

University of Florida – Scope of Work

Due to the uneven ways in which local funds are distributed, local funding has the potential to exacerbate already-existing inequities by using local taxes as a mechanism to provide more funding to community colleges in affluent areas and less funding to community colleges in underprivileged areas. This dynamic has equity implications due to the overrepresentation of low-income, racially minoritized, and rural students enrolled at the subset of community colleges receiving the least amount of public funding. At the K-12 level, roughly two-thirds of state funding formulas recognize that students with greater needs are more expensive to educate and require greater resources (Kahlenberg, 2015). However, higher education works in the opposite way, as the institutions serving the students with the greatest needs (e.g., community colleges) are funded the least. The path to a more equitable, effective, and evidence-based funding system for higher education cannot be realized until we are able to understand how community colleges are funded. Our current project funded by the Gates Foundation has moved the field forward in important ways to improve our understanding of how states fund colleges, but it has also revealed how little we know regarding how localities fund community colleges.

The existing data source for local funding is the Integrated Postsecondary Education Data System (IPEDS). Although IPEDS offers a glimpse into the amount of local appropriations a given community college receives, it does not distinguish between different types of local appropriations. Researchers are able to note the amount of local appropriations, but they are unable to identify the specific sources of local funding (e.g., local property taxes, local sales taxes, local gambling taxes, etc.). This is a critical problem for the equity and effectiveness of higher education finance. As one example, K-12 finance has revealed that property taxes, in particular, can exacerbate inequities, but other types of local taxes, such as sales taxes or gambling taxes, may be able to more equitably close the funding gap facing community colleges. Simply put, policymakers are unable to make evidence-based decisions regarding the most equitable and effective ways to fund community colleges if they do not know how community colleges are funded. After the InformEd States research team documents the specific ways in which community colleges are funded at the local level through the proposed project, researchers and policymakers can begin to develop an evidence base to better understand the implications of different types of local funding mechanisms.

In other words, it would not be possible to identify optimal strategies for local funding (or the optimal mixture of state and local funding) if we do not know what local funding looks like within and across states. In the proposed study, we will address a critical yet understudied area of higher education finance and policy by providing a five-year longitudinal examination of local funding sources from Fiscal Year 2018 through Fiscal Year 2022. To do so, we will leverage the existing data collection infrastructure of the InformEd States research team, comb legislative documents, engage directly with state systems and coordinating/governing boards, and implement a targeted survey for individual institutions to triangulate information and fill in gaps when perfect data are not obtained. The proposed project will create and analyze an institution-level database outlining the specific types of local funding sources for every community college in the U.S. between Fiscal Year 2018 through Fiscal Year 2022, allowing practitioners and policymakers to gain a clearer understanding of how localities fund community colleges and whether specific types of local revenue sources serve to mitigate or exacerbate funding inequities within different types of community colleges (MSIs, rural-serving, etc.).

After collecting data and providing regular progress updates during the first year of the project period, we will provide the following deliverables:

- Policy brief outlining the different types of local revenue sources for community colleges. In addition, we will provide data visualizations and exploratory analyses to show the institutional characteristics and student compositions of community colleges using specific types of local revenue sources (e.g., local property taxes, local sales taxes, local gambling taxes, etc.). This deliverable should be expected in December 2023.
- Paper examining the different types of local revenue sources for community colleges, including data visualizations and additional exploratory analyses to show the institutional characteristics and student compositions of community colleges using specific types of local revenue sources (e.g., local property taxes, local sales taxes, local gambling taxes, etc.). This deliverable should be expected in April 2024.
- Online webinar intended for practitioners and policymakers to provide an overview of our findings. This deliverable will introduce the problem of how little we know about local funding sources, offer a first look at our solution-oriented results, and provide numerous evidence-based policy recommendations based upon our findings. This deliverable should be expected in April 2024.

Publicly available institution-level dataset featuring a detailed breakdown of the local revenue sources obtained by every community college in the U.S. between Fiscal Year 2018 and Fiscal Year 2022. This deliverable should be expected in July 2024.