

Correcting The Record About Education Funding

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A huge and expensive ad campaign now under way seems to be directed at driving a wedge through Alabama's public education system.

Why is the teachers' union leadership (AEA) spending hundreds of thousands of dollars on an ad campaign to create the pretense of a battle within the education family -- an ad campaign that has been strongly condemned by the editorial boards of every major newspaper in the state?

K-12 and Higher Education are not at war. The education family does, however, face two formidable adversaries: a teachers' organization that is trying to divide K-12 and Higher Education and a funding process that has been damaged and diluted over many years.

The mission of K-12 and Higher Education is to educate the public. We are united in this goal. Alabama's universities have educated more than 90% of the K-12 teachers who are working today in Alabama's public school classrooms.

Alabama's universities and K-12 schools are collaborating in hundreds of initiatives that deliver instruction and programming every day to public schools in urban and rural areas across our state.

Alabama's universities are preparing the graduates of K-12 schools for meaningful careers and high-wage jobs that are changing the economic foundation of Alabama.

As the Legislature addresses the current proration crisis and continues work on an education budget for next year, here are some facts I hope you will find useful in defining the real issues.

Higher Education Seeks Fairness

Your public universities simply are asking the Legislature for fair and equal treatment with K-12 in proration, now and in the future. Both entities represent Alabama's public education offerings and should not be placed in a situation of competing with each other.

We are asking for approximately one-third of the new dollars in the Education Trust Fund for 2001-2002, a division of new dollars that traditionally was followed for many years.

Since 1994, state appropriations for K-12 schools increased about \$825 million before proration. Over the same period, the Higher Education budget increased about

\$131 million before proration. If the universities are cut by 11.7% as proposed by the Governor and the Attorney General, we will receive less money than we did in 1994 – while utilities, supplies and other basic expenses have steadily increased.

School buses and portable classrooms do not appear on the AEA's legislative agenda, as the ad campaign would have you believe. AEA leadership has set its priorities. The vast majority of new dollars directed to public schools since 1995 by the K-12 Foundation Program and AEA has been used for salaries and benefits, especially a controversial health insurance program called PEEHIP.

According to the independent Public Affairs Research Council of Alabama, **just 1% of new dollars** in the Foundation Program has been spent on “instructional support,” such as professional development, classroom materials, technology and textbooks.

The Facts About Endowments

The teachers' union would have you believe Higher Education has lots of extra money we can use now. In fact, the dollars to which they are referring are called “endowment funds.” Endowment funds cannot be spent to cover monthly operating expenses. Only the income earned on endowments can legally be spent. Income from endowments generally is protected by legally binding contracts between the donor and the university that restrict the purposes for which endowment income can be expended.

Money from donors must be used as they direct for student scholarships, research programs, academic programs and other specific areas. To do otherwise would violate the law as well as the trust of much-needed supporters.

The Facts About Reserves

The teachers' union continues to refer to reserves held by Higher Education as a source of revenue now. In fact, pledges against bond debt and loans for buildings and renovations **are required by law** and must be held in reserve.

Alabama universities are required to raise private and federal dollars to construct buildings and for repairs since state support is almost non-existent. Federal and private research dollars **are required by law** to go directly to those projects or be forfeited with steep penalties. Balances in bookstore and dormitory accounts and other auxiliaries must be held to pay for inventories and cover direct expenses.

State universities in Alabama receive their appropriation allotments about 30 days late each month. Federal research and contract payments are reimbursed to universities monthly only after the work has been completed. Reserves are necessary to meet payroll and pay monthly bills until the state allotment and federal reimbursements are received. By contrast, in non-proration times, K-12 gets their checks approximately 10 days before they must be spent each month and has the opportunity to earn interest.

As stewards of public assets, we attempt to follow national guidelines that call for keeping two to four months of operating expenses on hand for emergencies. However,

many universities are unable to maintain a desirable level of reserves because of inadequate state funding. Our reserves, just like the reserves in K-12, were not established (and are not sufficient) to cover proration cuts or other reductions to our state appropriations.

The Facts About Portable Classrooms

What about the K-12 children depicted in AEA ads who are forced to learn in a “tin can” with inadequate classroom supplies and technology? No one would disagree with the necessity of getting rid of portable classrooms. As a matter of fact, in 1998 the State passed a bond issue for K-12 schools mandated by Governor Siegelman to replace all the portables in K-12 schools.

This process is ongoing and in many school systems the portables have been replaced with new classrooms funded by State bond money. New construction is under way at other schools to replace the remaining portables.

The Facts About Tuition

We wish there were a solution to the funding crisis that would not raise tuition, which amounts to taxation on our students and their families. State leaders and university trustees share a deep concern about the affordability of college.

Because of inadequate state funding, reliance on tuition in Alabama public universities has grown from 23% to 31% of our budgets over the past decade. The comparable figure for Florida and Georgia is 20%. As always, we are exploring all options to keep tuition as low as possible.

The Facts About College Costs

Over his or her lifetime a college graduate is projected to earn at least \$750,000 more than a high school graduate. The cost of delivering specialized instruction in the sciences, foreign languages, math, engineering (not to mention medicine, dentistry and veterinary medicine) is more expensive than educating a K-12 student.

State spending per four-year college student in Alabama averages \$4,871, ranking us 14th of 16 Southern states. Georgia spends \$7,562 per student. The average in Mississippi is \$6,321 and in Tennessee it is \$5,330.

What Is The Solution?

To provide a bright future and high quality, good paying jobs for our children; to attract new business and industry to our state, thereby providing more jobs and tax dollars; and to provide the infrastructure (such as doctors, hospitals and facilities) necessary to care for all our citizens, Alabama must recognize that education is the only answer. Alabama must join more prosperous states like Georgia, Tennessee and Florida and make adequately funded education at all levels our absolute top priority.

Three things are needed:

- Visionary leadership at all levels which recognizes the value and importance of a unified public education system;
- Continued solidarity among the education community;
- A public outcry against the adversaries who seek to divide K-12 and Higher Education and, in so doing, slow Alabama's progress.

The time has come for the leadership of the teachers' union to abandon its misleading ad campaign and join K-12 and Higher Education in making Alabama's children from kindergarten through graduate school our number one priority.

The issue at hand is fairness in funding – not fighting – for K-12 and Higher Education. We cannot allow divisiveness to stand in the way of Alabama's future. The stakes are simply too high.

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