the current national average – about \$3,500 in current dollars for the universities and \$1,535 for community colleges.

We had been forewarned that higher tuition would be a tough sell – despite Florida’s ranking very near the bottom among the states in what it charges students. (With state support low to middling by various measures, we operate at a double disadvantage in trying to fund quality).

Those who did the forewarning were right. Raising tuition proved to be the most debated of our recommendations and the biggest higher education controversy of the legislative year.

But even in the face of some heavy naysaying the Legislature and Governor proved resolute. They approved a flat 7 percent increase for the universities, and 6.2 percent for community colleges. That is less than the 10 percent with flexibility among the individual universities that we had recommended. Nonetheless, it represents progress.

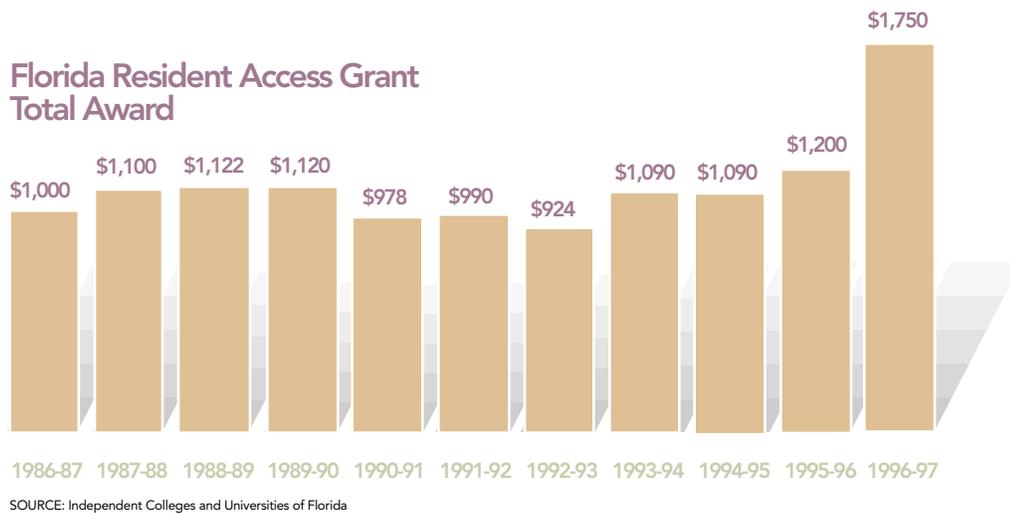
In the House, the tuition bill was co-sponsored by the Democratic speaker and Republican minority leader, a rare happening in the legislature. That sort of bipartisanship was crucial in getting things done for higher education in 1996.

Undergraduates this fall were still paying under \$1,900 in tuition and fees at state universities. That is still an amazing bargain, still among the lowest college costs in the nation and still less than some students pay for a year’s car insurance.

Action Recommendation Three

- Increase the resident grant for students in the state’s independent colleges to \$3,000 per student over three years.

The Emerging Catastrophe recommended that the Legislature invest \$10 million more in the Florida Resident Access Grant for 1996-97. The Legislature increased the appropriation by \$9 million. We rate that an excellent result.



It moves support for Floridians in independent colleges from about \$1,200 a year to \$1,700. That is a bigger increase in the stipend in a single year than in the 16 previous years together since the program started in 1979-80 at \$750 per student.

Independent college presidents testified about the crucial role the grant can play combining with other scholarship and loan resources to put together a manageable financial package for their Florida students. But we sense lingering and not altogether logical reservations about this spending in some quarters.

As policy, the grant is a strategy for helping the independents provide capacity for the current and next generation of college students. It is going to cost the state a great deal less over the next decade if some of those added students who are coming go to available spots at Stetson or the University of Tampa or some other independent. The alternative of providing more room at our 10 existing universities or building an 11th is geometrically more expensive than bringing the resident access grant up to a reasonable level.

Action Recommendation Four

- Authorize phased privatization and decentralization at the state universities. This should include giving presidents some latitude to set tuitions as they think appropriate to their markets.

A bill was introduced during the 1996 Legislature providing for deregulation and decentralization at the state universities. Regrettably it failed in the final days of the session. Also the Legislature failed to approve a version of the tuition increase that

would have given university presidents individual discretion, up to 10 percent, to vary what they charge (a power that community college presidents have already).

Fortunately, though, progress in these areas and in efficiency and productivity generally is possible and took place even absent the specific legislative action of the sort we had recommended.

For instance, Florida continues on the cutting edge in questioning and modifying traditional tenure practices. Florida Gulf Coast University will open this fall with its faculty on multi-year contracts rather than traditional tenure. The system continues to implement post-tenure review of faculty performance. In an action which to our knowledge received no press coverage the Regents invited the Legislature to reopen contract negotiations with its faculty union over tenure modification. (The Legislature declined). And the regents continue to raise the issue – a negotiable one prohibited in the current contract – of bringing on some new faculty at existing universities with multi-year agreements. As *The Emerging Catastrophe* noted, an aggressive stance is appropriate, but an over-aggressive one would put Florida at a disadvantage in the national competition for top faculty. It could also risk provoking disruptive labor-management fights as has been the case for the last year in Minnesota.

Both the universities and community colleges have begun operating under new rules, agreed on with the legislature in 1995, to speed students to the completion of degree. Both showed progress in this respect during 1996, though the larger gains will be realized as more recently entering students work toward and complete their degrees.

Also, the university system can continue decentralization and privatization on its own initiative. A recent editing and sunseting of numerous obsolete and unnecessary rules is one example. Another was specific action allowing universities with a local capability to choose their own architects and builders, rather than contract through a centralized process, thus speeding the completion of construction projects.

Our initial report suggested as a precondition for increased funding “proof that the system spends what money it takes in prudently and is attuned to the public’s demand for greater efficiency.” One indicator is that the State University System’s cost per degree awarded is down 34.2 percent since 1987-88. The system is tracking other measures of productivity. The number of credit hours taught per faculty member has increased 12 percent in three years, even as average class size declined slightly. Now

501 of 610 baccalaureate programs can be completed in 120 credit hours compared to 298 in 1994, providing an annual savings to the state of more than \$6 million by reducing excess hours.

For community colleges, flexibility and efficiency are also issues. Flexibility to offer adult and vocational programs at all community colleges is needed in order to respond to welfare reform and the continuous need for returning and upgrading of worker's skills.

Additionally, the community colleges are suggesting in their budget request that new funding be based on productivity, outputs, and outcomes rather than traditional methods of funding higher education based on student enrollment. ✦

1997: Same Strategy, Year Two

A balanced approach remains the key.



Are the findings and recommendations of *The Emerging Catastrophe* report valid a year later?

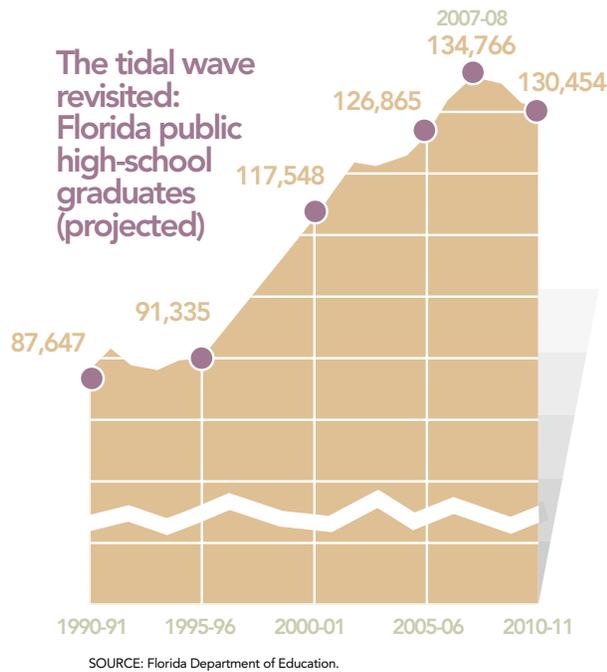
We believe yes, they are.

A close reader may have noticed that we have reworded some of the recommendations for emphasis and clarity. But in essence they remain the same, and our suggested strategy remains the same.

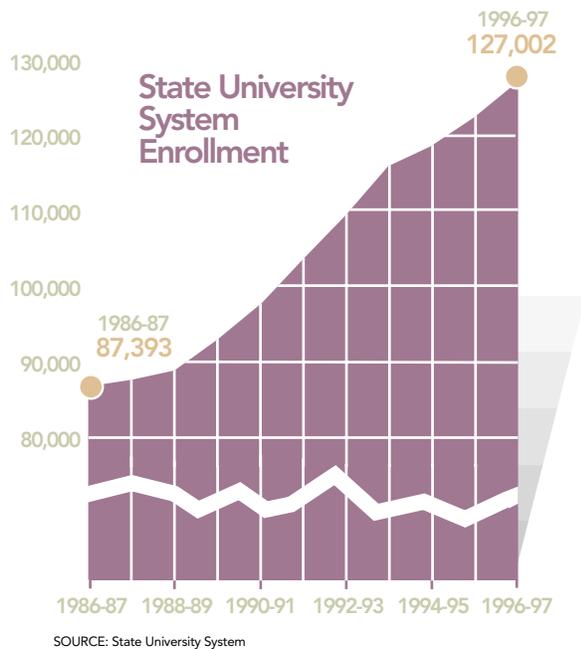
The Emerging Catastrophe was based on the best statistics and projections we could obtain. Those do change some, even in the space of a year, as new data comes available.

One point of extensive discussion in our conversations with legislators was the likely size of the “tidal wave” of high school graduates seeking post-secondary education in the next decade. What may sound like a simple matter of projecting current high school enrollment figures forward is, in fact, subject to several variables and some complex math. Further, we found some differences of terminology. Our estimate, of a growth of 50,000 or more students over 12 years, was of the added number of undergraduates in the system in a given year. Legislators and their staff tend to think in terms of “new slots,” funded for four years – a considerably smaller number measuring basically the same thing. (In California, where expectation is of enrollment growth of 400,000 in the next 10 years, they are using yet a third measure – total student-years through the decade).

As requested by the Legislature, the Post-secondary Education Planning Commission has been reanalyzing these projections and is trying to get agreement on a methodology. That work is not complete as this report is being written. But the



PEPC analysis and that of the Department of Education indicates a slight drop in the projected peak of high-school graduates – at a bit under 135,000, which is 45,000 more than the current level. However PEPC staff indicates that the complement of older students seeking higher education, fueling recent growth in university enrollment, may have been underestimated.



The picture still amounts to an unprecedented, rapid increase in demand for access to higher education in Florida. That seems worth repeating because it undergirds the balanced strategy we recommended a year ago.

Our suggestions for 1997 can be summarized rather quickly:

ONE: Continue last year's aggressive reinvestment in higher education. At a minimum each system should hold its percentage of general revenue. In a good year, put more money in.

These charts show that university enrollment has been growing quickly even *before* the coming wave of high school graduates.

potentially expensive devolution of federal programs to the state level was, by and large, delayed a year.

The economy remains strong and thus revenue growth is prospectively strong through 1997-98. Difficult structural demands on the state budget may be back, however. Reconciling competing claims for scarce dollars is legitimately the Legislature's

role. But we reiterate that the higher education system needs a steady rather than episodic infusion of additional funding to fulfill its crucial role in the state. While new taxes may remain anathema, we repeat our observation of last year that the state should be looking for new sources of money – particularly in the crazy-quilt of exemptions and exclusions that often leave out newer, fast-growing industries.

The heads of both publicly funded systems had similarly cautious reactions to last year's excellent funding results. "I do not wish to look a gift horse in the mouth," Chancellor Charles Reed wrote in the *Miami Herald* in August. "But I do wish that we didn't have to wait so long for 'our turn.'" It is doubly discomfoting that higher education's good year came at the expense of a \$400 million cut in human services, and that, by implication it may be some other priority's "turn" in 1997 and 1998 and the colleges' and universities' turn to languish again.

In a similar vein, Clark Maxwell, executive director of the community college system, wrote partnership directors in October, "A one-time supplement is certainly not a long-term solution, especially when our system is expected to admit significantly more students, retrain a workforce, provide skills to people as part of welfare reform, and continue to provide the entry point for the majority of Florida students seeking a bachelor's degree or occupational training for a job."

TWO: Raise tuition by 10 percent – or very close to it – to move Florida toward the current national average.

At the state universities, even after this year's increase, Florida remains in the bottom four among the states in charging students for their schooling. Community college tuition and fees are a little closer to the norm (Florida ranks 36th among the states) but still are under 80 percent of the national average.

Both systems trail the historic guideline in Florida law that students should pay 25 percent of instructional cost. That guideline, by the way, was an adaptation of a 1973 Carnegie Commission report which actually concluded that students should pay a third of the costs. The Carnegie study and many others as recent as last year all conclude that individual graduates benefit greatly in earning power. As our initial report stated, we can see the percentage students and their families pay rising as high as 50 percent of the cost of instruction over time.

A College Degree as an Investment

In an article discussing the pressure on higher cost public and private colleges to hold down tuition increases, *Forbes* magazine made these observations about the projected value of a degree:

"By all measures, and even factoring in the compounding costs, a college degree pays off. In round numbers, a college diploma earns an annual return – after accounting for inflation – of 13 to 14 percent on its cost. That beats the long-run returns on stocks. It swamps the returns on bonds. It explains why your kid probably wouldn't be better off if she or he invested the money and went to work immediately after high school....

"As you would expect in an economy that has shifted rapidly toward depending more heavily on brainpower than on brawn, the return on a college degree is nearly at a record high. After slipping to single digits in the 1970s, returns on a college degree started going back up in the 1980s.

"Kevin Murphy, economics professor at the University of Chicago, found that in 1980 a college worker earned about 43 percent more an hour than a worker with only a high school diploma. By 1994 that earnings advantage had ballooned to 73 percent. The premium attached to a college degree may be as high as 75 to 80 percent now," says Murphy....

"Even at the most primitive level – employment – people who hold a college degree are better off. Rates of unemployment are three times higher for 25- to 29-year-olds with only a high school diploma than for those with a college education." †

Forbes, November 18, 1996

Besides fresh evidence of the rising value of a baccalaureate (see "A College Degree As An Investment," this page), there are parallel indications of the rising value of a two-year community college degree. Many technical degrees are a close match with job categories predicted to grow most quickly in the next 15 years. In Florida graduates with the most highly prized technical degrees now have higher initial earnings (just under \$30,000 a year) than the typical baccalaureate. It is hard for us to see why students should not be paying a modestly and steadily rising share of so valuable a service – particularly those students from well-off families.

As noted in *The Emerging Catastrophe* report, higher tuition should be accompanied by increased need-based scholarships and attention to the health of the Prepaid Tuition Plan. Both points are discussed in detail in the following chapter.

THREE: Increase funding for the Florida Resident Access Grant by at least \$11.8 million.

A good intermediate goal is to get the grant to \$2,400 in 1997-98 and \$3,000 in 1998-99. The independent college and universities estimate that there are as many as

5,000 available spaces in the state's 23 accredited institutions. And another 5,000 spaces could be freed by adjustment of admission mix so as to tilt the balance to more Floridians (a change many of the schools would welcome). So there are 10,000 places there for the taking – an appreciable dent in massive demand for higher education we and others predict. Even more could be created later.

But those numbers won't materialize without aggressively raising the grant (while at the same time charging a bit closer to real cost in state universities). But the dollar amounts are relatively modest compared to the potential savings to the state – \$2,400 versus a \$7,000 subsidy to each state university student.

Draft budgets from the Education Commissioner and Governor do not provide for this level of growth. We hope the Legislature, as it writes the budget, will see the logic of a much greater increase.

There are other state programs that benefit independent colleges and their students, like the Florida Student Assistance Grant, which unfortunately fell during the current year. It remains our partnership's view that the Resident Access Grant is the single best and most equitably distributed way of using the capacity of the independents under current pressures.

FOUR: Continue to extend privatization and decentralization at the universities. Pursue efficiency and productivity throughout the system.

Legislation may be helpful but not crucial to this process. The main point is to continue and measure the initiatives discussed in the previous chapter (speeding time to degree, getting faculty to teach more) and look for new ones.

We note, again without a definitive recommendation, the gradual arrival of performance-based program budgeting in higher education and the rest of state government. To risk stating the obvious, this process has been subject to varying interpretations, and our education partners are sometimes frustrated by moving deadlines and conflicting directives. The community colleges have in place an incentives systems that encourages measured improvement toward goals targeted by the Legislature, while recognizing that 28 very different institutions begin at different places. In general, it is our bias that performance measures are to be welcomed rather than resisted, though they are not an auto-pilot substitute for budgeting decisions. ✦

1997: Other Higher Education Issues

Need-based aid needs special attention.

The four recommendations that have been our focus this year and last by no means exhaust the list of issues relevant to the well-being of Florida's higher education system. In this section, we comment on several that were treated only in passing in *The Emerging Catastrophe* report or have become evident since.

But we note one more time the importance of doing all four things together, as happily was the case in 1996. The Legislature provided both better funding and a tuition increase. Substituting the one for the other would be no progress at all – as examples from all too many other states illustrate. Louisiana did it; Virginia did it, going from an average tuition level to the second highest in the country in a few short years. The system in Hawaii is reeling from a deep budget cut and a 70 percent tuition increase over two years (see *Hawaii Plays Out a Worst-Case Scenario*, next page).

Turning to other issues:

NEED-BASED SCHOLARSHIPS: We wrote a year ago that plowing additional money into need-based scholarships was a necessary accompaniment to the steady tuition increases we recommend. That allows the burden to fall on families who can afford to pay. Otherwise the effect could be to restrict access for middle- and lower-income families.

When the partnership met in December, we viewed with some concern the proposed HOPE scholarship program. Approved but not funded last year and recommended for substantial funding in both the Education Commissioner's and Governor's 1997-98 budget proposals, the program would use lottery funds to pay the tuition of Florida public school high graduates who achieve a high grade-point average.

We appreciate the interest of the Legislature and others in extending additional financial aid to postsecondary students. We also understand the political imperative in trying to restore public confidence in the use of the lottery funds. Our lottery is a painful contrast to the popular success of Georgia's where the HOPE concept originated.

However a strong consensus emerged among both our education and business partners that the state should seek a more appropriate balance between merit-based and need-based aid. Put another way, merit-based HOPE scholarships are a good idea only if there are concurrent adjustments in other state-administered aid programs that bring new resources to bear for those with the greatest need.

Florida has a substantial merit-based program in place as Georgia did not. University of South Florida President Betty Castor told the Governor's Commission on Education in December that her experience with the program shows a problem with grade inflation: a number of students who qualify with high grades in high school have difficulty doing honors college work, and, in some instances, lose their scholarships. It seems questionable to be pegging another big chunk of scholarship money to high-school grades without regard to recipients' ability to pay on their own.

PREPAID TUITION PLAN: We were asked several times in legislative committees whether our tuition recommendations would harm or endanger Florida's Prepaid Tuition Plan. And the health of the plan figures in discussions early this year on a proposed increase for 1997-98.

Hawaii Plays Out a Worst-Case Scenario

"Because of prolonged economic problems, Governor Benjamin J. Cayetano has cut the system's appropriation by about \$40-million, or 15 percent, since 1995. Tuition rates will have risen about 70 percent over two years by 1997-98. Enrollment is down sharply. The cost of deferred maintenance stands at \$70-million, and 900 teaching and staff positions have been abolished or left vacant.

"I would not kid anyone that we haven't been seriously damaged." says Kenneth F. Mortimer, president of the university system of 47,000 students.

"The system is playing out a worst-case scenario in today's world of public-college economics, as many states shift the cost of education to students. The administration has tried to spread the pain evenly." ✦

Chronicle of Higher Education
February 7, 1997

Need-Based Aid at Risk

SCHOLARSHIPS AT RISK

Elite colleges are competing so ferociously for desirable students, needy or not, that financial aid for deserving applicants is coming under pressure

– Headline from

The New York Times Magazine,
September 1, 1996

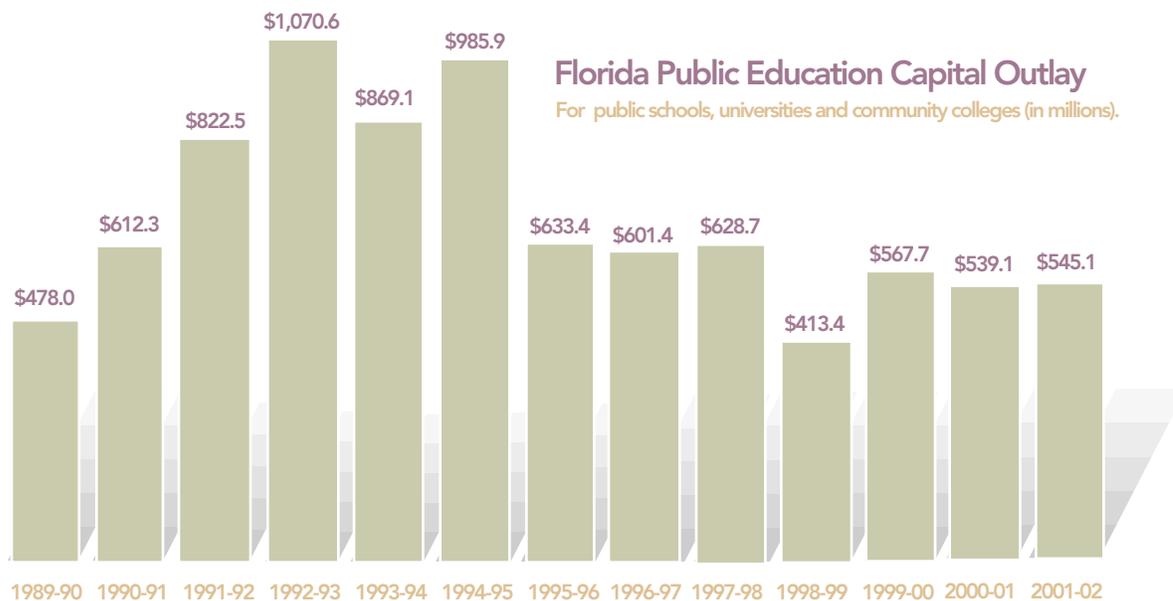
The article describes a practice, known as “sending the limo” in which selective schools bid for the most talented applicants without regard to ability to pay. It concludes that “no one knows whether need-based aid will survive” at Ivy League and other schools. †

The short answer is that the plan will be fine with the increases we recommend. Its director William Montjoy said so in testimony to legislative committees last year. Its actuarial assumption is of 7 percent a year tuition and fee increases. Tuition didn’t go up nearly that much in the early years of this decade, so some bigger increases would merely even things out. Also, because of the plan’s success, its administrative costs are spread over a bigger base and are somewhat less than first anticipated. And the plan has benefited from the favorable investment climate of the last several years. So the Prepaid Tuition Plan could absorb 7 to 10 percent increases in tuition and fees for a number of years to come.

To be fair to those running the plan, they have generally opposed increases as large as we recommend. They can speak for themselves, but their preference is understandable. This is a successful program (more than 350,000 contracts in force) aimed at encouraging families to save so as to provide access to higher education to the current generation of Florida children. The lower tuition remains, the more contracts can be sold.

However, we agree with Chancellor Reed that the plan cannot be the arbiter of tuition charges. That would be a classic case of tail-wagging-dog. If tuition needs to rise, as we believe it must for good reason, the price of future contracts will have to rise too. We do agree that steady increases are more manageable than stops and starts with huge jumps in a single year.

PECO AND CONSTRUCTION NEEDS: Our discussion of responding to the coming wave of students was focused on operating funds and operating capacity. We did, and still do, consider that a first priority.



SOURCE: To Come. Figures beyond 1996-97 are projected.

However, more students will also require more physical capacity, a reality to be at least partially met with the opening of Florida Gulf Coast University in Fort Myers this fall. The unmet need for the community college system for the next five years is estimated to be \$1.1 billion. The unmet need for the State University System for the next five years is estimated to be \$1.019 billion. We noted in passing in *The Emerging Catastrophe* report that PECO (Public Education Capital Outlay) funds have dipped from a peak of \$200 million plus for each system to about \$100 million for the remainder of the decade (Each system gets a 20% share of PECO funds). Given the time a construction project takes, recently completed buildings and those coming out of the ground now date back to the time when PECO funds were flowing more freely. We are headed for a time when new students are arriving en masse and new classrooms, libraries and laboratories are not.

An even more immediate building crunch in the K-12 system has brought PECO to the fore as a legislative issue this session and beyond. While we understand the reluctance to impose anything that hints of new taxes, we think the case is persuasive for repairing PECO (by including a broader range of utilities in the tax) and/or supplementing it. Historically the tax has provided well for Florida's school building needs at all levels: right now it is failing to meet the needs.

TECHNOLOGY: This year, like last, we do not have a master strategy for technology to offer. Distance learning – creating offsite systems for instruction – remains a promising wave of the future. Several of our community college president partners

express skepticism, however, that large numbers of students will be earning degrees in this way anytime soon. Florida lacks the geographical imperative of having many students at a long distance from any campus that is driving the development of a distance learning network in Western states.

Technological considerations should certainly influence the kinds of buildings we add. And we hear that there is a sense in many quarters on campuses that the latest technologies are not widely available – particularly in non-technical fields like journalism and teacher education. In a recent state university study of tuition and fees, a new technology fee emerged as the second priority, just behind higher basic tuition. Orderly funding and development needs to continue.

LINKAGES: We wrote at some length in *The Emerging Catastrophe* about the ties between a strong higher education system and a vibrant 21st Century economy in Florida. The new year has brought good news on that score. The University of Central Florida and University of South Florida are collaborating with AT&T to bring significant new research facilities to the Interstate 4 corridor, just as the University of Florida and Florida State University worked together some years ago to attract the National High Magnetic Field Laboratory and related companies to Tallahassee. Industrial companies making medical products are moving to Miami because of the excellence of the University of Miami's medical school.

And new economic development opportunities are coming as Enterprise Florida and the universities target specific high-tech industries for growth.

The community college system has a potentially central role to play in welfare reform and technical job training generally. Eighty percent (80%) of the jobs of the future require postsecondary education, at least a one-year certification program or a two-year associate's degree. If the community college system is expected, as it should be, to play a major role in training Florida residents for the jobs of the future priority must be placed on this training. The state must also recognize that economically disadvantaged citizens in transition from welfare especially need access to these programs.

The community college system performs admirably in these programs. Over 70% of the occupational training programs statewide address the "high-skill/ high-wage" programs identified by Enterprise Florida as supportive of economic development.

Community college program completers are placed in related employment at a rate exceeding 85.15%. Community college graduates in licensed programs pass their licensure exams at over 90%. These programs serve all citizens and move economically disadvantaged citizens to self sufficiency. All community colleges should be authorized to provide such training.

The emergence and maturing of Enterprise Florida as a public-private partnership should help create not just a new generation of well-educated graduates but some of the new enterprises that will employ them. ✦



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Design & Production by
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