



Issue Brief

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Legislature Continues Record of Disinvesting in Higher Education

The Florida Legislature's years-long policy of cutting state funding for higher education while shifting more of the cost of a college education to students and parents continues.

Budgets passed in the Senate and the House of Representatives again reduce state funding for universities and colleges by hundreds of millions of dollars after four years of deep cuts and despite rapidly increasing enrollment.^{1,2}

While philosophically opposed to raising taxes or fees, legislative leaders contemplate some increases in tuition. The final amount of tuition hikes – and the overall level of cuts in state dollars for higher education – will not be known until the two chambers agree on a budget and until Governor Rick Scott, who has said he opposes tuition increases,³ signs it.

Regardless of the depth of cuts in this session, the recent history of appropriations for Florida's 11 public universities and 28 state colleges (formerly known as community colleges) constitutes a record of disinvestment. Meanwhile, the Governor and legislative leaders trumpet college education as a key to a vibrant state economy and are asking universities to produce more graduates in science, technology, engineering, and mathematics.

This disinvestment accompanies years of inadequate funding of prekindergarten-12th grade education and health and human services programs and the refusal of the legislature to raise additional revenue. In fact, the legislature depletes state revenues each year by passing new tax cuts for corporations⁴ and subsidizing businesses in exchange for promises to create jobs.

Despite years of inadequate funding for higher education, public schools, and health and human services, the legislature has refused to raise additional revenue. In fact, it depletes state revenue each year by passing new tax cuts for corporations and subsidizing businesses in exchange for promises to create jobs.

The Damage to State Universities

Florida's public higher education institutions receive recurring state financial support from two major sources: general revenue, which is produced primarily by the state sales tax, and funds from the Florida Lottery.

Funding for the State University System (SUS) from those two sources dropped by \$544 million from its peak in 2007-08 to 2011-12.⁵ This 24 percent reduction in state support occurred despite the enrollment of 20,000 additional students during that period.⁶

The effect of the budget cut is even more severe when enrollment growth and inflation are considered. With additional enrollment factored in, state dollars provided per full-time-equivalent student declined 30 percent during that period.⁷ The effective cut is even greater (more than 35 percent) when inflation is considered. The \$8,182 appropriated in state support per student in 2007⁸ would be the equivalent of \$8,905 in 2011⁹ -- considerably lower than actual per student state funding in 2011-12.

The recent history of appropriations to Florida's 11 public universities and 28 state colleges constitutes a record of disinvestment even as policymakers trumpet higher education as the key to a vibrant state economy.

To make up a portion of the reductions, tuition has been increased more than 25 percent in those four years,¹⁰ much more than the national average.¹¹ Significant increases in tuition and the use of stimulus funds from the American Recovery and Restoration Act in 2009-10 and 2010-11 has kept total funding for universities from total collapse.¹²

This record of disinvestment in Florida's 11 public universities left the level of state support in 2011-12 -- before the cuts being made for 2012-13 -- equivalent to the 2002-03 fiscal year.¹³ In other words, the state investment in public universities is the same in raw dollars today as it was nine years ago. Meanwhile, tuition for a full-time student has almost doubled since that time.¹⁴

Even with those increases, proponents of higher tuition argue, Florida university tuition is 45th highest in the U.S.,¹⁵ up from 48th the previous year, beginning what the legislature hoped would be a steady climb toward reaching the national average about 2019-20.¹⁶

The new cuts for 2012-12 add further to Florida's low ranking among the states in expenditures for higher education per capita and per \$1,000 of personal income.¹⁷

The budget passed by the Senate cuts \$400 million in state funding for universities in the 2012-13 fiscal year.¹⁸ The House budget cuts state support for the SUS by 8.4 percent or about \$200 million less than the Senate budget.¹⁹

The Impact of the Decline in State Support on the Florida College System

The 28 colleges in the Florida College System have experienced huge growth in enrollment since the recession. Full-time equivalent students rose more than a third from 2006-07 to 2010-11, from 286,755 to 383,629.²⁰

During that time, state funding per full-time equivalent student declined 25 percent²¹ and tuition revenue rose to comprise almost half of total revenue for the colleges.²² Despite tuition increases, however, total funds per FTE declined by seven percent.

Further reductions may occur for 2012-13, depending on the final appropriations act negotiated by the Senate and House. The budget adopted by the House cuts state funding for the Florida College System by four percent and replaces it with an eight percent increase in tuition.²³ The Senate provides a small hike.²⁴

Budget reductions of the magnitude proposed this session, combined with previous cuts and steadily rising tuition and fees, make access to college more difficult for Floridians each year. In addition, the budget squeeze affects quality, as colleges and universities are forced to raise class sizes and watch talented faculty leave the state for higher salaries elsewhere.

The effects of disinvestment in higher education extend to the quality of life and economic vitality of Florida in the future. By scrimping on higher education, Florida moves further away from the most important requirement for job creation – providing a well-educated workforce for current businesses and for those we seek to attract to move to Florida.

This report was researched and written by Alan Stonecipher.
The report and its findings do not necessarily reflect the
views of the FCFEP Board of Directors.

Endnotes

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² Higher Education Appropriations Subcommittee Budget Summary, Office of Public Information, Florida House of Representatives.
<http://www.myfloridahouse.gov/Handlers/LeagisDocumentRetriever.ashx?Leaf=housecontent/FP%20Slider%20Documents/OPI%20Budget%20Summary%201-31-12.pdf&Area=House>

³ “It’s Gov. Rick Scott vs. State Official in Effort to Raise Tuition Rates,” Palm Beach Post, February 11, 2012.
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⁴ “House Democrats Try, Fail to Halt \$108 Million Business Tax-Cut Package,” Tampa Bay Times, February 15, 2012. <http://www.tampabay.com/news/business/corporate/house-democrats-try-fail-to-halt-108-million-business-tax-cut-package/1215457>

⁵ “Historical Trends in State University System Base Operating Funds,” Information Brief, State University System of Florida, January 10, 2012. <http://www.flbog.edu/pressroom/doc/Historical-Trends-in-State-University-System-Base-Operating-Funds.pdf>

⁶ State University System.

⁷ 2010-11 Annual Accountability Report, State University System of Florida.

http://www.flbog.edu/about/doc/budget/System_Annual_Accountability_Report.pdf

⁸ 2010-11 Annual Accountability Report, State University System of Florida.

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⁹ Bureau of Labor Statistics, U.S. Department of Labor, CPI Inflation Calculator.

http://www.bls.gov/data/inflation_calculator.htm

¹⁰ “Summary of State Education & General Operating Appropriations and Actual FTE Students,” State University System.

¹¹ “State Higher Education Finance, FY 2010,” State Higher Education Executive Officers.

http://www.sheeo.org/finance/shef/SHEF_FY10.pdf

¹² “Summary of State Education & General Operating Appropriations and Actual FTE Students,” State University System.

¹³ “Historical Trends in State University System Base Operating Funds,” Information Brief, State University System of Florida, January 10, 2012. <http://www.flbog.edu/pressroom/doc/Historical-Trends-in-State-University-System-Base-Operating-Funds.pdf>

¹⁴ “Summary of State Education & General Operating Appropriations and Actual FTE Students,” State University System.

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¹⁶ “Tuition and Fees at State Universities, Committee on Higher Education,” Issue Brief 2011-222, Florida Senate, November 2010. <http://www.flsenate.gov/Committees/InterimReports/2011/2011-222he.pdf>

¹⁷ “State Higher Education Finance, FY 2010,” State Higher Education Executive Officers, Page 47.

http://www.sheeo.org/finance/shef/SHEF_FY10.pdf.

¹⁸ Senate Budget Committee, February 15, 2012.

¹⁹ Higher Education Appropriations Subcommittee Budget Summary, Office of Public Information, House of Representatives.

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²² Will Holcombe, Chancellor, Florida Colleges, House Higher Education Subcommittee, October 19, 2011.

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²⁴ Senate Bill 7050. <http://www.flsenate.gov/Session/Bill/2012/7050/BillText/Filed/PDF>