



“BOND ISSUE: EQUITY IS A MUST!”

The discussions about the state’s educational bond proposal must be a debate that includes ALL of the parties that will be significant participants in the eventual utilization of the bond proceeds. The positive outcome that everyone wants from capital investments depends on having enough proceeds in the bond issue to meet the critical needs at all levels of education. To strengthen the argument for equitable funding of public education, Pre-K through Ph. D., the individual entities must be able to show both historical precedent and economic growth potential.

Obviously, all of the participants must be prepared to indicate their needs in a specific way. The description of the needs must pass the educational benefit test. However, they must also meet the public perception test. In other words, the rationale for “Why an institution needs additional capital revenue?” must be clear and convincing. How do the public universities show a clear and convincing argument?

The reality is that finding the support documentation for the universities asking for 40 percent of the bond proceeds is not difficult.

The public universities have historically received proceeds in the range of 40 percent. The cost of buildings on the typical university campus is more costly than building on a Pre-K through 12 campus because universities must construct dorms, lab facilities, etc. that are not required at the secondary level. The legislature has traditionally recognized that it costs more to invest in the necessary university facilities.

	Date and Type of Bond Issue	Higher Education Amount	Elementary/Secondary Issue	Total Bond
1.	1959 AEA Bond Issue	\$ 26,000,000	\$ 74,000,000	\$ 100,000,000
	Percent of Total	26.00%	74.00%	
2.	1965 APSCA Bond Issue	\$ 55,300,000	\$ 60,700,000	\$ 116,000,000
	Percent of Total	47.67%	52.33%	
3.	1973 APSCA Bond Issue	\$ 76,621,000	\$ 103,300,000	\$ 179,921,000
	Percent of Total	42.59%	57.41%	
4.	1978 APSCA Bond Issue	\$ 102,125,000	\$ 118,200,000	\$ 220,325,000
	Percent of Total	46.35%	53.65%	
5.	1985 APSCA Bond Issue	\$ 126,000,000	\$ 184,000,000	\$ 310,000,000
	Percent of Total	40.65%	59.35%	
6.	1995 APSCA Bond Issue	\$ 23,000,000	\$ 192,000,000	\$ 215,000,000
	Percent of Total	10.70%	89.30%	
7.	1998 APSCA Bond Issue	\$ 131,000,000	\$ 419,000,000	\$ 550,000,000
	Percent of Total	23.82%	76.18%	
8.	1999 APSCA Bond Issue	\$ 89,000,000	\$ -	\$ 89,000,000
	Percent of Total	100.00%	0.00%	
9.	2001 APSCA Bond Issue	\$ 38,676,928	\$ 58,778,072	\$ 97,455,000
	Percent of Total	39.69%	60.31%	
10.	2002 APSCA Bond Issue	\$ 75,000,000	\$ -	\$ 75,000,000
	Percent of Total	100.00%	0.00%	
11.	2003 APSCA Bond Issue	\$ -	\$ 15,400,000	\$ 15,400,000
	Percent of Total	0.00%	100.00%	
	Total All Issues	\$ 667,722,928	\$ 1,209,978,072	\$ 1,877,701,000
	Percent of Total	35.56%	64.44%	
	Total APSCA Issues Only	\$ 641,722,928	\$ 1,135,978,072	\$ 1,777,701,000
	Percent of Total	36.10%	63.90%	

In addition, if the universities wanted to specifically illustrate the needs on the campuses, then they can point to the compiled data on the campuses’ deferred maintenance. The Alabama Commission on Higher Education compiles data on the university facility needs. At last count, the ACHE data showed a total deferred maintenance level of more than \$1 billion.

The Higher Education Partnership reminds you that every person counts on Higher Ed Day.

To make sure that the success of the past few rallies is not forgotten, the university supporters must continue to show that we are vocal, involved constituents. Higher Education Day is the most important symbol of the unified voice of the universities. With over 150,000 Alabama citizens on our 13 campuses, the universities have grown in our level of respect. Now, we must reinforce that WE ARE HERE TO STAY! Join us at the Alabama StateHouse on April 5.

Make plans to come to Montgomery for Higher Ed Day at 11:00 a.m. on April 5. Invite your friends.

Historical Perspective and Future Opportunity of Bond

For much of the past two decades, Alabama's universities have experienced a shortfall in public funding. This shortfall in operations and maintenance dollars has forced the universities to relegate facility upkeep and maintenance to a lower level of priority. However, this can only continue for an abbreviated period of time. The universities recognize that old and outdated laboratories are detractors for new and innovative faculty. The universities know that a department whose faculty offices are located in a residential dorm will be challenged to keep good morale and will ultimately struggle to keep good faculty. Institutions understand that leaking roofs in residential halls are a detractor when it comes to recruiting the best and the brightest of Alabama's students.

Yes, Pre-K through 12 campuses are in need in all corners of the state. However, the reality is that these needs are not more or less significant than the needs at the university level. The truth is that all of the needs are important.

Try this scenario: a bright young man from a family who may not have the resources to house that individual in an apartment, may struggle to attain the financial capacity to allow the young person to enter the university. The young man changes his goal. He loses sight of his potential. He begins to settle for mediocrity and, ultimately, never completes his four-year degree. This scenario is too real in Alabama.

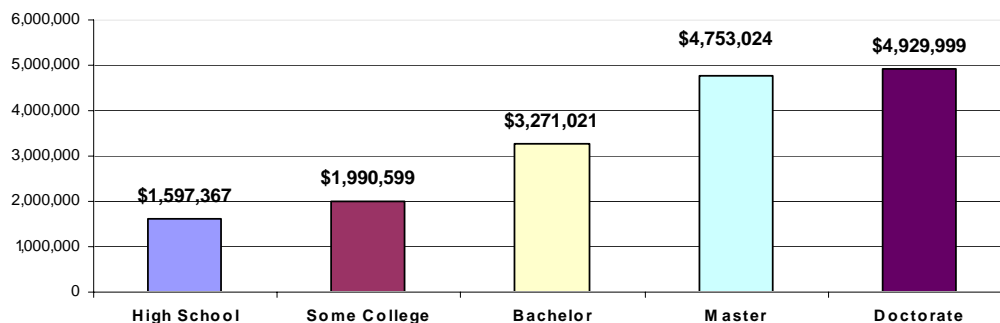
To see the facts go to the *Measuring Up* report that focuses on the importance of creating pathways to college for underserved areas of the population. Alabama still lags behind the national average when comparing the number of adults with college degrees. Plus, the state trails in per capita income. Alabama is in the lower one third of states in the Southeast in per capita income. These problems are not easily repaired. However, by choosing to invest in the public universities and their capital needs the state will open the doors of opportunity.

A four-year degree has significant value. Consider the following data from research performed by the University of Alabama's Center for Business and Economic Research: a person without a four-year degree (on average) can expect to realize lifetime earnings of \$1.9 million while a person with a four-year degree can expect lifetime earnings of \$3.2 million and a person with a masters degree can expect earnings of \$4.7 million.

If Alabama leaders fail to realize the benefit available to individuals that choose to pursue a four-year degree, they have made a costly mistake. To fail to invest equitable resources in all of public education, Pre-K through Ph. D., is the also a mistake. The Higher Education Partnership applauds efforts to generate large dollars for the bond issue. However, we must emphasize that universities need their share because the citizens of the state need universities.

THE HIGHER EDUCATION RESOURCE GUIDE: Attainment and Earnings

Lifetime Earnings (Current \$), 2002, Data from the Center for Business and Economic Research, University of Alabama



Remember-Remember

Higher Ed Day transportation is coordinated by SGA and campus STARS committee. Make plans NOW for April 5!