

# CEPRI ISSUES

**Presentation to  
House Education  
Appropriations Subcommittee**

February 12, 2004



# UNIVERSITY CONTRACT STUDY

Adopted October 2003





# University Contracts

- UF/FSU proposed a 5-year contract between the Legislature and them during the 2003 Session
- In response, the 2003 Legislature directed CEPRI to study the feasibility of 5-year contracts between the State and public universities



# From Concept to Innovation

- A contractual approach could provide the opportunity to:
  - Have a cohesive plan for the university system
  - Define the mission of each university
  - Ensure regional and state priorities are being met
  - Directly link performance with funding



# The Need for Coherent Funding Policies

Dennis Jones in *Financing in Sync: Aligning Fiscal Policy with State Objectives* (2003) notes that when funding policies are not aligned, important goals of higher education are not realized:

- Students find higher education becoming unaffordable and opt out;
- Taxpayers pay more than their fair share; or
- Institutions fail to acquire the resources needed to adequately fulfill their missions.

## Finding: A Binding Contract with Legislature Is Not Feasible



### Legalities of Multi-Year Contracts:

- One legislature can not bind future legislature
- Executive branch can not bind legislature
- Board of Governors has constitutional responsibility for Governance and would be the appropriate party to contract with the universities
  - Contract could specify basis for Board of Governor's budget request

# Recommendations Regarding Process for Contracting



- Process for contracting
  - Legislature would determine framework
  - Governor would approve
  - Board of Governors would develop process within Legislative framework
  - Universities would develop proposals, including objectives, measures and standards
  - Board of Governors and universities would negotiate and implement contract
  - CEPRI would review after two years



## Recommendations Regarding Performance Expectations

- Individual university contracts would have some measures in common; others would vary according to mission.
- Performance Expectations would address:
  - Priorities of the State
  - Assisting students to stay on track and reduce time to degree
  - Student access and graduation
  - Containing student costs
  - Feedback from students and employers
  - Maintaining accreditation





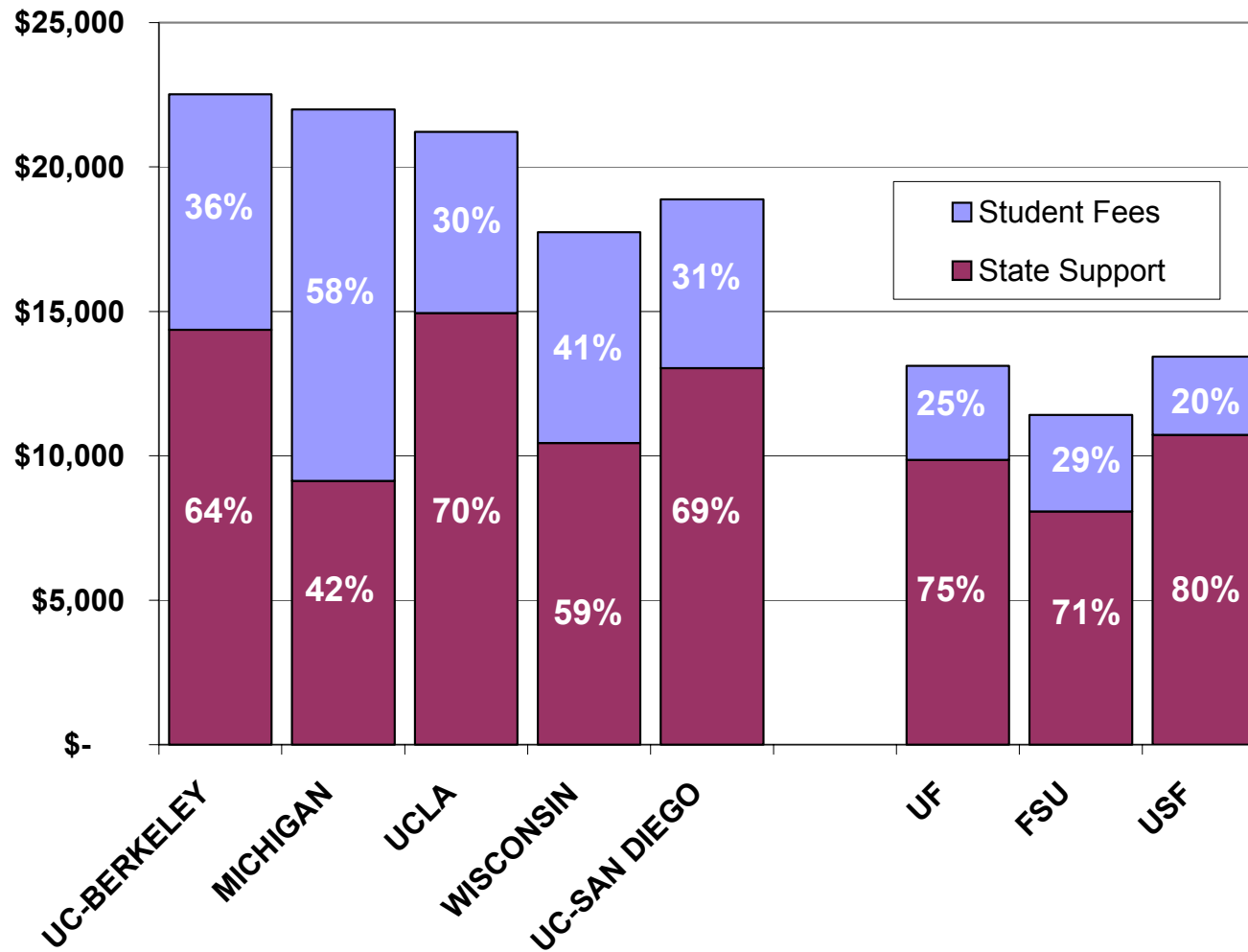
## Recommendations Regarding Incentives and Penalties

### Within the Legislative framework:

- Ability to set tuition should be the reward for performance. This authority must be tied to maintaining access to quality education for all high-performing students regardless of financial status
- Development of plans for corrective action are required when performance standards are not met
- Authority to set fees is lost if performance does not meet standards on critical measures in one year
- The Board of Governors provides annual review and control over tuition and access through the contract negotiated with the university



## The Taxpayers Share: Florida Tuition & Tax Revenue in Comparison to Top 5 Public Universities





# Quality: A return to the taxpayers investment

## 1995 NRC Rankings of Programs

	Outstanding	Excellent	Very Good	Good
Any Discipline				
UF		1	15	16
FSU			7	15
USF				5
UCF				2
Science and Technology				
UF			10	11
FSU			4	9
USF				4
UCF				2



## Per Capita Degree Production vs. Student Cost: Florida vs. Ten States with Highest Tuition

<i>Resident Undergraduate Fees</i>			<i>Rank on Bachelor's Degree Production*</i>
<i>State</i>	<i>Amount</i>	<i>Rank</i>	
Vermont	8,665	1	2
New Hampshire	7,693	2	12
Pennsylvania	7,396	3	10
Michigan	6,935	4	20
New Jersey	6,655	5	45
Connecticut	5,824	6	26
Illinois	5,754	7	28
Minnesota	5,536	8	19
Rhode Island	5,365	9	1
Maryland	5,341	10	31
<b>U.S. Avg.</b>	<b>4,675</b>		
Florida	2,444	49	41

\*2001-02 Bachelor's Degrees per 100K 18-44 Population, Public and Private Institutions



## **Tuition Policy as a Tool for Providing Access**

- **Reducing Time to Degree**
  - **Block Tuition Schedule to Encourage Larger Course Loads**
  - **Use of Tuition Revenues to Expand Course Availability**
- **Use of Tuition Revenues for Need Based Aid**
- **Expand Cooperative Education Opportunities**
- **Improved Counseling and Career Planning**



# Four Year Graduation Rate of All FTIC Students

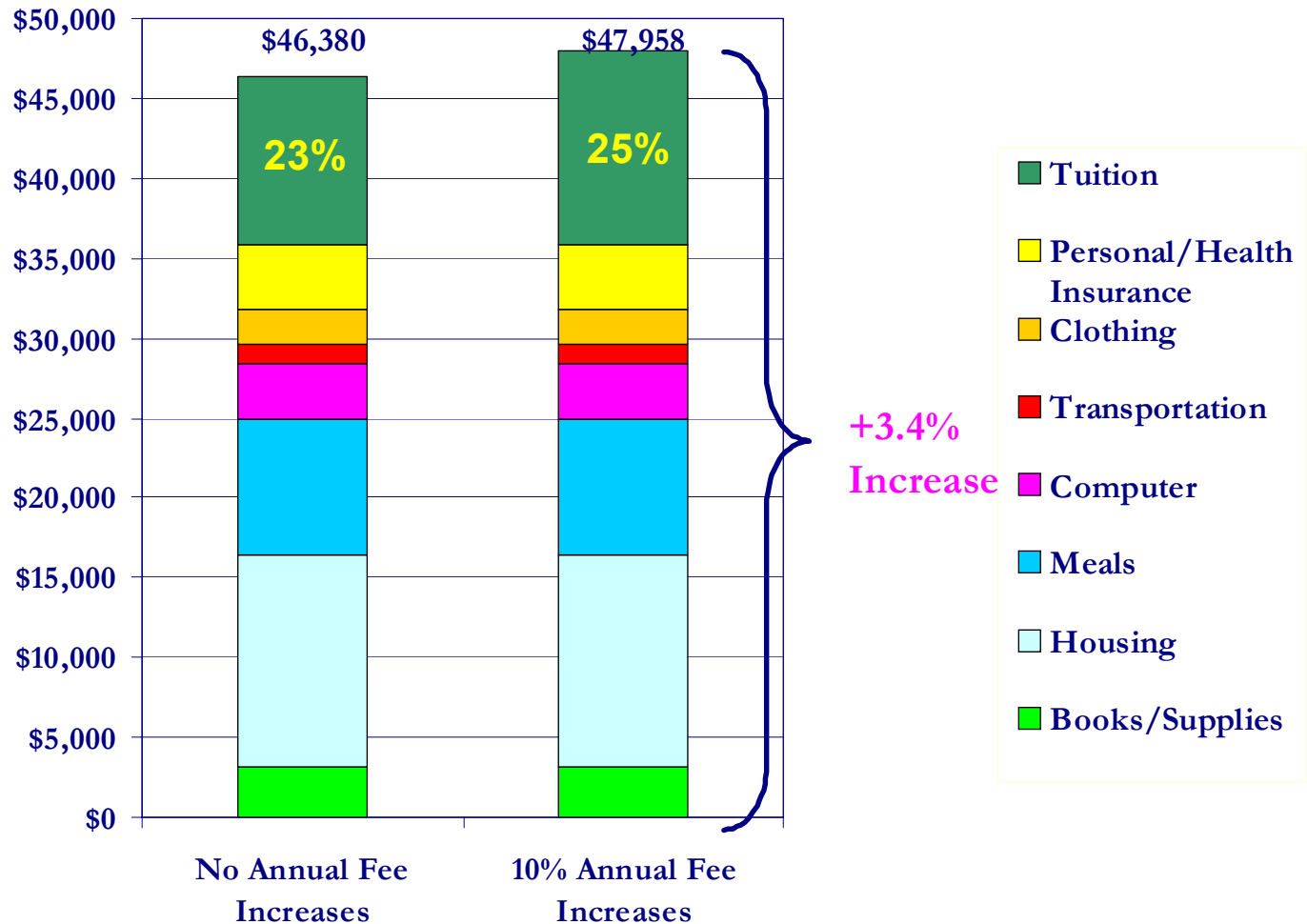
1 <sup>st</sup> Yr	SUS	UF	FSU	USF	UCF	FIU
1990	26.13%	29.49%	37.63%	17.92%	20.91%	18.70%
1991	25.89%	28.90%	38.95%	19.75%	20.14%	17.69%
1992	27.61%	30.69%	38.47%	20.04%	23.32%	16.10%
1993	28.26%	33.69%	39.61%	20.42%	21.80%	15.38%
1994	28.87%	37.95%	39.81%	19.23%	23.98%	14.28%
1995	31.29%	42.90%	39.56%	19.17%	26.17%	14.66%
1996	32.51%	50.04%	39.54%	18.79%	24.95%	15.71%
1997	32.99%	49.01%	39.86%	21.41%	26.91%	16.45%



# Tuition Is Not the Main Cost of College

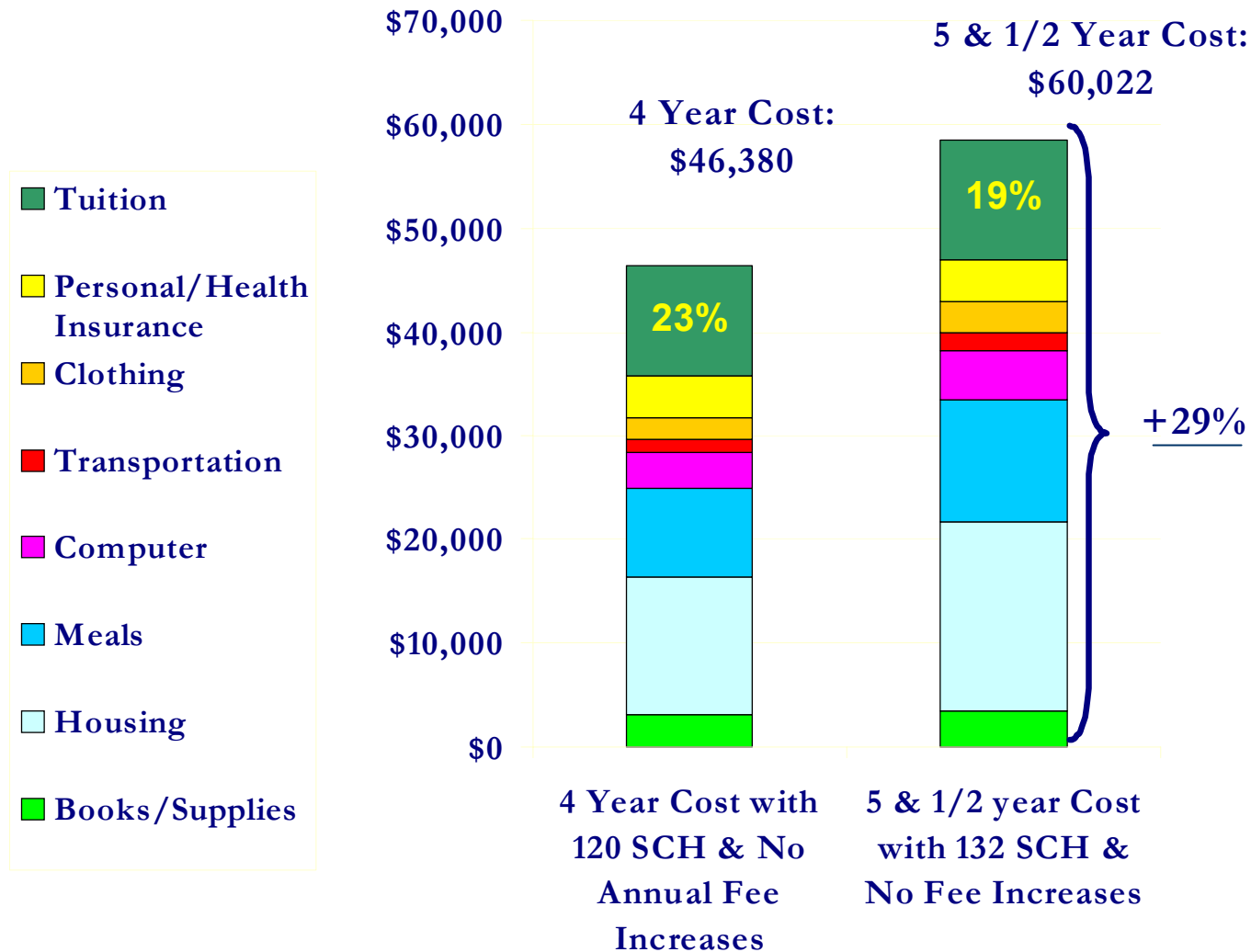
Three years of 10% increases is a 3.4% increase in total cost

4 Year  
Cost





# Additional Cost of Extra 1 1/2 Years to Degree with No Fee Increase







## Conclusion

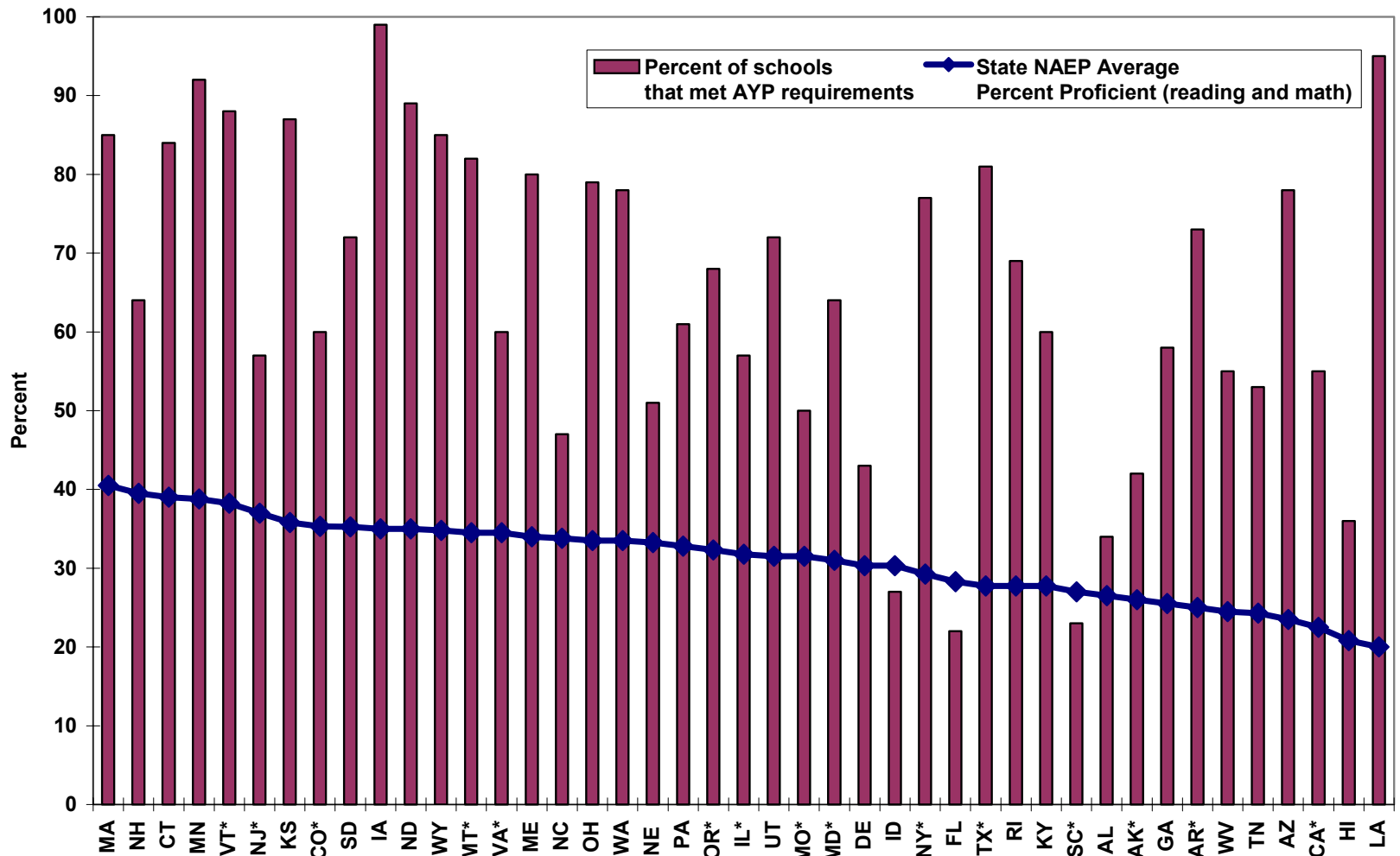
- Contract approach would close the gap between mission, performance, and funding
- Contract could be a vehicle for defining state goals and encouraging universities to meet them
- Council strongly believes this approach should be embraced and utilized

# CEPRI WORK PLAN AND OTHER ISSUES





# Relationship of AYP Scores to NAEP Average Percent Proficient by State, 2002-03



\*Preliminary AYP data

# Transforming Pre K-20 Education in Florida



## VISION FOR OVERALL RESULT OF A+ PROGRAM

- **Overarching and unifying goal for the A+ program and all supporting initiatives**

*All students will graduate from high school fully capable of choosing, entering and being successful in either the workforce, further career education, or postsecondary degree programs.*

- **Yardstick by which to measure the cumulative performance of the entire system**

# Transforming Pre K-20 Education in Florida



## INSTRUCTIONAL FOCUS

- Early childhood education (pre K-3) – to ensure that all students have a sound basis for future learning and personal development
- Career education – to address the specific needs of 60% of high school students who do not go into postsecondary programs

# Transforming Pre K-20 Education in Florida



## STRUCTURAL FOCUS

- **More effective approach to funding** – to reinforce the desired focus, coordination and achievement of high priority goals
- **High quality governance and leadership** – to ensure the most effective use of available resources and the creation of an attractive environment that attracts and retains high quality teachers



# Transforming Pre K-20 Education in Florida

## BROAD BASED SUPPORT

- **Force the right decisions as to major structural and operational issues**
- **Stay the course as to key initiatives in order to fully achieve desired results**

# ADULT AND CAREER EDUCATION RECOMMENDATIONS

Adopted January 2004







# Scope of the Analysis

- **Develop a funding methodology for workforce/career education that provides for:**
  - long term stability
  - accommodates growth
  - rewards program performance
- Recommendations were developed in consultation with community colleges, vocational centers, school districts, the Department of Education, and others involved in public vocational education.



# Scope of the Analysis

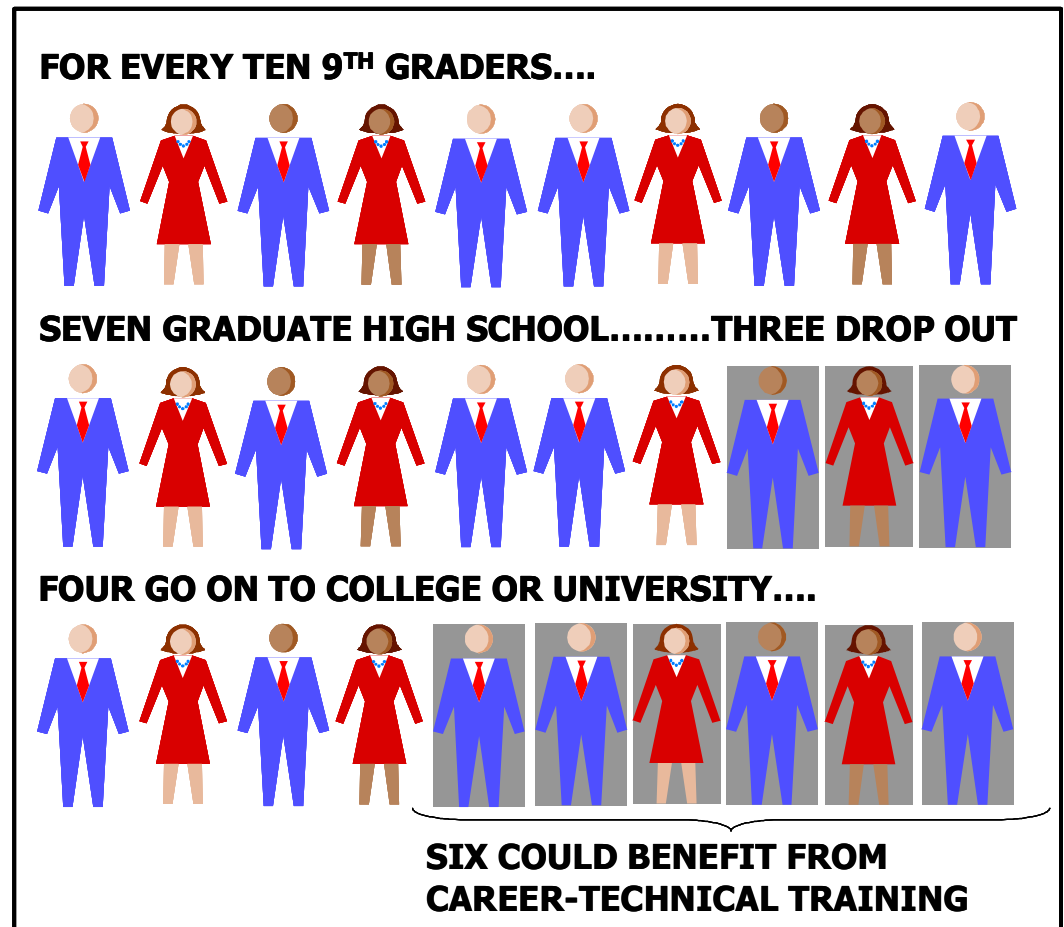
- **What do we mean by Adult and Career Education?**
  - All community college and school districts programs that are currently funded on performance through the Workforce Development Education Fund
  - Includes community college associate in science, postsecondary vocational, adult general education, and continuing workforce education



# Key Facts – Student Demand

Figure 2

- Career education programs play a pivotal role in meeting the needs of the 6 out of 10 9th graders who drop out do not enter immediately into college or university programs.

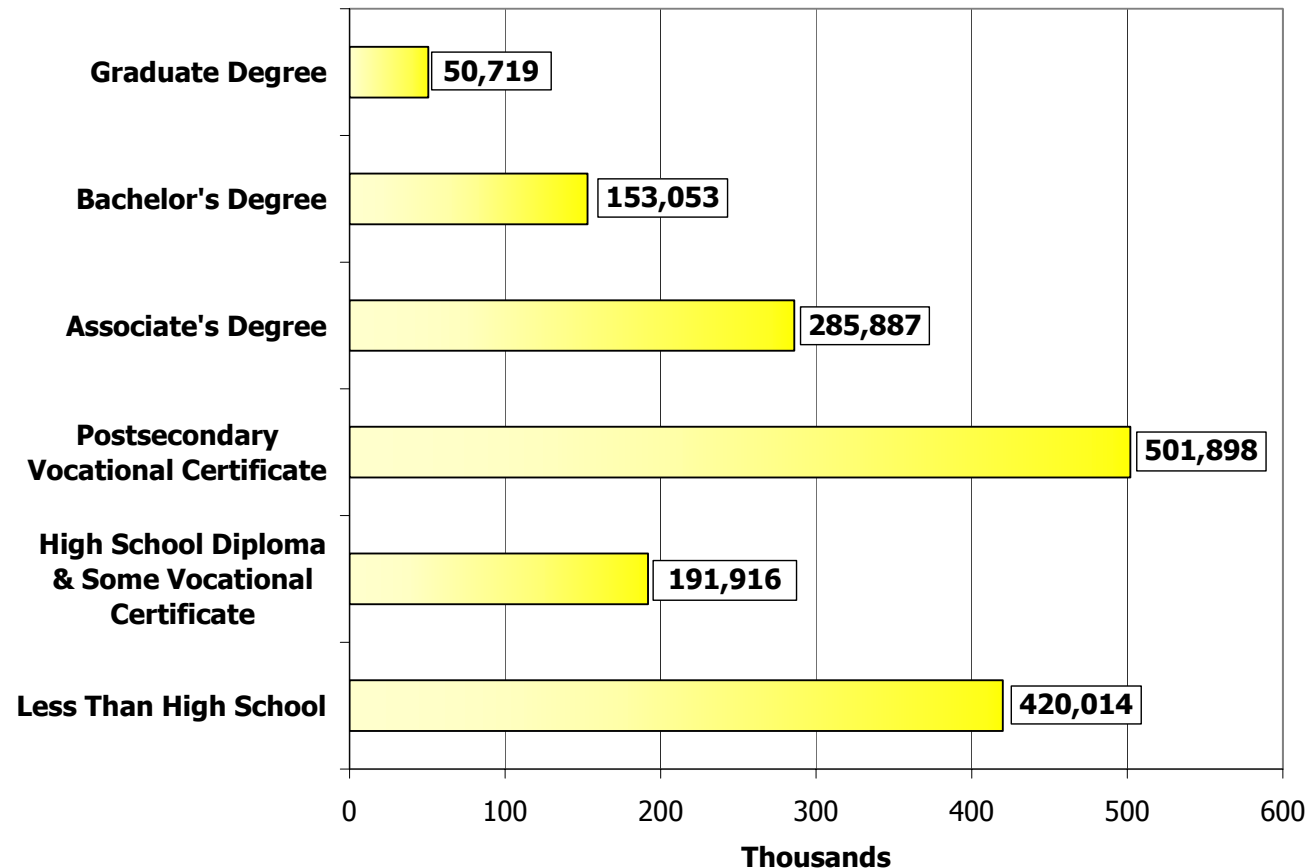




# Key Facts – Employer Demand

- Over 60% of the growth will be in jobs requiring postsecondary education and training - but not a bachelor's degree.
- 9 of the 10 fastest growing require an associate degree or vocational certificate.

## Projected Job Growth through 2010

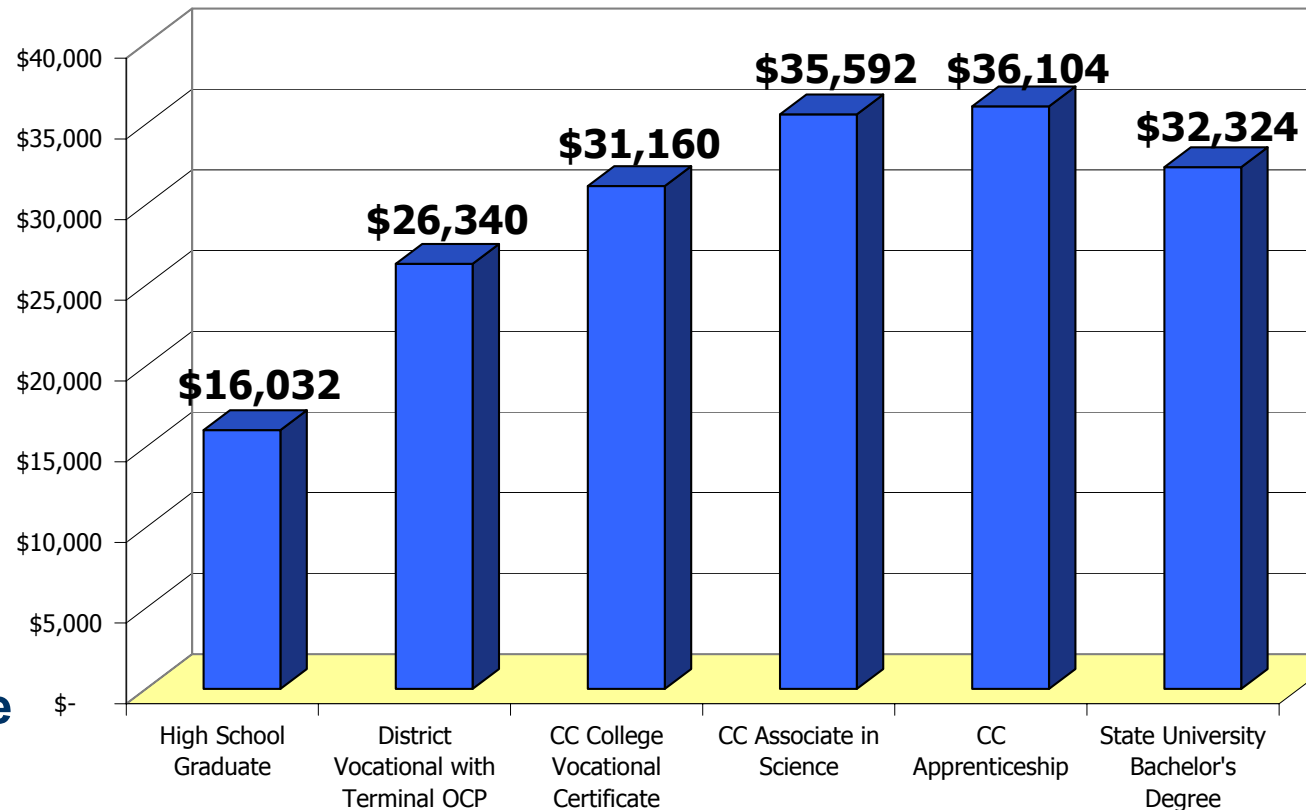




# Key Fact - Wages

- With high-quality skilled training, high school graduates significantly improve their earnings potential, with career education completers comparable to or exceeding those of recent bachelor's degree graduates.

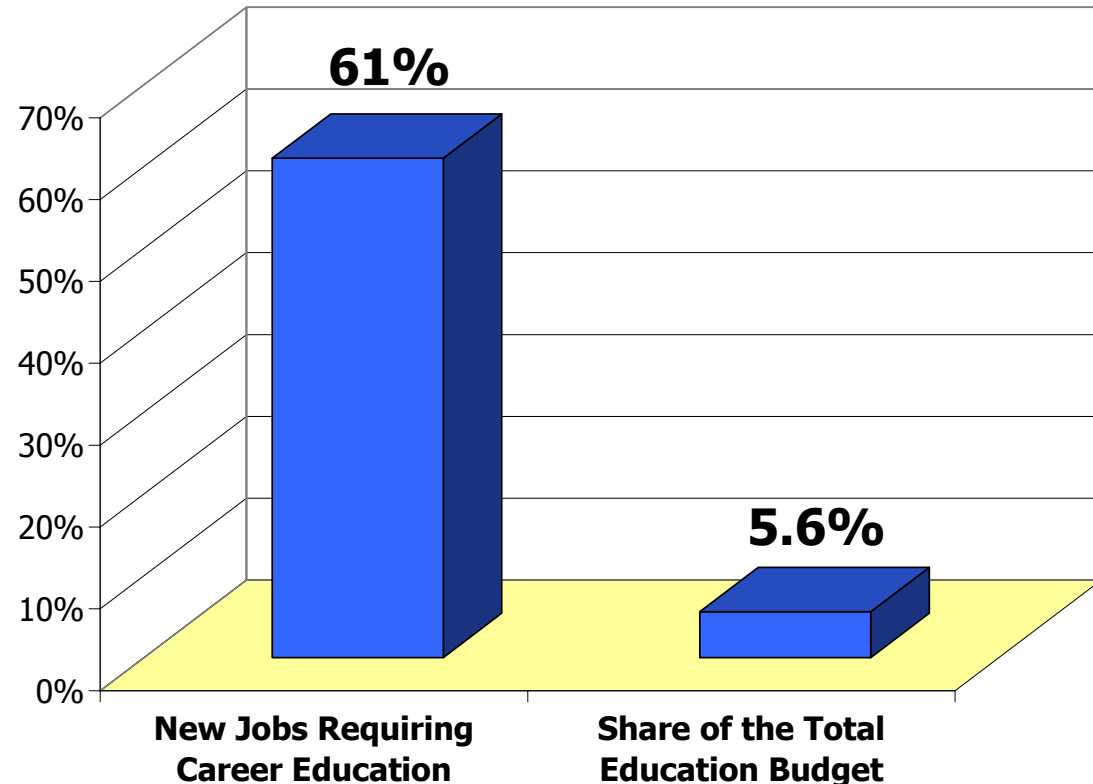
**Estimated Annual Wages of 2000-01 Program Completers**



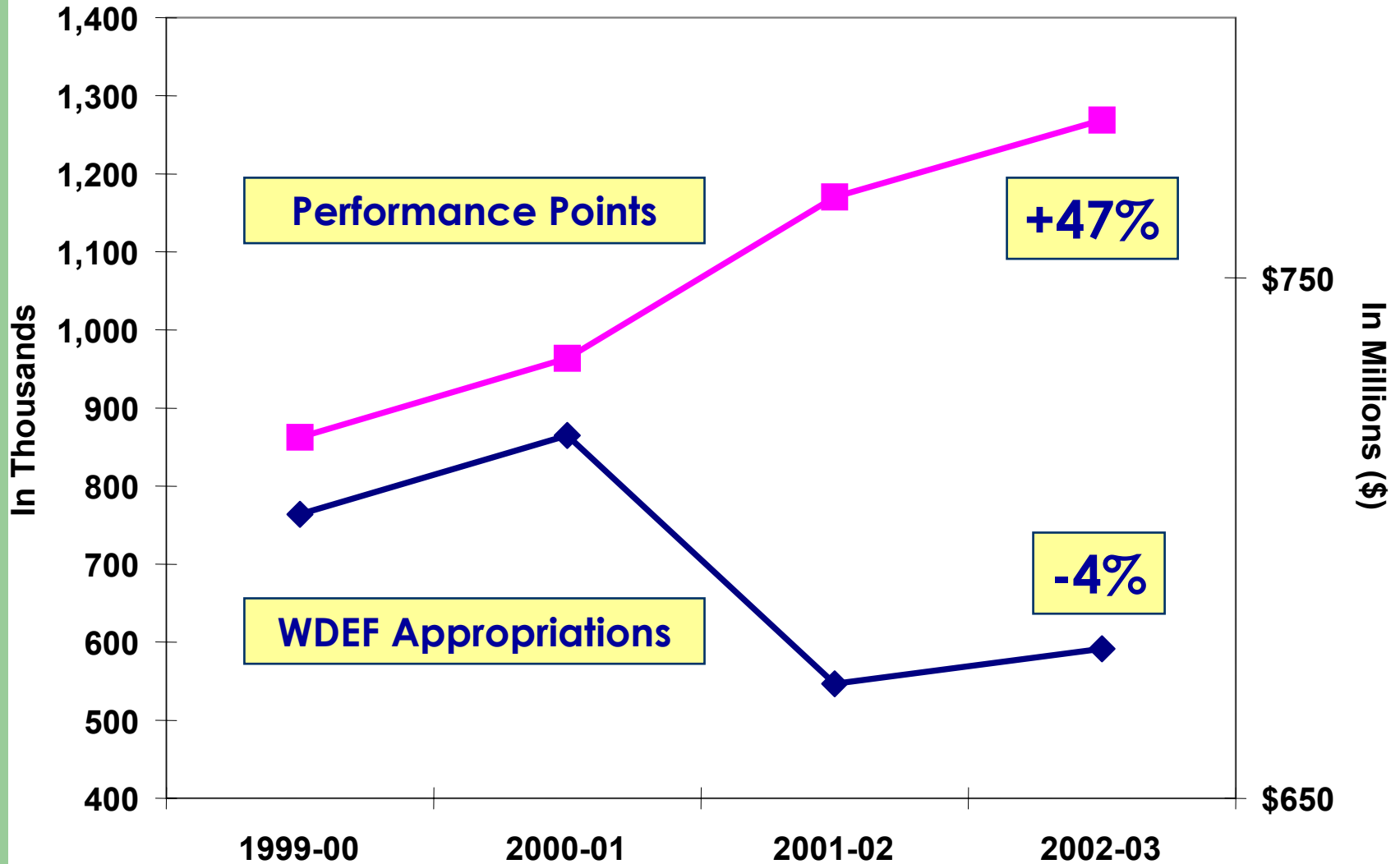


# Key Fact – State Priorities

- State support for adult and career education programs has declined by 6% in recent years, while funding for academic programs at colleges and universities has increased on the order of 30%.
- A modest increase in funding relative to the total education budget would produce a very significant and positive economic impact.

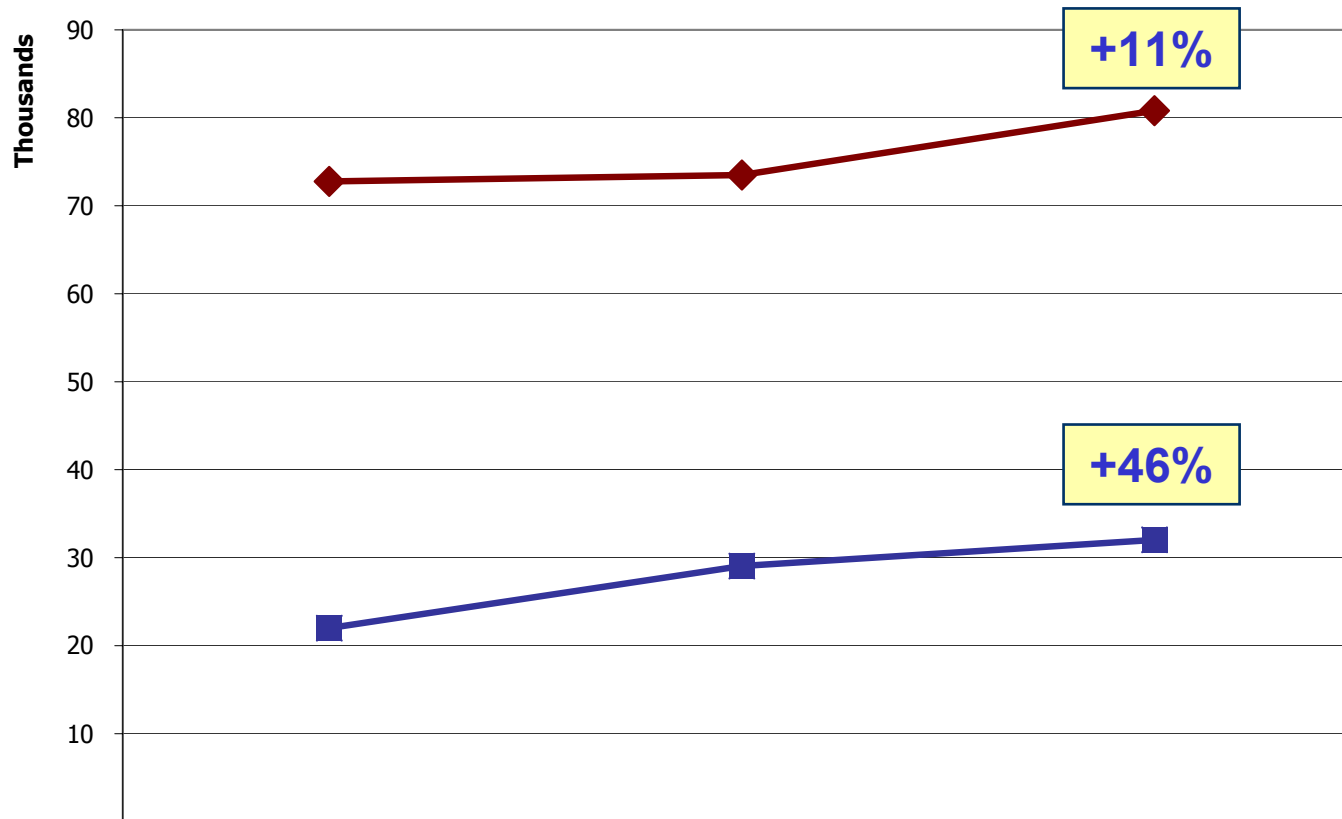


# Adult and Career Education Performances vs. Appropriations





# Adult Vocational Certificates (PSAV): 3-year Enrollment Trend by Sector

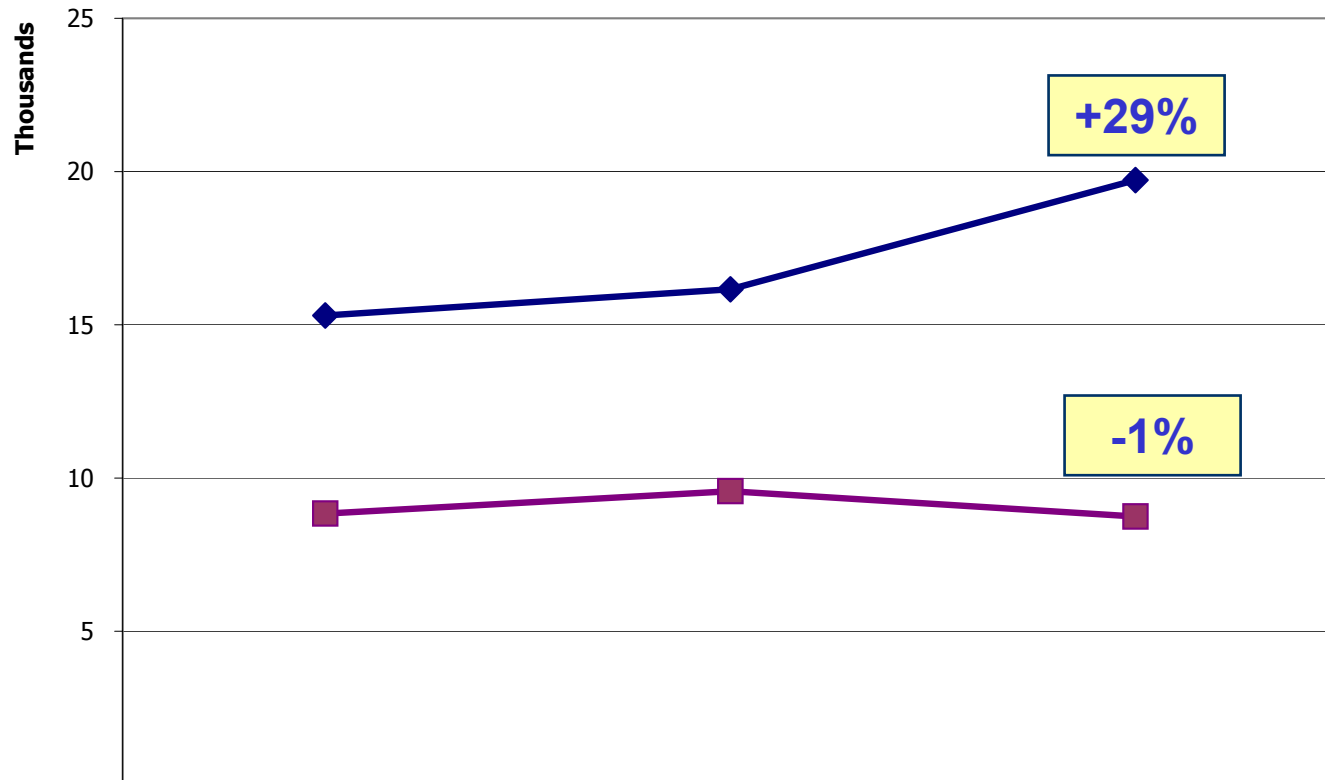


	1999-00	2000-01	2001-02
◆ District	72,763	73,498	80,806
■ College	21,989	29,056	32,011





# Adult Vocational Terminal OCPs: 3-year Completions Trend by Sector



	1999-00	2000-01	2001-02
◆ District	15,309	16,160	19,719
■ College	8,845	9,573	8,743



# Creating a Priority for Adult and Career Education Funding

- Creating a higher priority for workforce funding in the legislative appropriations process is an important element of addressing issues with workforce education funding.
- Regardless of the funding methodology, the amount of funding provided for workforce education is the most critical element of program expansion.

# Conclusions about Current Funding Methodology



- *Increases in performances do not necessarily result in increases in funding.*
- *The funding methodology at the current funding level has not provided adequate resources to expand existing or start new programs in high demand, high cost fields.*
- *Apprenticeship programs have experienced large decreases in expenditures and in reported cost per funded occupational completion point (OCP), but identifying funding disparities is difficult.*

# Principles for a New Methodology



- Must recognize the *central role* of career and technical training in the state's economic development.
- Must establish a process for providing for growth and the development of new programs in high demand, high wage fields.
- Must encourage the development of “*bridges*” between high school and career programs.
- Must encourage *public-private partnerships* and the leveraging of private resources.
- Must maintain the same *performance standards* for programs regardless of the type of institution offering the program (district or college).
- Must *align with the reality* of the budget process.



## Appropriations for Community Colleges and School Districts

- Florida must commit ***more resources*** to meeting the education and training provided by Florida's community colleges and schools districts.
- The distribution of funds should be made to community colleges and school districts using a ***common set of criteria*** to create a level playing field for all providers of adult and career education.



# Workload and Performance

- The funding methodology for the distribution of resources to community colleges and schools districts must contain ***both workload and performance elements***.
- The gains produced by the current funding methodology must be maintained with an ***appropriate emphasis on performance***, in the form of program completers, program placements, and student transitions to higher education levels.



# Workload and Performance

EXAMPLE: Workload and Performance

Year 1

**\$100,000**  
Base Funding

Year 2

Enrollment

**\$90,000**  
90% of Year 1 Base

**\$10,000**  
10% of Year 1 Base

**At Risk \$\$\$**

**New \$\$\$**

**Workload Increase**  
(\$ per unit)

**Possible Bonus**  
\$\$ for Increased Performances

Performance



# New Program Development

- The current funding methodology and funding levels has not adequately provided for the start-up of new programs or the expansion of existing programs.
- An additional ***competitive funding grant*** is necessary to meet the local need for program development costs.





# Apprenticeship

- The Council supports the funding of apprenticeship programs with other adult and career education programs, but recommends ***modifications to the current fee exemption policy.***
- A better evaluation of funding disparities for apprenticeship funding requires ***more reliable data*** collection on program cost, enrollments and completions.



# Additional Issues for Future Consideration

- Improved Career Guidance and Counseling
  - Examine current incentives in FEFP to ensure adequate resources for student advisement
  - Identify best practices to allow students quality time with advisors
  - Development of an intensive marketing campaign to attract students in postsecondary programs of critical need to the state
- Establishment of Career-Focused Curriculum
  - Career Academies
  - Charter-Technical High Schools and Dual Enrollment Policies