



Fact Book Bulletin

REPORTING SIGNIFICANT TRENDS AFFECTING EDUCATION PROGRESS IN THE SREB STATES

CHALLENGE
TO LEAD

SREB

Funding for Public Colleges and Universities Continues to Lose Battle with Enrollment Growth and Inflation

Funding (appropriations plus tuition and fees) for public colleges and universities in the SREB region has lost ground so far this decade when enrollment growth and inflation are taken into account. Real-dollar growth in per student funding — along with results — are called for by SREB's *Challenge to Lead* Goals for Education. Most of the funding increase thus far this decade has been generated by tuition and fees, not appropriations. This translates into higher and higher prices for students and their families at a time when there is already a college affordability gap for middle- and lower-income families.

On average, in the SREB region, funding per full-time-equivalent (FTE) student, adjusted for inflation, was 3.3 percent lower in 2005 than in 2001 at public four-year colleges and universities. In 2005, the regional average at public four-year colleges and universities was \$11,420 — \$386 less than in 2001. The average was 6.7 percent lower at public two-year colleges, where the 2005 average was \$5,903 — \$421 less than in 2001.

Funding per FTE student at public four-year colleges and universities, adjusted for inflation, went down in 12 SREB states over the period. At public two-year colleges, average funding per FTE student, adjusted for inflation, went down in 13 SREB states.

Funding (appropriations plus tuition and fees) went up 23.1 percent at public four-year colleges and universities and 31.4 percent at public two-year colleges in the region. But FTE enrollment went up 12.7 percent in the four-year sector and almost twice that (24.6 percent) in the two-year sector. As a result, funding per FTE student went up just 9.2 percent in the four-year sector and 5.4 percent in the two-year sector. The effects of inflation moved both of the figures into red ink.

On average in the SREB region at public four-year colleges and universities, revenue from tuition and fees rose 59.3 percent from 2001 to 2005. State appropriations increased 4.6 percent. That equaled almost \$7 in tuition and fees for every additional dollar appropriated. At public two-year colleges, tuition and fee revenues rose 68.5 percent, while state/local funds grew by 17.8 percent. That was about \$1.50 for every additional state/local dollar.

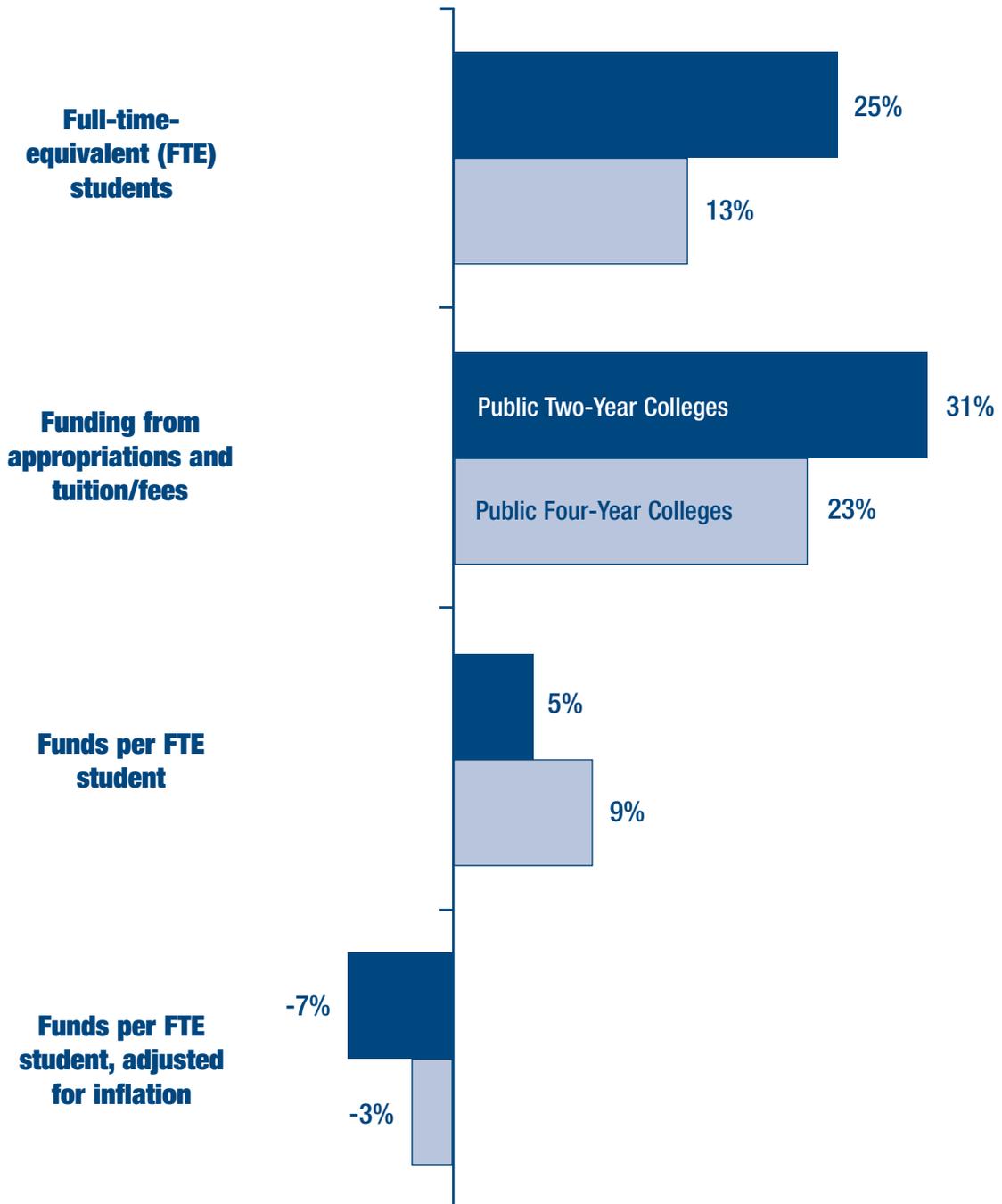
State and campus leaders need to pursue real-dollar growth in per student funding, along with results, without over-relying on tuition and fees — a practice that threatens access to college, which is so vital to further educational progress.

February 2006

Southern
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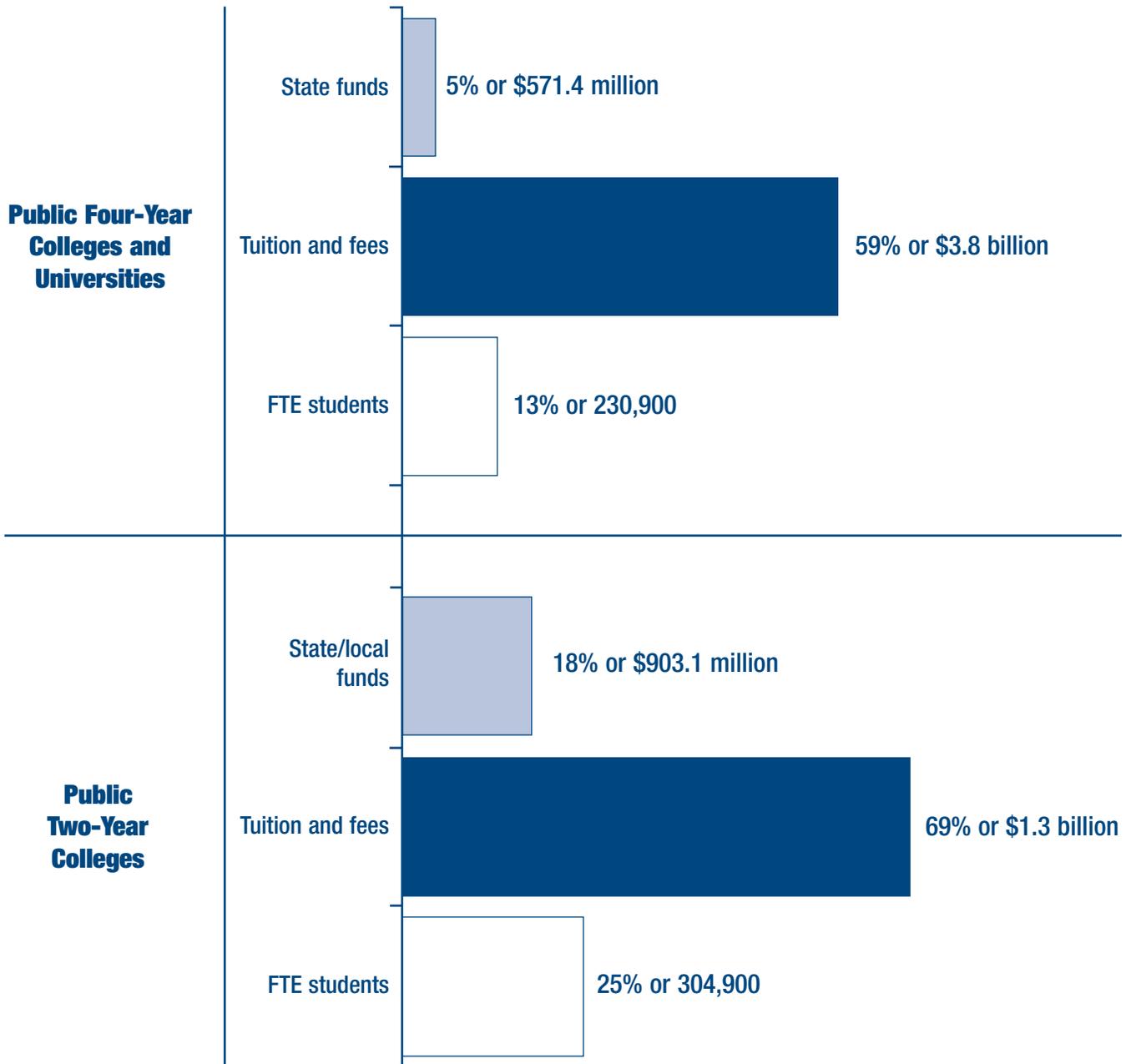
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Changes in Enrollment and Funding, SREB States, 2001 to 2005



Source: SREB-State Data Exchange.

Enrollment, Appropriations and Tuition Revenue Growth, SREB States, 2001 to 2005



Source: SREB-State Data Exchange.

Funds¹ for Educational and General Operations Per Full-Time-Equivalent Student²

(Updates Tables 75 and 76, *SREB Fact Book on Higher Education, 2005*)

	Public Four-Year Colleges and Universities					Public Two-Year Colleges				
	2004-05			Change in Total ³ , 2001 to 2005		2004-05			Change in Total ³ , 2001 to 2005	
	State Appropriations	Tuition and Fee Revenues	Total	Dollars	Percent	State/Local Appropriations	Tuition and Fee Revenues	Total	Dollars	Percent
SREB states	\$6,414	\$5,006	\$11,420	-\$386	-3.3	\$3,877	\$2,026	\$5,903	-\$421	-6.7
Alabama	5,464	5,410	10,874	-448	-4.0	3,691	2,521	6,212	164	2.7
Arkansas	6,727	4,827	11,554	-141	-1.2	4,449	2,025	6,474	-762	-10.5
Delaware	6,454	12,294	18,748	1,065	6.0	4,996	2,761	7,757	-1,340	-14.7
Florida	8,103	3,223	11,326	-987	-8.0	3,180	1,932	5,111	-798	-13.5
Georgia	7,163	4,189	11,351	-1,655	-12.7	3,852	2,006	5,858	-1,767	-23.2
Kentucky	6,499	6,367	12,865	-381	-2.9	3,889	2,777	6,666	750	12.7
Louisiana	5,077	3,479	8,556	680	8.6	3,215	2,303	5,518	-121	-2.1
Maryland	7,505	8,255	15,760	-254	-1.6	6,434	4,161	10,595	719	7.3
Mississippi	6,436	5,787	12,224	-39	-0.3	3,373	2,025	5,398	-1,190	-18.1
North Carolina	8,784	4,250	13,034	168	1.3	3,754	797	4,551	-419	-8.4
Oklahoma	5,261	4,275	9,535	-397	-4.0	3,589	1,953	5,541	-1,330	-19.4
South Carolina	4,647	7,070	11,717	792	7.2	2,931	3,283	6,214	-61	-1.0
Tennessee	6,104	4,983	11,087	-19	-0.2	3,757	2,615	6,372	-20	-0.3
Texas	6,085	4,816	10,901	-545	-4.8	4,465	1,818	6,283	-167	-2.6
Virginia	5,260	6,135	11,395	-1,046	-8.4	3,222	2,394	5,616	-292	-4.9
West Virginia	3,794	5,296	9,090	-135	-1.5	3,550	2,431	5,981	-706	-10.6

¹ Include state and local tax revenues allocated to colleges and universities for operating expenses related to higher education; other funds, such as earnings from state-funded endowments, used for operating purposes; earmarked revenues, such as from lotteries, used for operating purposes; and tuition and fee revenues. Excluded are funds appropriated for capital construction and debt payments, tuition and fee revenues dedicated to debt service, medicine and health-professions education programs (including teaching hospitals and schools of veterinary medicine), statewide financial aid programs for students, statewide coordinating and governing boards, and private colleges and universities.

² Full-time-equivalent (FTE) enrollments are calculated according to the following procedures: first, undergraduate credit-hour FTE equals estimated annual undergraduate credit-hours divided by 30 for semester systems or 45 for quarter systems; and second, graduate FTE (including law students) equals estimated annual graduate credit-hours divided by 24 for semester systems or 36 for quarter systems. Undergraduate and graduate FTE are added together to derive the total.

³ Adjusted for inflation. The Bureau of Labor Statistics Employment Cost Index for public colleges and universities increased by 12.9 percent from 2000 to 2004.

Source: SREB-State Data Exchange.

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