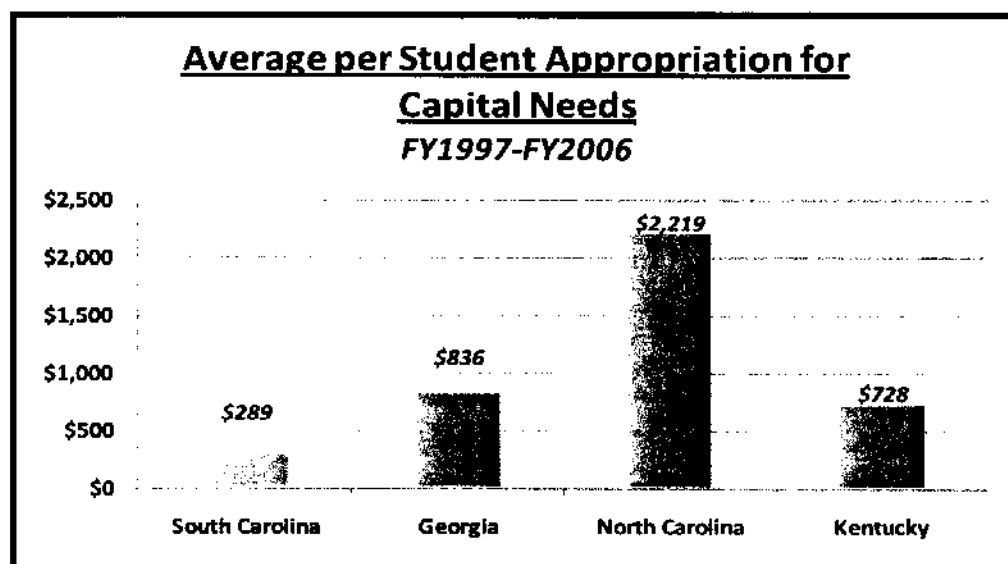


201

AROUND THE SREB: CAPITAL FUNDING IN GOVERNORS' BUDGET PROPOSALS

Capital funding is a critical component of the investment in higher education. Over the past 10 years, South Carolina's neighboring states have provided significantly more capital funding per student, as illustrated in the graph below. (Note: Appropriations include all funding sources, which for South Carolina, includes capital improvement bonds, the capital reserve fund, and supplemental appropriations.)



In nine of the 16 Southern Regional Education Board (SREB) states, governors have released their budget proposals for the upcoming year or biennium. A summary of the proposed overall funding for higher education and capital funding is provided below. It is worthwhile to note that five of the nine governors have proposed capital funding for the state's colleges and universities. Three of those five states had mid-year budget reductions; however, the governors' proposals include issuing bonds for capital needs.

(Note: The information in this brief is derived from the SREB February 2008 Legislative Report which summarizes the governors' proposals in nine of the 16 states.)

.....

DELAWARE

Total Funding Proposed for Higher Ed: \$246.2 million (up 1.8%)

Total Capital Funding Proposed for State: \$473.3 million

Higher Education: \$13.5 million (\$4.5 each for University of Delaware, Delaware State University, and Delaware Technical & Community College)

GEORGIA

Total Funding Proposed for:

4-Year Higher Education: \$2.3 billion (up 10.3%)

\$17.5 million included for major repairs and renovations (general funds)

Technical Colleges & Adult Education: \$387.2 million (up 3.7%)

Total Capital Funding Proposed for State: \$958.6 million (bond funded)

4-Year Higher Education: \$246.9 million (26%)

Technical Colleges & Adult Education: \$93.1 million (10%)

KENTUCKY

**FY2007-08 Mid-year Reduction for Higher Ed: \$34.5 million*

Total Funding Proposed for Higher Ed (biennium):

FY2008-09: <\$1.2 billion (down 12%)

FY2009-10: \$1.2 billion (up 0.9%)

Total Capital Funding Proposed for State: \$3.5 billion

Higher Education: \$2.8 billion (80%)

"Bucks for Brains" program: \$60 million

(Program matches state funds with private funds for investment in university research designed to create jobs and stimulate economic development.)

MARYLAND

**FY2007-08 Mid-year Reduction for Higher Ed: \$12 million*

Total Funding Proposed for:

Public 4-Year Institutions: \$1.2 billion (up 5.9%)

Technical Colleges: \$270.8 million (up 12%)

Private Institutions: \$10 million (up 10%)

Total Capital Funding Proposed for State: \$3.4 billion

Public 4-Year Institutions: \$201.8 million (6%)

Technical Colleges: \$81 million (2%)

Private Institutions: \$8 million (0.2%)

MISSISSIPPI

Total Funding Proposed for Higher Ed: \$916.8 million (down 2.1%)

(Overall funding is decreased but level funding remains. Decrease is due to reduction in support for University Medical Center which has received large funding increases in the last two years and increased Medicaid payments.)

Total Capital Funding Proposed for State: \$0

SOUTH CAROLINA

Total Funding Proposed for Higher Ed: \$868.1 million (down 3.4%)

Total Capital Funding Proposed for State: \$0

TENNESSEE

Total Funding Proposed for Higher Ed: \$1.6 billion (up 2.5%)

Total Capital Funding Proposed for State: \$0

VIRGINIA

**FY2007-08 Mid-year Reduction for Higher Ed: 5.3%*

Total Funding Proposed for Higher Ed (biennium): \$1.9 billion

FY2008-09: up 3.6%

FY2009-10: up 1.2%

Total Capital Funding Proposed for Higher Education: \$1.6 billion (bond issue)

(Funding to be provided over five to seven year period for 75 projects, largely in areas of engineering, science, business, and health professions.)

WEST VIRGINIA

Total Funding Proposed for Higher Ed: \$399.2 million (down 1.3%)

4-Year Institutions: \$289.1 million (up 4.1%)

Technical Colleges: \$61.6 million (down 2.9%)

Total Capital Funding Proposed for State: \$0

(Proposed "Bucks for Jobs" endowment program with one-time surplus funding of \$50 million for two research universities to stimulate research and development and attract venture capital funding. University expenditures will be matched with private funds. Endowment funds can be used for infrastructure needs (i.e. lab renovation for researcher) but not new capital.)