

Hanlon, Kathy [LEGIS]

From: Madison, Robin [LEGIS]
Sent: Thursday, November 14, 2013 9:42 AM
To: Hart, Rita [LEGIS]; Forristall, Greg [LEGIS]; Beall, Daryl [LEGIS]; Byrnes, Josh [LEGIS]; Boettger, Nancy [LEGIS]; Jorgensen, Ron [LEGIS]; Dvorsky, Robert [LEGIS]; Ruff, Patti [LEGIS]; Sinclair, Amy [LEGIS]; Wessel-Kroeschell, Beth [LEGIS]; Soderberg, Chuck [LEGIS]; Bolkcom, Joe [LEGIS]; Cownie, Peter [LEGIS]; Danielson, Jeff [LEGIS]; Jacoby, David [LEGIS]; Feenstra, Randy [LEGIS]; Oldson, Jo [LEGIS]; Whitver, Jack [LEGIS]; Sands, Tom [LEGIS]
Cc: Trimble, Russ [LEGIS]; Kehoe, Theresa [LEGIS]; Romano, Joseph [LEGIS]; Trow, Brad [LEGIS]; Godes, Bridget [LEGIS]; Hendrick, Gannon [LEGIS]; Epley, David [LEGIS]; Chapman, Jason [LEGIS]; Reynolds, Dave [LEGIS]; Shipman, Mary [LEGIS]; Hanlon, Kathy [LEGIS]
Subject: Community College Historical Funding by Source - Three-Legged Stool Analogy
Attachments: Three-Legged Stool Graph.pdf

Members of the Legislative Fiscal Committee and the Administrative Costs in Higher Education Study Committee:

At your most recent meetings, there was discussion of the "three-legged stool" analogy for funding the community colleges. Many of us have heard, anecdotally, that the original intent of the legislators who created the community college system was that 50.0% of their revenue would come from State appropriations, 25.0% from tuition, and 25.0% from local property tax.

At the request of several legislators and staff, I have prepared the attached graph that shows the historical funding by source as percentages of total unrestricted revenue. You can see that State funding (green line) remained between 45.0% and 55.0% until FY 2002. Tuition (dark blue line) began climbing above 25.0% around FY 1980 and became the largest source of revenue in FY 2002.

Local property tax (the 20.5-cent general levy) (red line) represented 27.7% of revenue in the initial year of FY 1967 but dropped below 20.0% the next year. It declined through the 1970s, leveled off between 11.0% to 12.0% in the 1980s, and then began steadily declining again in FY 1989.

I have also included the two other sources of unrestricted revenue (federal and other). After a decline in federal revenue through the 1980s, the two sources have remained relatively stable as a percentage of total revenue.

On another matter: At the Fiscal Committee meeting, a question was raised about the State's cost per-pupil for the various education entities. I believe a copy of the latest per-pupil cost estimate was distributed, but it is also available on our website here: https://www.legis.iowa.gov/DOCS/IsaReports/k12Education/historical_per_Pupil.pdf. Clicking on the fiscal year at the left of the summary page will take you to the detail data for that year. The footnotes are important in understanding what is and is not included in the State cost for each entity.

Please let me know if you have any questions about either the graph or the per-pupil cost estimates.

Robin Madison
Senior Legislative Analyst
Fiscal Services Division
Legislative Services Agency
State Capitol
Des Moines, IA 50319

515-281-5270

robin.madison@legis.iowa.gov

Historical Community College Unrestricted Revenue by Source (as a Percentage of Total Unrestricted Revenue)

