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Does Pennsylvania Invest Adequately in Its Community Colleges?

A State Benchmarking Analysis

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Stephen A. Herzenberg

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EXECUTIVE SUMMARY

This chartbook benchmarks Pennsylvania state and local government appropriations for public two-year colleges – “community colleges” — against that of other states. The analysis focuses on three measures:

- appropriations per capita in the state as a whole;
- per capita appropriations within the areas served by each of Pennsylvania’s 15 community colleges; and
- appropriations per student.

Pennsylvania’s investment in community colleges is compared against the national average, investment in other states, and investment in three state groupings – Pennsylvania’s six neighboring states, other large northeastern and midwestern states, and “competitor” states that vie with Pennsylvania to attract business.

Whatever benchmark is used, Pennsylvania invests substantially fewer public dollars than the national average in community colleges. On some measures Pennsylvania ranks among the 10 states that invest the least in community colleges; on all measures examined, Pennsylvania ranks no better than 33rd out of 50 states.

For individual Pennsylvania community colleges, the overall findings are similar. Whether the measure is appropriations per head of population or per student, most Pennsylvania community colleges receive much less public support than typical for community colleges across the nation.

Appropriations Per Capita Statewide

- For 1996-97 (the last Fiscal Year for which comparable data are available for all 50 states), Pennsylvania state and local appropriations, at \$18.07 per capita, were 37 percent of the national per capita level.
- In 1996-97, state appropriations per capita for community colleges ranked 6th lowest of the 50 states.
- Pennsylvania state appropriations per capita in 1996-97 were lower than all of our neighboring states except West Virginia and were half the level or less of four of our six neighboring states.
- The basic funding picture has not changed since 1996-97. In 1998-99, measured by state appropriations per capita for operating expenses of community colleges, Pennsylvania was 6th from the bottom out of 42 states.
- Since 1998-99, two of Pennsylvania’s neighbors -- Ohio and New Jersey -- have increased community college appropriations by about 20 percent. Pennsylvania’s increase since then is 10.6 percent.

Appropriations per Capita at Each Pennsylvania Community College

Our second set of benchmarks are state and local appropriations per capita in the areas served by each community college.



- Every single Pennsylvania community college received less per capita state and local appropriations in 1996-97 than the national average.
- Eleven of the 15 Pennsylvania community colleges received less state and local appropriations per capita than all neighboring states except West Virginia.

Appropriations per Full-Time Equivalent (FTE) Student

- State and local appropriations per FTE in Pennsylvania ranked 33rd out of the 50 states in 1996-97.
- State and local appropriations in Pennsylvania per community college FTE were 15

percent below the national average — \$3,671 as compared to \$4,304.

- Pennsylvania per FTE state and local appropriations to community colleges in 1996-97 exceeded those in West Virginia and New Jersey but trailed those in Ohio, New York, Maryland, and Delaware.
- Five of Pennsylvania's individual community colleges – Delaware, Beaver, Westmoreland, Harrisburg, and Luzerne – received less state and local appropriations per FTE than community colleges in any of Pennsylvania's neighboring states. Those five plus Lehigh Carbon, and Northampton received at least \$950 less per FTE student than the national average.

INTRODUCTION

Community colleges are increasingly seen as critical institutions from the perspectives of employers, workers, and regional economies.

For employers, community colleges deliver critical workforce education and training. In Pennsylvania, community colleges deliver over two thirds of all two-year associate degrees, many of them in occupational and technical fields, such as electronics, auto repair, and health care (Table 1). Community Colleges also deliver shorter-term remedial, technical, and customized training that make entry-level workers more employable or employed workers better at their jobs.

For workers without a four-year college degree, community colleges have become increasingly important to obtaining a good job. Twenty years ago, those without a high-school degree in Pennsylvania often obtained high-paying manufacturing jobs. Since then the earnings of male Pennsylvania workers

with only a high school education have declined 18 percent (Figure 1).¹ Women workers with a high school education or less have also experienced stagnant or falling wages. For those seeking post-secondary education, the cost of four-year and private higher education institutions remains beyond the reach of many working families. The low tuition and open access of community colleges thus makes them critical to climbing the economic ladder for many young workers and for older workers who change careers.

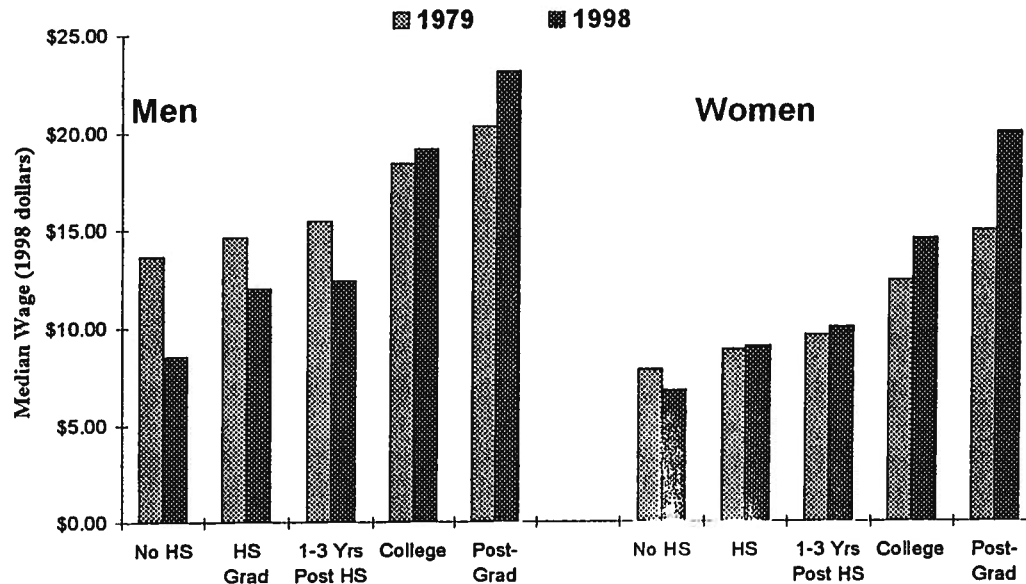
For economic regions and for states, workforce skills are increasingly recognized as pivotal to attracting and retaining investment. For example, in a 1996 report for the Commonwealth, PHH Fantus maintained that "labor quality has emerged as perhaps the single most important factor" in business location decisions.² Since 1996, the perception that labor quality is important to regional economic well-being has grown further. Improving workforce quality is also

Table 1. Associates Degrees Awarded in Pennsylvania

Type of institution	Associates Degrees awarded 1996-97	Percent of Associates Degrees Awarded	Cost of Tuition 1997-98
Community Colleges (15)	9,363	69	\$1,440 - \$2,264
Private 2-year Colleges (7)	1,098	8	\$6,910 - \$14,840
Private Colleges (78)	1,339	10	\$4,920 - \$22,714
State Universities (14)	259	2	\$4,062 - \$4,475
Penn State University (21 campuses)	1,447	11	\$5,654 - \$5,832

Source: Pennsylvania Department of Education (PDE), *Education Digest 1997-98* (Harrisburg: PDE, 1999), Table 24, "Degrees Conferred by Institutions, Level of Program and Sex, 1996-7," pp. 76-83; and Table 4, "Basic Student Charges by Institution, 1997-98," pp. 16-21.

**Figure 1. More Education = Higher Earnings
This Relationship is Becoming Stronger**



Source: KRC based on Current Population Survey data.

important to creating good jobs that will keep young Pennsylvanians in the state, allowing them to remain near their parents. Because of their role in occupational, technical, remedial, and short-term skills training, community colleges are a critical vehicle for improving workforce quality.

In light of the importance of community colleges, this report benchmarks Pennsylvania spending on community colleges against that of other states. Since the 1980s, "benchmarking" has become a standard tool in the business world. In "benchmarking" analyses, businesses evaluate their performance against that of competitors on measures considered critical to organizational success – e.g., productivity, costs, and quality.

With intense competition for investment and jobs, benchmarking has also become a widely used tool of public policy analysis for states. For example, in its 1996 report, the PHH Fantus company benchmarked Pennsylvania's competitiveness for attracting business investment against six other states.³

Of course, high levels of community college funding are not enough. Policy should also seek to ensure a high return on public investment in community colleges. Rather than address this question, however, the purpose of this chartbook is more basic -- to establish a baseline understanding of the level of public investment Pennsylvania makes in community colleges.

DATA SOURCES AND BENCHMARKING MEASURES

Three main sources of data are used in this report.

- An analysis of state and local appropriations for community colleges by the American Association of Community Colleges.⁴ This source, containing data through the year 1996-97, relies on primary data gathered through surveys administered by the U.S. Department of Education.
- University of Illinois data on money appropriated for community college operating expenses (and available on the worldwide web at www.coe.ilstu.edu/grapevine). While the Illinois data do not include all state and local spending on community colleges and have information on only 42 states, they have the advantage of being available through the Fiscal Year 1998-99.
- Information from the statewide database maintained by the Pennsylvania Commission for Community Colleges.

There is no one “right” way to benchmark Pennsylvania spending on community colleges. We use the available sources to evaluate Pennsylvania spending against that of other states in several ways. If multiple ways of measuring the adequacy of Pennsylvania community college investment yield a similar conclusion, we can be more confident in the reliability of that conclusion.

We first benchmark Pennsylvania state and local government investment against that of other states using per capita appropriations measures developed by the American Association of Community Colleges. Many observers view community colleges as an essential part of a 21st century educational infrastructure for all communities and states – just as the K-12 system was in the 20th century. State per capita government appropriations are one measure of the adequacy of the statewide community college infrastructure.⁵

A possible objection to using state per capita spending to benchmark Pennsylvania community colleges is that Pennsylvania colleges do not currently serve the entire state. Our second set of benchmarks therefore compare spending per capita within each Pennsylvania locality that has a community college against spending per capita in the nation as a whole and in neighboring states.

Our final benchmark looks at state and local spending *per student* in each of Pennsylvania’s community colleges and compares that with the same figure in other states. As with spending per capita in each locality with a community college, this benchmark is available for each community college as well as the state as a whole. It therefore allows communities across the state to examine public investment in their local community college and to consider whether it is adequate to meet the needs of the area economy, its employers and its workers.

STATEWIDE PER CAPITA APPROPRIATIONS FOR ALL COMMUNITY COLLEGES

Table 2 reports state and local appropriations for community colleges by state for the year 1996-97, the last year for which comparable figures are available for all 50 states. Figures 2-10 are all derived from the data in Table 2.

- Pennsylvania has the eighth lowest state and local appropriations for community colleges per capita of the 50 states (Figure 2).
- Pennsylvania state and local appropriations, at \$18.07 per capita, are 37 percent of the national per capita level (Figure 2).
- Pennsylvania ranks 6th lowest measured by per capita state appropriations (Figure 3). Pennsylvania appropriates \$11 per capita for community colleges compared to the national average of \$33.

In state appropriations for the operating expenses of all higher education, Pennsylvania actually ranks even lower -- 47th (as reported at www.coe.ilstu.edu/grapevine). However, Pennsylvania state per capita appropriations for all higher education are three quarters of the national level compared to one third for community colleges.

- Pennsylvania state appropriations per capita for community colleges are lower than all of our neighboring states except West Virginia (Figure 4).
- Pennsylvania state appropriations per capita are half the level or less of four of our six neighboring states (Figure 4).
- Pennsylvania state appropriations per

capita are lower than in any of five other large northeast/midwest states (Figure 5).

- Pennsylvania state per capita appropriations for community colleges are lower than in any of six "competitor" states: one sixth the level of North Carolina, one fifth the level of Mississippi, one fourth the level of California and Florida (Figure 6).
- Turning to local funding, there are 17 states that provide no local funding to community colleges and another eight that provide less than \$1.50 per capita (Figure 7). Of the remaining 25 states, Pennsylvania local appropriations per capita are fourth from the bottom.

Considering state and local funding together, the picture is similar to that for state funding (Figures 8-10).

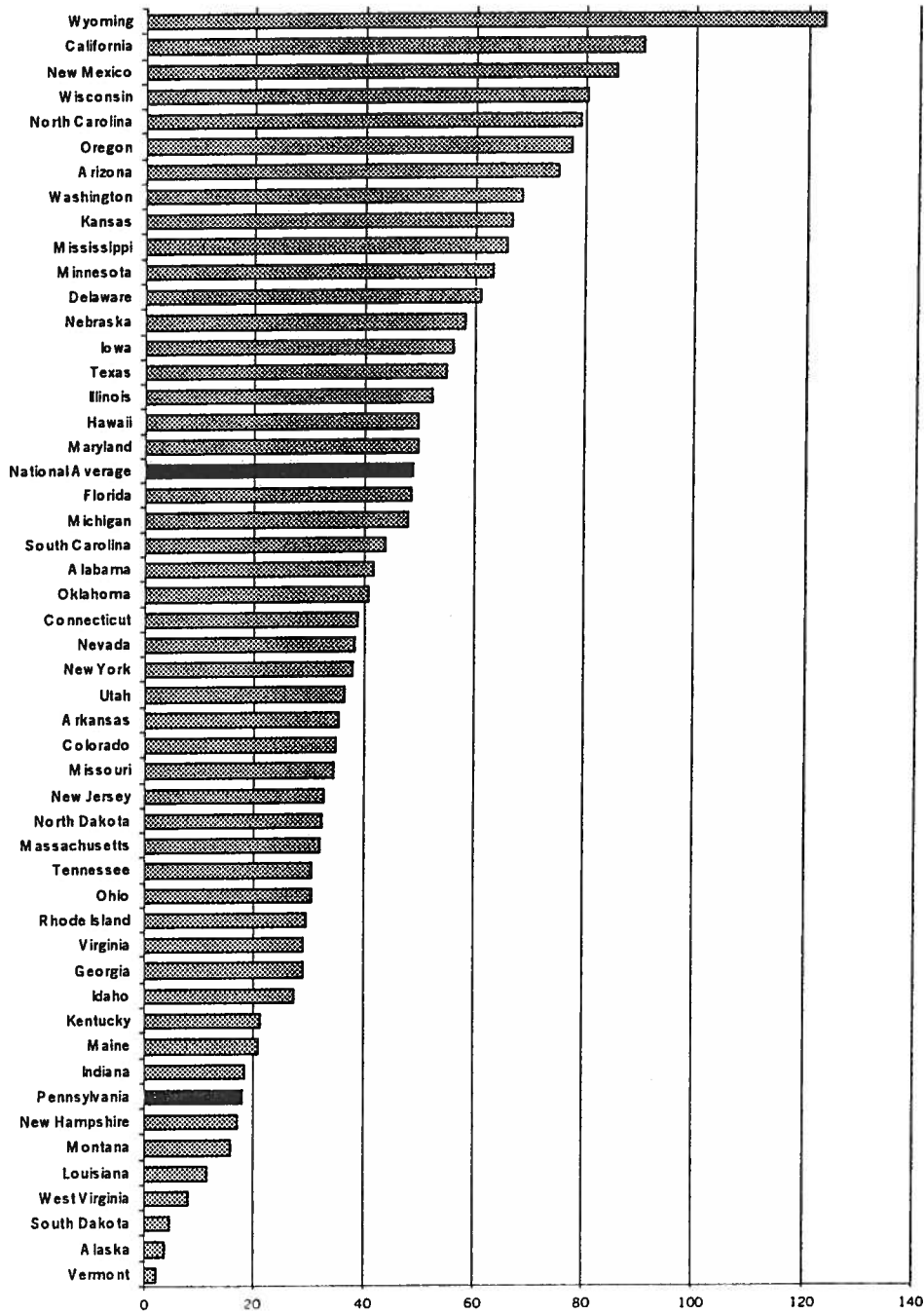
- Pennsylvania appropriates less state and local dollars per capita than all its neighbors except West Virginia (Figure 8). Pennsylvania spends over twice as much as West Virginia but only a little more than half as much as any of its other neighbors.
- Pennsylvania state and local appropriations per capita are far less than in any of five other large northeast-midwest states (Figure 9).
- Pennsylvania is lower again in state and local appropriations per capita than all of the competitor states, with California at five times the Pennsylvania level, North Carolina at over four times, and Mississippi at over three times (Figure 10).

Table 2. Total and per Capita State and Local Appropriations for Community Colleges by State: 1996-97

State	Total Appropriations			Population Estimate (7/1/97)	Per Capita Appropriations		
	State appropriations	Local appropriations	State & Local Appropriations		State appropriations	Local appropriations	State & Local Appropriations
Alabama	\$176,996,016	\$1,784,242	\$178,780,258	4,291,110	\$41.25	\$0.42	\$41.66
Alaska	\$1,582,472	\$647,231	\$2,229,703	605,212	\$2.61	\$1.07	\$3.68
Arizona	\$95,145,602	\$237,165,054	\$332,310,656	4,432,202	\$21.47	\$53.51	\$74.98
Arkansas	\$85,116,084	\$3,567,117	\$88,683,201	2,505,073	\$33.98	\$1.42	\$35.40
California	\$1,524,127,485	\$1,355,032,602	\$2,879,160,087	31,762,190	\$47.99	\$42.66	\$90.65
Colorado	\$103,276,470	\$29,260,539	\$132,537,009	3,813,778	\$27.08	\$7.67	\$34.75
Connecticut	\$126,515,164	\$0	\$126,515,164	3,263,910	\$38.76	\$0.00	\$38.76
Delaware	\$44,352,601	\$0	\$44,352,601	727,113	\$61.00	\$0.00	\$61.00
Florida	\$699,173,526	\$51,521	\$699,225,047	14,424,868	\$48.47	\$0.00	\$48.47
Georgia	\$206,401,221	\$5,251,855	\$211,653,076	7,334,183	\$28.14	\$0.72	\$28.86
Hawaii	\$59,028,596	\$0	\$59,028,596	1,187,283	\$49.72	\$0.00	\$49.72
Idaho	\$22,025,536	\$10,519,868	\$32,545,404	1,186,239	\$18.57	\$8.87	\$27.44
Illinois	\$191,134,665	\$433,746,427	\$624,881,092	11,933,597	\$16.02	\$36.35	\$52.36
Indiana	\$106,777,197	\$0	\$106,777,197	5,827,423	\$18.32	\$0.00	\$18.32
Iowa	\$131,266,683	\$28,003,977	\$159,270,660	2,848,603	\$46.08	\$9.83	\$55.91
Kansas	\$61,703,882	\$109,985,553	\$171,689,435	2,584,650	\$23.87	\$42.55	\$66.43
Kentucky	\$82,609,500	\$0	\$82,609,500	3,882,545	\$21.28	\$0.00	\$21.28
Louisiana	\$46,450,326	\$2,909,491	\$49,359,817	4,339,871	\$10.70	\$0.67	\$11.37
Maine	\$25,984,078	\$0	\$25,984,078	1,238,003	\$20.99	\$0.00	\$20.99
Maryland	\$112,606,413	\$138,775,085	\$251,381,498	5,057,839	\$22.26	\$27.44	\$49.70
Massachusetts	\$195,507,454	\$0	\$195,507,454	6,082,910	\$32.14	\$0.00	\$32.14
Michigan	\$259,563,437	\$207,744,700	\$467,308,137	9,733,774	\$26.67	\$21.34	\$48.01
Minnesota	\$292,916,312	\$0	\$292,916,312	4,648,081	\$63.02	\$0.00	\$63.02
Mississippi	\$147,198,512	\$30,349,674	\$177,548,186	2,710,022	\$54.32	\$11.20	\$65.52
Missouri	\$109,236,958	\$76,950,691	\$186,187,649	5,368,911	\$20.35	\$14.33	\$34.68
Montana	\$10,286,300	\$3,554,319	\$13,840,619	876,734	\$11.73	\$4.05	\$15.79
Nebraska	\$39,467,710	\$56,416,306	\$95,884,016	1,648,041	\$23.95	\$34.23	\$58.18
Nevada	\$61,329,000	\$0	\$61,329,000	1,600,345	\$38.32	\$0.00	\$38.32
New Hampshire	\$19,685,762	\$0	\$19,685,762	1,159,546	\$16.98	\$0.00	\$16.98
New Jersey	\$100,679,103	\$160,277,905	\$260,957,008	8,007,905	\$12.57	\$20.01	\$32.59
New Mexico	\$103,708,351	\$42,603,450	\$146,311,801	1,707,902	\$60.72	\$24.94	\$85.67
New York	\$398,551,177	\$290,152,657	\$688,703,834	18,142,162	\$21.97	\$15.99	\$37.96
North Carolina	\$492,626,079	\$85,528,237	\$578,154,316	7,308,656	\$67.40	\$11.70	\$79.11
North Dakota	\$20,414,848	\$339,966	\$20,754,814	642,805	\$31.76	\$0.53	\$32.29
Ohio	\$270,094,215	\$71,481,654	\$341,575,869	11,169,546	\$24.18	\$6.40	\$30.58
Oklahoma	\$115,575,836	\$18,571,666	\$134,147,502	3,295,928	\$35.07	\$5.63	\$40.70
Oregon	\$162,027,806	\$85,297,437	\$247,325,244	3,195,409	\$50.71	\$26.69	\$77.40
Pennsylvania	\$132,604,581	\$84,822,173	\$217,426,754	12,033,856	\$11.02	\$7.05	\$18.07
Rhode Island	\$29,068,571	\$0	\$29,068,571	988,130	\$29.42	\$0.00	\$29.42
South Carolina	\$137,506,927	\$26,823,088	\$164,330,015	3,736,947	\$36.80	\$7.18	\$43.97
South Dakota	\$3,435,029	\$0	\$3,435,029	737,227	\$4.66	\$0.00	\$4.66
Tennessee	\$162,328,911	\$10,199	\$162,339,110	5,307,222	\$30.59	\$0.00	\$30.59
Texas	\$739,000,412	\$301,995,771	\$1,040,996,183	19,032,987	\$38.83	\$15.87	\$54.69
Utah	\$73,851,839	\$0	\$73,851,839	2,022,234	\$36.52	\$0.00	\$36.52
Vermont	\$1,230,900	\$0	\$1,230,900	586,333	\$2.10	\$0.00	\$2.10
Virginia	\$191,595,631	\$2,110,487	\$193,706,118	6,667,373	\$28.74	\$0.32	\$29.05
Washington	\$377,742,094	\$103,643	\$377,845,737	5,518,801	\$68.45	\$0.02	\$68.47
West Virginia	\$14,503,249	\$0	\$14,503,249	1,820,261	\$7.97	\$0.00	\$7.97
Wisconsin	\$122,757,255	\$293,208,039	\$415,965,294	5,174,348	\$23.72	\$56.67	\$80.39
Wyoming	\$44,975,312	\$14,013,010	\$58,988,322	480,060	\$93.69	\$29.19	\$122.88
National	\$8,736,958,254	\$4,210,744,050	\$12,947,702,304	264,650,148	\$33.01	\$15.91	\$48.92

Source: Kent Philippe and Madeline Patton, *National Profile of Community Colleges* (Washington, D.C.: Community College Press, 2000), Table 5.3.

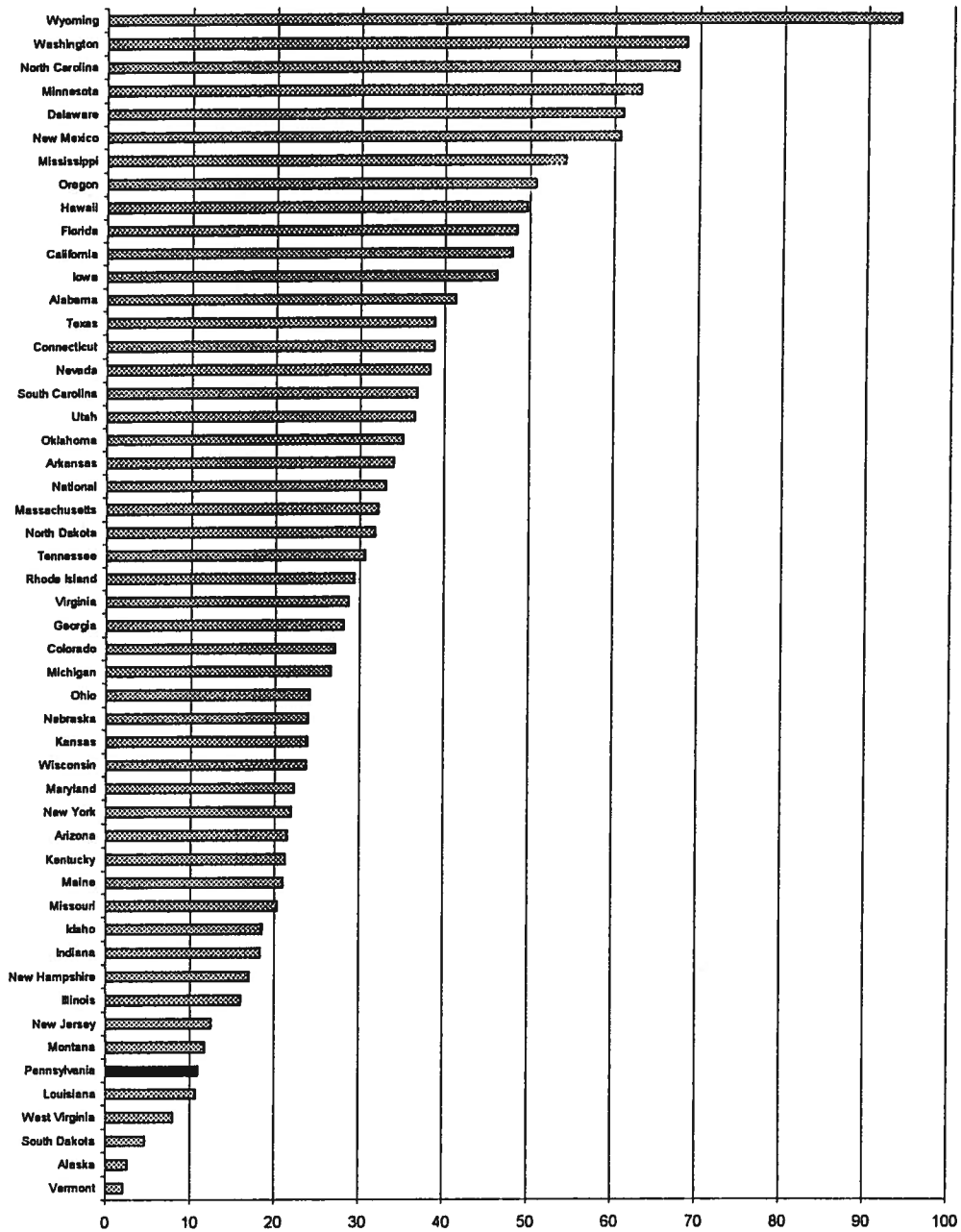
Figure 2. State and Local Appropriations for Community College per Capita: 1996-97



Source: Table 2.

Dollars per Capita

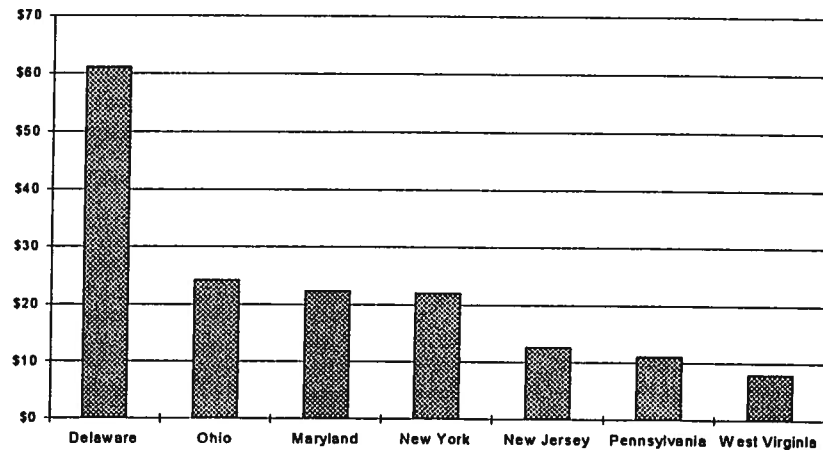
Figure 3. State Appropriations for Community College per Capita: 1996-97



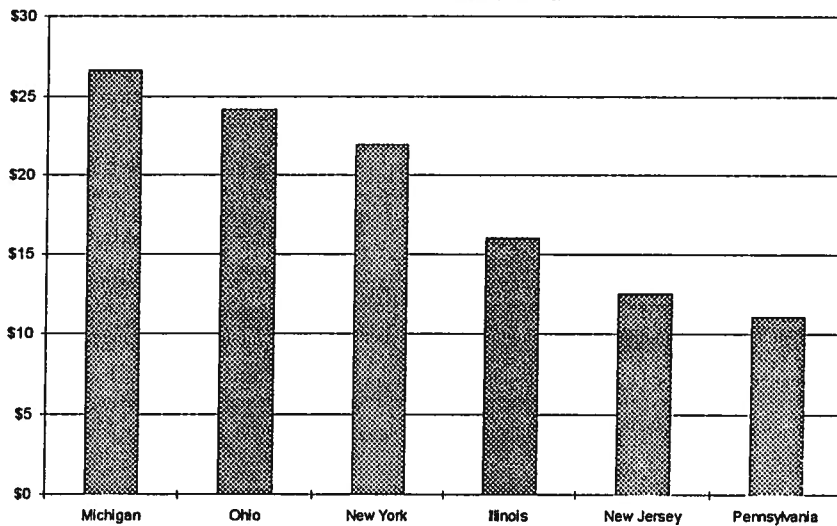
Source: Table 2.

Dollars per Capita

Figure 4. State Appropriations per Capita for Community Colleges, Pennsylvania and Neighboring States, 1996-97



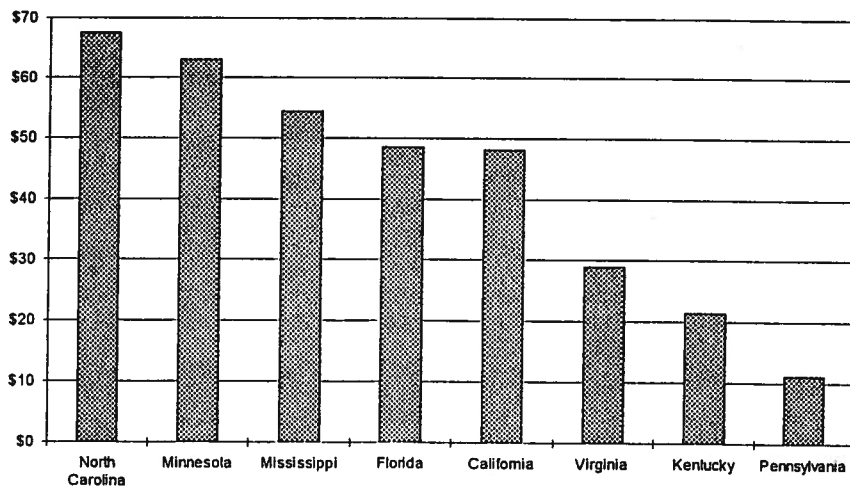
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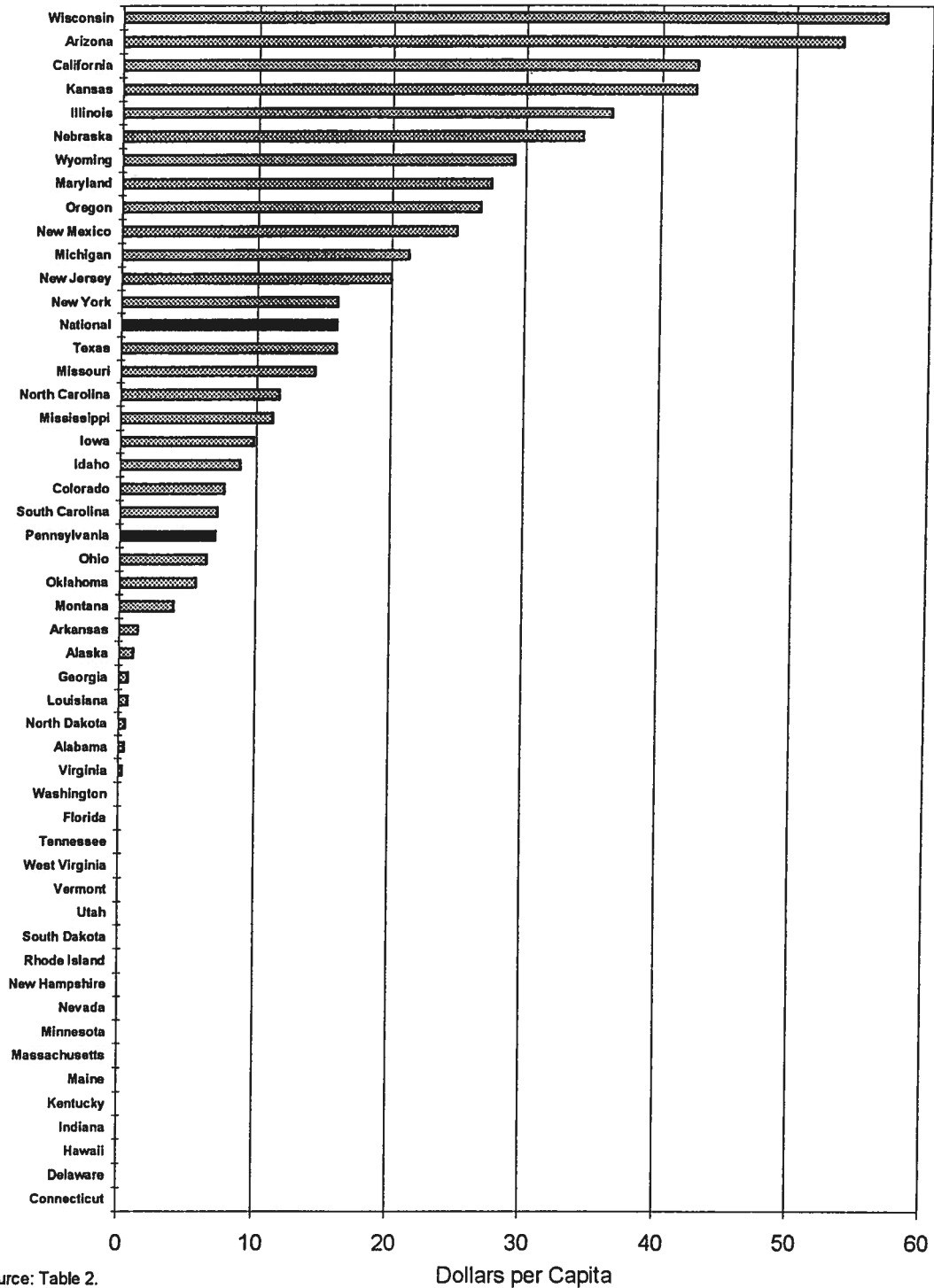
Figure 5. State Appropriations per Capita for Community Colleges, Pennsylvania and Other Large Northeast and Midwest States, 1996-97

Figure 6. State Appropriations per Capita for Community Colleges, Pennsylvania and Competitor States, 1996-97



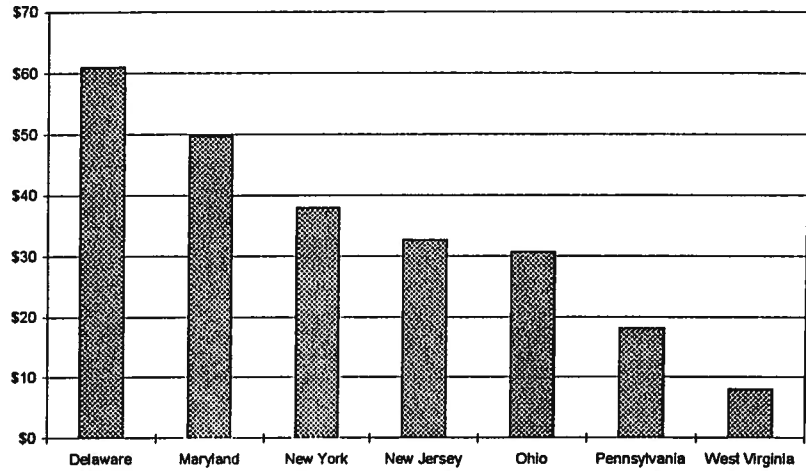
Source: Table 2.

Figure 7. Local Appropriations for Community Colleges per Capita, 1996-97



Source: Table 2.

Figure 8. State and Local Appropriations for Community Colleges per Capita, Pennsylvania and Neighboring States, 1996-97



Source: Table 2.

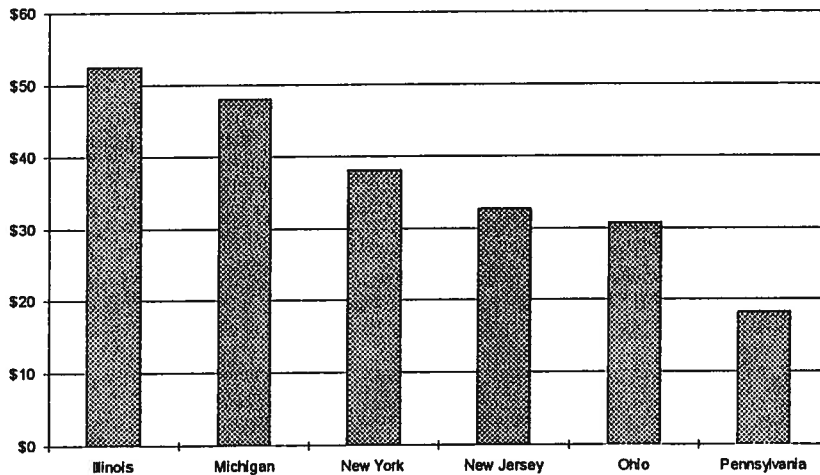
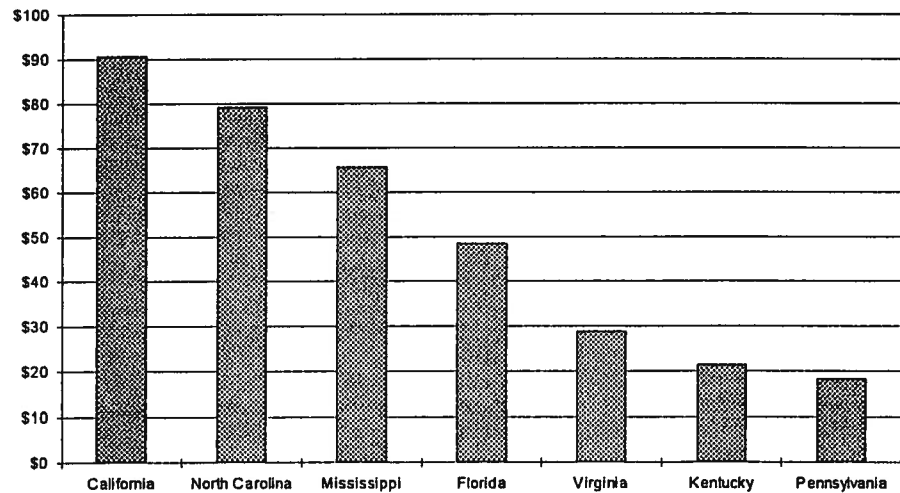


Figure 9. State and Local Appropriations for Community Colleges per Capita, Pennsylvania and Other Large Northeast-Midwest States, 1996-97

Source: Table 2.

Figure 10. State and Local Appropriations per Capita for Community Colleges, Pennsylvania and Competitor States, 1996-97



Source: Table 2.

Since the data above stops in 1996-97, a natural question to ask is “has the funding picture changed since then?” University of Illinois data on state appropriations for operating expenses of community colleges in 42 states help answer this question.⁶

- From 1996-97 to 1998-99, the Pennsylvania percent increase in state appropriations for community college operating expenses was 13 percent — in the middle of the group of 42 states (Table 3 and Figure 11). This 13 percent increase was
 - 11 percentage points more than the increase in New York,
 - about 5 percentage points more than in Michigan, Maryland and West Virginia,
 - about the same as in Delaware, North Carolina, Illinois, and Ohio, and
 - 6 to 11 percentage points less than in Florida, New Jersey, Mississippi, and California.

- In rankings of state community college operating expense appropriations per capita in 1998-99, Pennsylvania was 6th from the bottom out of these 42 states (Figure 12).

University of Illinois data for 1999-2000 are available for 38 of the 42 states in Table 3. The overall funding picture again does not change, so we do not present this new data in tables. Pennsylvania’s 3-year percent increase in funding (1996-97 through 1999-2000) was 16 percent, 27th of 38 states. Compared to neighboring states in this period, Pennsylvania’s funding increases for community colleges were below Delaware, New Jersey, Maryland, and Ohio.

Pennsylvania state appropriations for community colleges increased 3 percent in 1999-2000 and 7.3 percent in the Governor’s Budget for 2000-2001. This two-year increase of 10.6 percent is 2.5 percentage points less than the prior two years. Two of Pennsylvania’s neighbors -- Ohio and New Jersey -- have increased state funding for community colleges by roughly 20 percent in the two years since 1998-99.

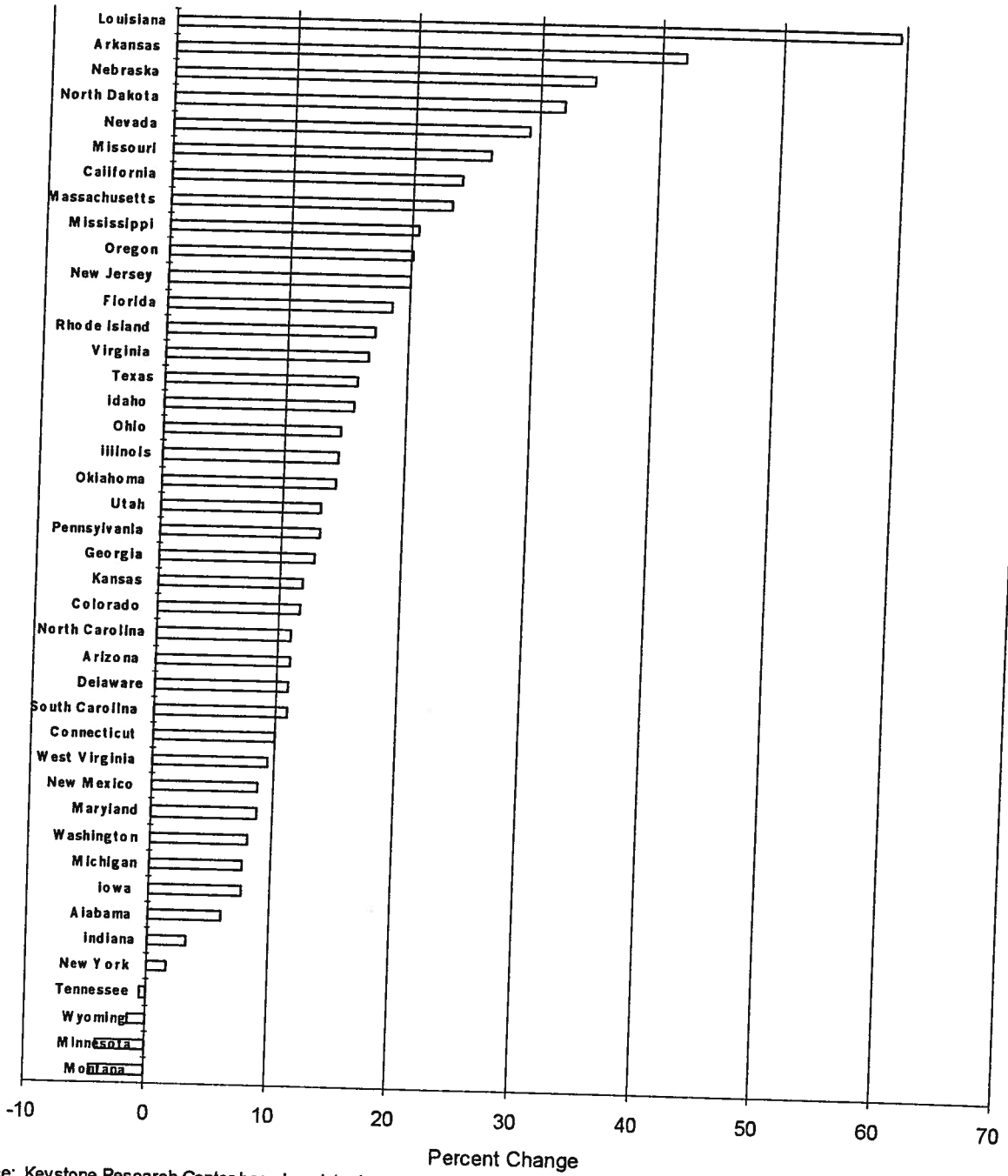
Table 3.
Appropriations of State Tax Funds for Operating Expenses of
Community Colleges, Fiscal Years 1996-97 to 1998-99

Appropriations (\$1000s)				
States	1996-97	1997-98	1998-99	2-year Pct Change
Louisiana	25,220	35,503	40,193	59
Arkansas	49,104	59,487	69,621	42
Nebraska	37,694	39,164	50,659	34
North Dakota	20,839	23,950	27,518	32
Nevada	59,488	75,638	76,934	29
Missouri	107,467	120,100	135,701	26
California	1,825,765	2,046,109	2,258,352	24
Massachusetts	171,573	211,185	211,440	23
Mississippi	140,962	159,645	169,899	21
Oregon	167,289	195,878	201,034	20
New Jersey	100,186	108,546	120,226	20
Florida	596,260	663,639	706,595	19
Rhode Island	29,056	32,235	34,055	17
Virginia	211,603	223,011	246,991	17
Texas	651,465	729,618	754,866	16
Idaho	11,759	12,807	13,606	16
Ohio	185,095	201,012	212,167	15
Illinois	304,239	325,150	348,156	14
Oklahoma	93,458	99,482	106,895	14
Utah	97,462	102,840	110,315	13
Pennsylvania	126,670	137,043	143,372	13
Georgia	139,374	147,595	157,105	13
Kansas	54,162	57,226	60,596	12
Colorado	108,463	115,517	121,139	12
North Carolina	497,175	536,190	552,052	11
Arizona	97,109	106,749	107,622	11
Delaware	39,410	41,340	43,705	11
South Carolina	127,399	138,072	141,264	11
Connecticut	94,294	99,291	103,747	10
West Virginia	10,657	11,033	11,669	9
New Mexico	31,362	33,215	34,072	9
Maryland	137,398	143,533	149,251	9
Washington	390,552	409,559	421,647	8
Michigan	262,187	274,978	282,000	8
Iowa	125,871	125,871	135,366	8
Alabama	197,830	200,025	209,819	6
Indiana	26,963	27,628	27,826	3
New York	488,106	490,240	496,318	2
Tennessee	160,989	161,149	160,115	-1
Wyoming	46,675	46,675	46,022	-1
Minnesota	173,650	168,688	166,953	-4
Montana	4,982	4,703	4,762	-4

Source: <http://www.coe.ilstu.edu/grapevine/>

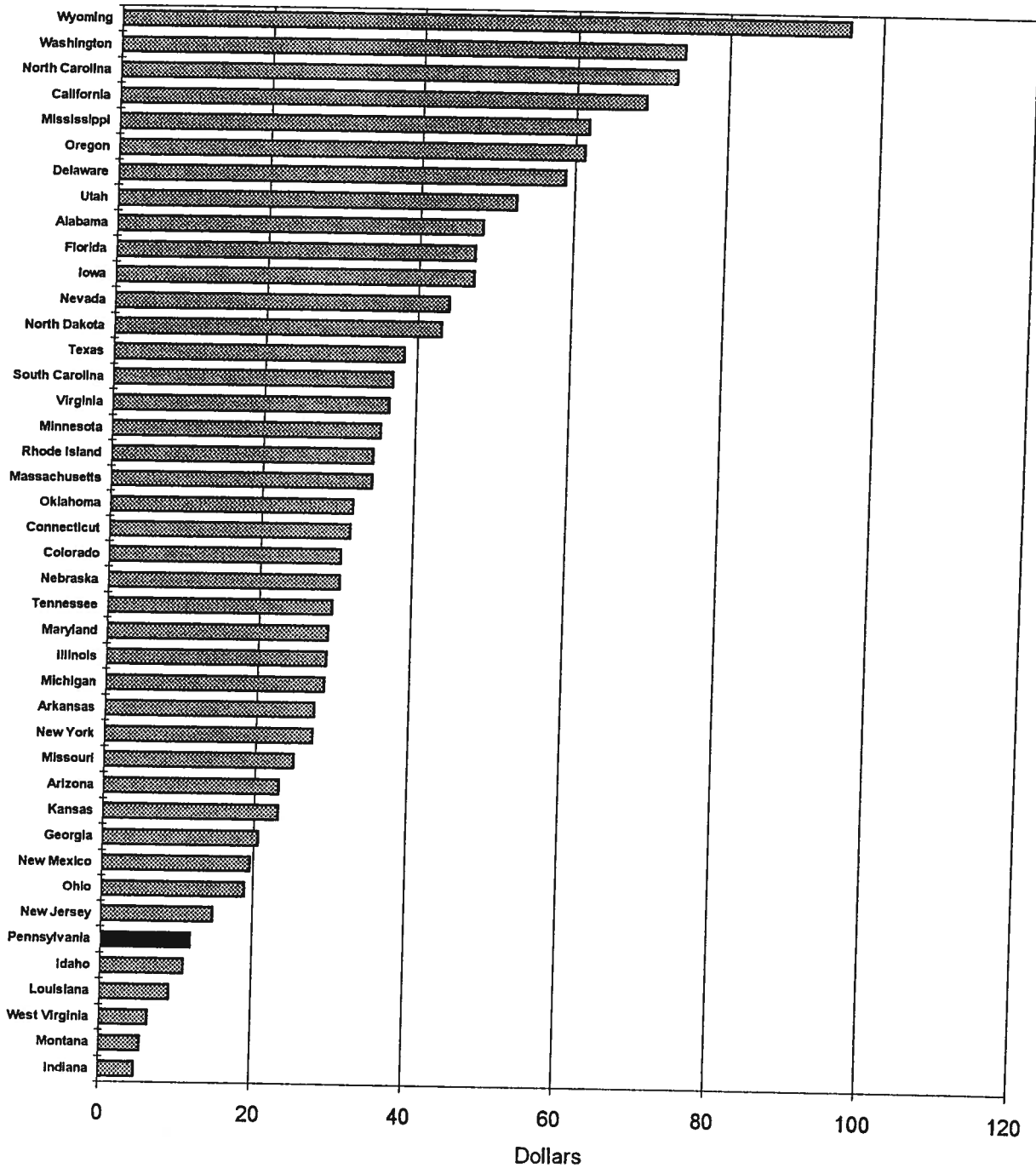


Figure 11. Percent Change in State Appropriations for Operating Expenses of Community Colleges, 1996-97 to 1998-99 (42 States)



Source: Keystone Research Center based on data downloaded from www.coe.ilstu.edu

Figure 12. State Appropriations per Capita for Operating Expenses of Community Colleges, 1998-99 (42 States)



Source: Keystone Research Center based on data downloaded from www.coe.ilstu.edu/grapevine

APPROPRIATIONS PER CAPITA TO INDIVIDUAL PENNSYLVANIA COMMUNITY COLLEGES

A possible objection to using statewide per capita appropriations to benchmark Pennsylvania community colleges is that Pennsylvania colleges do not currently serve the entire state. In this section, therefore, we compute appropriations per capita within each of the Pennsylvania localities that *are* served by a community colleges. These figures are compared against appropriations per capita in the nation as a whole and in neighboring states. Our comparisons assume that community colleges in other states serve the entire population of those states. To the extent that colleges in those states do not serve the entire population, the figures in this section make individual Pennsylvania colleges appear relatively better funded than they actually are.

To calculate per capita appropriations to Pennsylvania community colleges, we need to estimate the population served by each college. We break the population served into two parts. (The notes to Table 4 list sources and contain additional technical details.) The first part consists of the population of the “sponsoring” counties or school districts that contribute local funding to each college. In total, 62 percent of the Pennsylvania population is in a community college sponsoring area. The second part consists of the population in non-sponsoring areas served by community colleges. (Non-sponsoring areas are localities that do not contribute local funds to community colleges.)

The second part of the population served by community colleges itself includes three components. The first is the population of

non-sponsoring school districts in counties in which most of the population lives in a sponsoring school district. Our assumption is that these non-sponsoring school districts are geographically close enough to the local college for the college to be accessible to their population. The second component is the population of counties that have a branch campus. The last component is an estimate, based on enrollment figures, of the population served in counties that do not have branch campuses or a significant share of the population in sponsoring areas.

In total, an estimated 13 percent of the state population lives in non-sponsoring areas served by community colleges. This brings to 75 percent the share of the total Pennsylvania population served by community colleges.

Table 4 and Figure 13 show the results of our analysis for each community college.

- In 1996-97, all Pennsylvania community college received lower per capita state and local appropriations than the U.S. average.
- In 1996-97, 11 of the 15 Pennsylvania community colleges received lower state and local appropriations per capita than all neighboring states except West Virginia.
- After the recent jump in state funding to community colleges in Ohio and New Jersey, it is likely that at least 14 of the 15 Pennsylvania community colleges now receive less state and local appropriations per capita than all neighboring states except West Virginia.

Table 4. State and Local Government Appropriations Per Capita For Each Pennsylvania Community College, Benchmarked Against Appropriations Per Capita in the Nation and in Neighboring States

	Population of Sponsoring Areas ¹	Population of Non-sponsoring Areas Served ²	Total Population Served	State Spending Per Capita ³	Local Spending Per Capita ³	State + Local Spending Per Capita
National Average	264,650,148		264,650,148	\$ 33.01	15.91	\$ 48.92
Delaware (state)	727,113		727,113	\$ 61.00	0.00	\$ 61.00
Maryland	5,057,839		5,057,839	\$ 22.26	27.44	\$ 49.70
New Jersey	8,007,905		8,007,905	\$ 12.57	20.01	\$ 32.59
New York	18,142,162		18,142,162	\$ 21.97	15.99	\$ 37.96
Ohio	11,169,546		11,169,546	\$ 24.18	6.40	\$ 30.58
West Virginia	1,820,261		1,820,261	\$ 7.97	0.00	\$ 7.97
Allegheny	1,309,821	0	1,309,821	\$ 17.33	15.04	\$ 32.37
Beaver	138,633	66,150	204,783	\$ 16.01	7.72	\$ 23.73
Bucks	573,901	0	573,901	\$ 18.14	14.44	\$ 32.58
Butler	165,557	87,340	252,897	\$ 16.13	16.63	\$ 32.76
Cambria	160,531	21,400	181,931	\$ 4.74	2.76	\$ 7.50
Delaware CC	387,290	322,602	709,892	\$ 13.93	11.95	\$ 25.89
Harrisburg	492,041	766,972	1,259,013	\$ 9.88	12.59	\$ 22.46
Lehigh Carbon	331,619	5,144	336,763	\$ 14.85	7.32	\$ 22.17
Luzerne	326,063	0	326,063	\$ 22.45	15.36	\$ 37.81
Montgomery	705,178	0	705,178	\$ 12.55	14.16	\$ 26.71
Northampton	276,503	116,091	392,594	\$ 17.12	12.95	\$ 30.07
Northwest	414,561	21,580	436,141	\$ 9.51	2.21	\$ 11.72
Philadelphia	1,498,971	1,468	1,500,439	\$ 15.11	10.81	\$ 25.92
Reading	349,583	1,093	350,676	\$ 11.27	5.52	\$ 16.79
Westmoreland	376,501	131,718	508,219	\$ 14.29	8.13	\$ 22.41

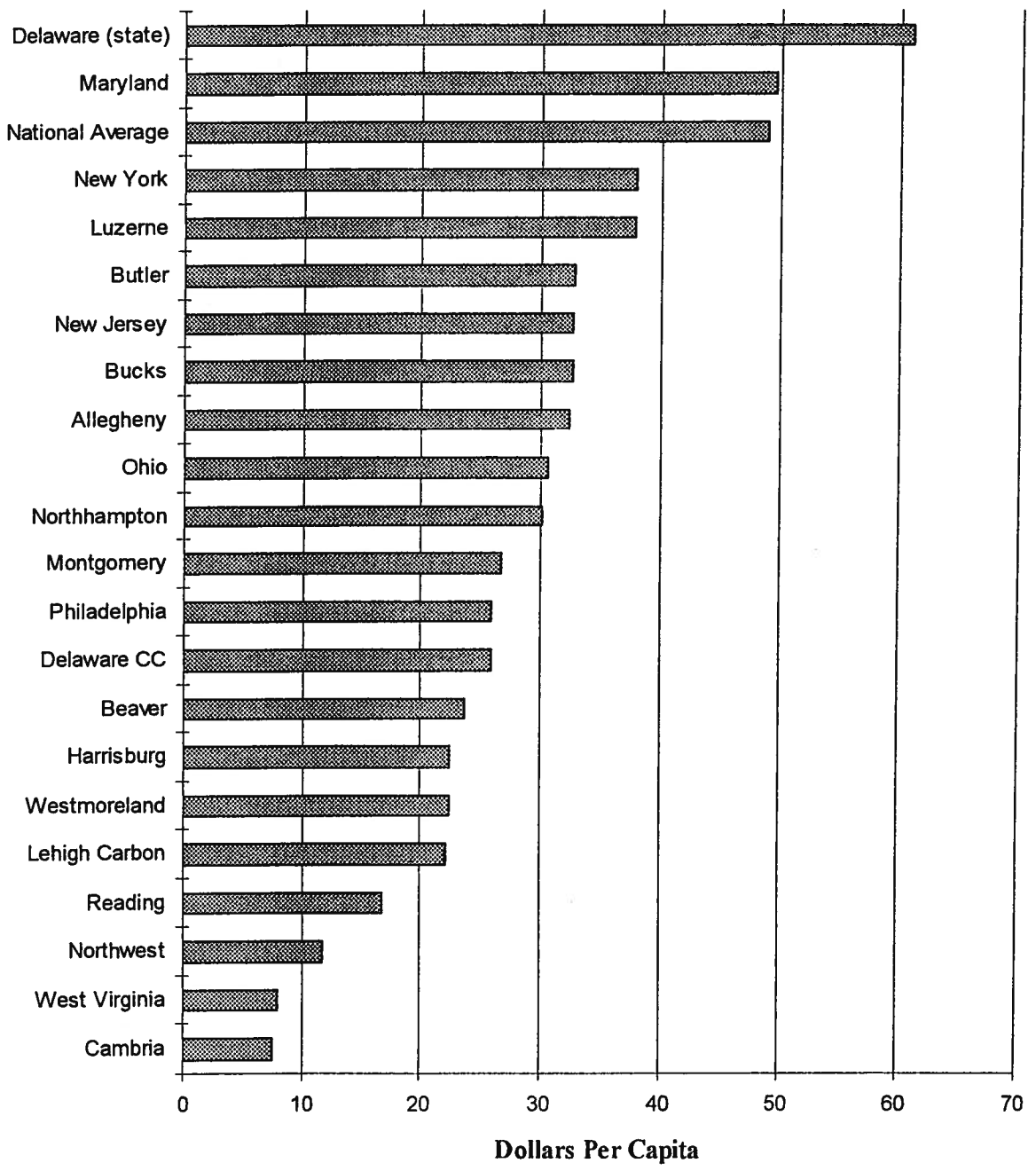
Notes:

1. Populations of "sponsoring areas" for each Pennsylvania community college are the populations of the counties or school districts which sponsor each community college. For counties, population figures are from 1995 as reported in *1996 Pennsylvania Abstract (Harrisburg: Pennsylvania State Data Center, no date)*. For school districts, population figures for 1995 are taken from the US Bureau of the Census webpage (<http://www.census.gov/housing/saipe/sd95/>).
2. Populations of "non-sponsoring areas" include three parts. (1) The population of non-sponsoring school districts in counties in which most of the population is in school districts that do sponsor a community college. (2) The population of non-sponsoring counties with branch campuses. (3) The population served in other non-sponsoring counties in which students attend each community college. (3) was estimated based on the number of FTE equivalent students attending colleges from these "other" non-sponsoring counties. Specifically, the ratio of population of FTE equivalent students in areas (1) and (2) was multiplied by the FTE equivalents attending from other non-sponsoring counties. All FTE equivalent data are based on responses to a Keystone enrollment survey of Pennsylvania community colleges conducted in May-June 2000.
3. For individual Pennsylvania Community Colleges, figures listed as "appropriations" are "unrestricted state and local revenues," as reported in *Statewide Database Report*, Table 22; for states and the nation, appropriations figures are from Table 2. revenues"; for states and the nation, figures are state and local appropriations.

Sources: Phillippe and Patton, *National Profile*, Table 5.3; PA. Commission for Community Colleges *Statewide Database Report*; Pennsylvania State Data Center *1996 Pennsylvania Abstract*; Keystone Research Center *2000 Community College Enrollment Survey*.



Figure 13. State and Local Spending Per Capita in Areas Served by Each Pennsylvania Community College, Benchmarked Against Spending in Neighboring States



APPROPRIATIONS PER STUDENT

Our final benchmark is state and local appropriations *per student*. Appropriations in 1996-97 in Pennsylvania as a whole and at each of the state's community colleges are compared with appropriations for the same year in neighboring states and in the nation as a whole.

Appropriations figures for states come from Phillippe and Patton 2000. For individual Pennsylvania community colleges, appropriations data come from the Pennsylvania Commission for Community Colleges.⁷

For the number of students we use figures for full-time equivalent (FTE) enrollment for fall 1996. For states, these are reported by the U.S. Department of Education's National Center for Education Statistics. For individual Pennsylvania community colleges, they are reported by the Pennsylvania Commission for Community Colleges.⁸

Table 5 and Figure 14 report the findings for Pennsylvania as a whole.

- State and local appropriations per FTE in Pennsylvania rank 33rd out of the 50 states.
- State and local appropriations in Pennsylvania are 15 percent below the national average — \$3,671 as compared to \$4,304.
- Pennsylvania state and local appropriations per FTE in 1996-97 exceeded those in West Virginia by \$520. They exceeded those in New Jersey by \$350.

- Pennsylvania state and local appropriations per FTE in 1996-97 trailed those in Ohio and New York by \$260 to \$356, those in Maryland by \$831, and those in Delaware by \$2,688.

Table 6 and Figure 15 report the main findings for each Pennsylvania community college. For individual colleges, appropriations per FTE are indexed to national average appropriations per FTE.

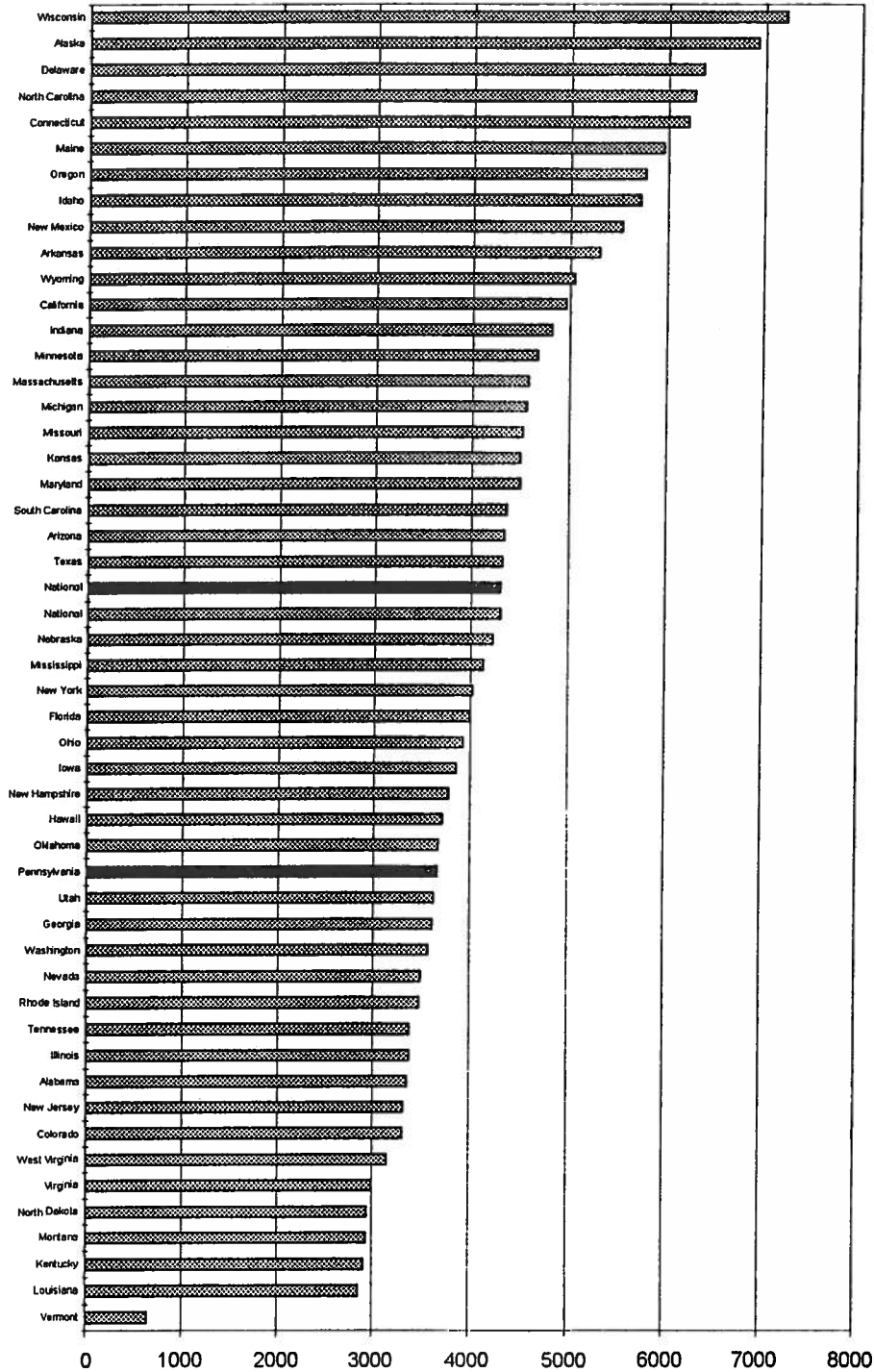
- Five of Pennsylvania's individual community colleges – Delaware, Beaver, Westmoreland, Harrisburg, and Luzerne – received less state and local appropriations per FTE than community colleges in any of Pennsylvania's neighboring states. Those five plus Lehigh Carbon and Northampton received at least 25 percent less per FTE student than the national average.
- While Northwest Technical Institute (as well as Cambria) receive more appropriations per FTE than the average for community colleges across the nation, NTI delivers high proportions of occupational and technology courses that often require expensive equipment. While Pennsylvania reimburses such courses at higher rates than other courses, it places a ceiling on how much additional reimbursement colleges may receive. NTI therefore receives less for occupational courses than is typical for community colleges across the state.

Table 5 State and Local Appropriations for Community Colleges per FTE Enrollee, by State				
	Fall 96 FTE State Enrollment	State appropriations per FTE Enrollee	Local appropriations per FTE Enrollee	State and Local appropriations per FTE Enrollee
Alabama	53,207	3327	34	3360
Alaska	322	4915	2010	6925
Arizona	76541	1243	3099	4342
Arkansas	16713	5093	213	5306
California	580225	2627	2335	4962
Colorado	39996	2582	732	3314
Connecticut	20374	6210	0	6210
Delaware	6975	6359	0	6359
Florida	174897	3998	0	3998
Georgia	58585	3523	90	3613
Hawaii	15859	3722	0	3722
Idaho	5693	3869	1848	5717
Illinois	184823	1034	2347	3381
Indiana	22165	4817	0	4817
Iowa	41310	3178	678	3855
Kansas	38116	1619	2886	4504
Kentucky	28346	2914	0	2914
Louisiana	17320	2682	168	2850
Maine	4361	5958	0	5958
Maryland	55837	2017	2485	4502
Massachusetts	42703	4578	0	4578
Michigan	102348	2536	2030	4566
Minnesota	62673	4674	0	4674
Mississippi	42928	3429	707	4136
Missouri	41119	2657	1871	4528
Montana	4708	2185	755	2940
Nebraska	22656	1742	2490	4232
Nevada	17544	3496	0	3496
New Hampshire	5214	3776	0	3776
New Jersey	78580	1281	2040	3321
New Mexico	26415	3926	1613	5539
New York	171022	2330	1697	4027
North Carolina	92126	5347	928	6276
North Dakota	7053	2894	48	2943
Ohio	86890	3108	823	3931
Oklahoma	36486	3168	509	3677
Oregon	42781	3787	1994	5781
Pennsylvania	59234	2239	1432	3671
Rhode Island	8348	3482	0	3482
South Carolina	37651	3652	712	4365
South Dakota	152	22599	0	22599
Tennessee	47938	3386	0	3386
Texas	241061	3066	1253	4318
Utah	20344	3630	0	3630
Vermont	1937	635	0	635
Virginia	64728	2960	33	2993
Washington	105787	3571	1	3572
West Virginia	4603	3151	0	3151
Wisconsin	57638	2130	5087	7217
Wyoming	11684	3849	1199	5049
National	3008050	2905	1400	4304

Sources: Phillippe and Patton, *National Profile*; State Comparisons of Education Statistics, 1969-70 to 1996-97.



Figure 14: State and Local Spending per Full-time Equivalent Community College Student, by State, 1996-97



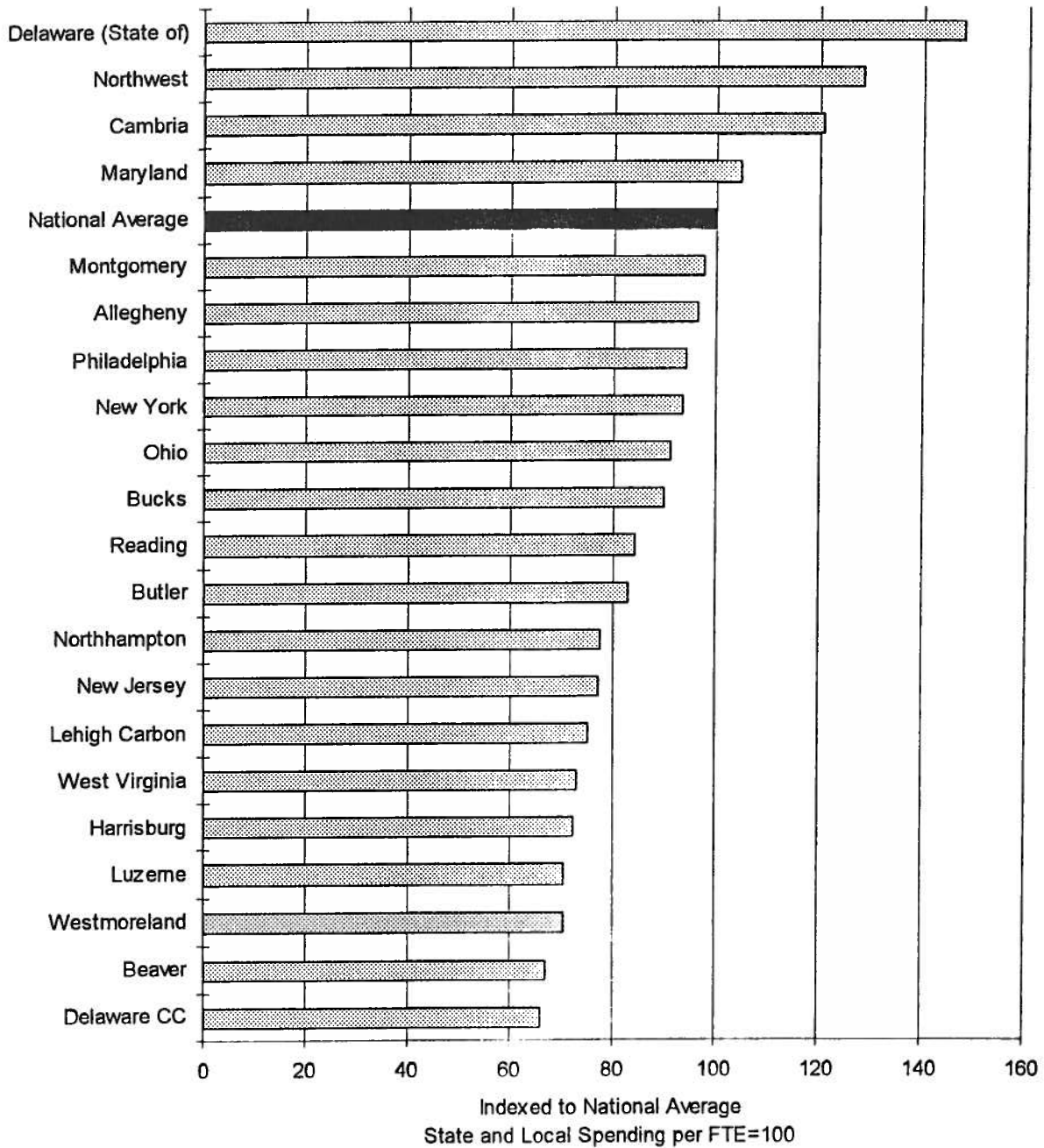
Source: Table 5.

Dollars per FTE Student

Table 6. State and Local Government Appropriations for Pennsylvania Community Colleges per FTE Enrollee in 1996-97, Benchmarked Against Appropriations in Neighboring States			
	State Appropriations per FTE	Local Appropriations per FTE	State and Local Appropriations per FTE
National	100	100	100
Delaware (State of)	219	0	148
Maryland	69	178	105
New Jersey	44	146	77
New York	80	121	94
Ohio	107	59	91
West Virginia	108	0	73
Allegheny	76	138	96
Beaver	75	51	67
Bucks	74	122	90
Butler	73	103	83
Cambria	118	126	121
Delaware CC	67	65	66
Harrisburg	72	74	72
Lehigh Carbon	75	76	75
Luzerne	62	88	71
Montgomery	68	159	98
Northampton	75	83	78
Northwest	156	72	128
Philadelphia	81	121	94
Reading	84	85	84
Westmoreland	73	64	70

Sources: Phillippe and Patton, *National Profile; State Comparisons of Education Statistics*, 1969-70 to 1996-97, Table 59, p. 162; an Pennsylvania Commission for Community Colleges, *Statewide Database Report*, 2000, Table 6.

Figure 15. State and Local Spending per FTE Student, Pennsylvania, Neighboring States, and Individual Community Colleges



Source: Table 6.

CONCLUSION

It is increasingly accepted that workforce quality is more important to a state's ability to attract and expand investment than are business tax cuts. Consistent with this view, despite significant business tax cuts since the early 1990s, Pennsylvania's rate of job growth in 1999 slipped to fourth slowest of the 50 states, from sixth slowest in 1998. In 1999, Pennsylvania added just 5,900 net new jobs during the previous calendar year, a growth rate of 0.11 percent, compared to the national average of 2 percent.

Workforce quality is especially important to recruiting and growing companies that pursue skill-based competitive strategies – strategies with the capacity to support rising living standards and create good jobs for Pennsylvania's workers.

In light of the importance of workforce quality, the underinvestment in community colleges in Pennsylvania that this report documents does not bode well for the state's future. Any way you slice the data, state and local government in Pennsylvania invest far less in community colleges than the national average and less than most or all of its neighbors.

- The national average for state appropriations to community colleges per capita stood at \$33.01 in 1996-97. Pennsylvania appropriated \$11.02.
- The national average for state plus local appropriations to community colleges per capita was \$48.92 in 1996-97. Pennsylvania appropriated \$18.07.

- The national average for state appropriations to community colleges per FTE equaled \$2905 in 1996-97. Pennsylvania appropriated \$2239.
- The national average for state appropriations to community colleges per FTE equaled \$4304 in 1996-97. Pennsylvania appropriated \$3671.

Bringing Pennsylvania to the U.S. average using any of these benchmarks would take a major investment. For Pennsylvania to reach the U.S. average for state investment in community colleges per FTE, for example, would take a 30 percent increase in state appropriations.

There are many ways to move towards more adequate support for the state's community colleges. We could follow the example of New Jersey Governor Christine Whitman, who made a seven-year commitment to raising support for community colleges by \$12 million annually (about 10 percent). We could follow the example of Ohio, our Western neighbor, with two recent 11-12 percent annual increases in appropriations linked with reductions in student tuition that makes colleges more accessible to students. (Pennsylvania has the 11th highest average community college tuition for in-state students.)

The specific way in which Pennsylvania redresses its current low level of support for community colleges is important to ensuring that the state maximize its return on that investment. But however it accomplishes the goal, now is the time for Pennsylvania to begin investing in a community college infrastructure for the 21st century.

FOOTNOTES

¹ The earnings referred to in the text are “median” hourly wages (i.e., the hourly wages of a worker who earns more than half of all workers and less than half of all workers). The declines reported cover the years 1979 to 1998. For details, see Howard Wial, *The State of Working Pennsylvania 1999* (Harrisburg: Keystone Research Center, 1999); available in PDF format at www.keystoneresearch.org.

² PHH Fantus Consulting Company, *Benchmarking Analysis for the Commonwealth of Pennsylvania*, report prepared for the Commonwealth of Pennsylvania, February 22, 1996, p. 65.

³ The Fantus report benchmarks Pennsylvania’s image, business climate, economic base, infrastructure, labor market, economic development effort, location, and quality of life. See PHH Fantus Consulting Company, *Benchmarking Analysis*.

⁴ Kent Phillippe and Madeline Patton, *National Profile of Community Colleges* (Washington, D.C.: Community College Press, 2000), especially Table 5.3, p. 112.

⁵ An alternative to simple per capita spending would be an adjusted per capita spending measure that weights more heavily individuals in the age ranges that typically attend community colleges. An adjusted per capita measure would slightly increase spending in Pennsylvania relative to most other states.

⁶ State operating expenses account for the lion’s share of total state spending on community colleges. On average, state operating expenses per capita computed using the Illinois data equal 87 percent of the state spending per capita in 1996-97 according to Phillippe and Patton, *National Profile*.

⁷ See Pennsylvania Commission for Community Colleges, *Statewide Database Report, 2000* (Harrisburg: PCCC, 2000) Table 22. Statewide figures for state and local appropriations on community colleges are reported in both Pennsylvania Commission and in Phillippe and Patton, *National Profile*. This allows us to see how consistent the two sources are. For state and local appropriations separately, the two sources are within 2 percent of each other. For the sum of state and local appropriations, the two sources are within a fraction of one percent of each other.

⁸ Since data on FTE counts in states and at Pennsylvania community colleges come from different sources, for the sake of consistency adjustments were made to the Pennsylvania college counts. These adjustments were made using the fact that both data sources report figures for FTEs in Pennsylvania as a whole. For the FTE count at individual Pennsylvania Community Colleges, we used “reimbursable credit FTE” enrollment in fall 1996. (See Pennsylvania Commission, *Statewide Database Report*, Table 5.) The statewide reimbursable fall credit FTE count reported by the Commission exceeds the Pennsylvania 1996 Fall FTE count reported by NCES by 13.3 percent, in part because Pennsylvania colleges register many FTEs (especially in off-campus programs) after the October 15 NCES cutoff date for reporting enrollments. Nonetheless, for consistency with the state data reported by NCES, and to avoid underestimating relative state and local appropriations per capita within Pennsylvania, we deflate the FTE counts at each individual community college by 13.3 percent. The resulting estimates of appropriations per FTE at each Pennsylvania college are poor estimates of the *absolute* level of appropriations per FTE. Therefore, in the text, we report appropriations per FTE for each Pennsylvania community college in relative terms, by indexing it to national level of appropriations per FTE.



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