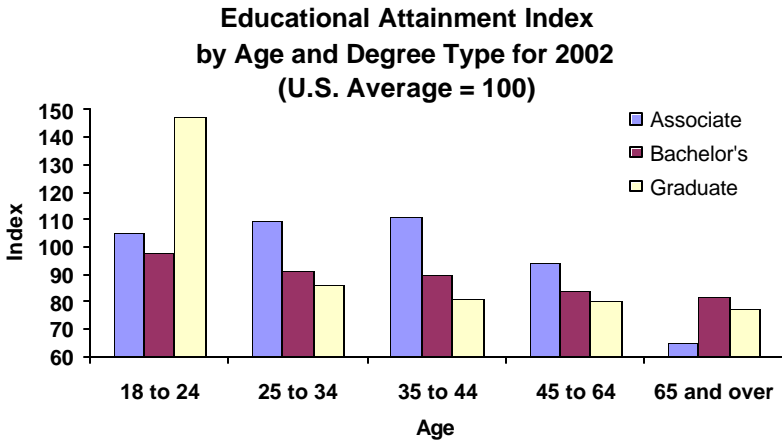


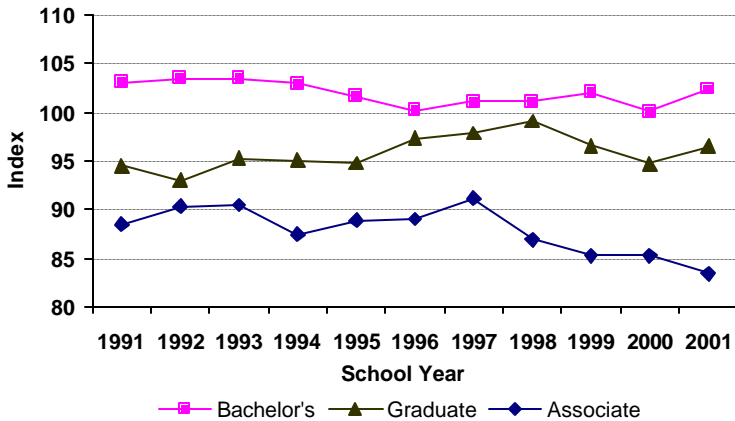
Postsecondary Educational Attainment in Ohio Lags behind National Average



- To create the index used above, the percentage of Ohioans of an age group with a given degree was divided by the corresponding national average. This result was then multiplied by 100. For example, 4.6% of Ohio's 18 to 24-year-olds have an associate degree, while the national average is 4.4%. Dividing the first percentage by the latter and multiplying by 100 results in an index of 105. Thus, the percentage of associate degree holders aged 18 to 24 in Ohio is 5% above the national average.
- The indexes compare the educational attainment of age groups in Ohio by various degree types with their respective national averages.
- Ohio is above the national average (i.e., above 100 in the index) in only 4 out of 15 cases. These are associate degree holders aged 18 to 24 (with an index of 105, or 5% above the national average), graduate degree holders aged 18 to 24 (147), associate degree holders aged 25 to 34 (109), and associate degree holders aged 35 to 44 (111).
- Aggregating all postsecondary degree holders, Ohio's index score ranks 22nd in the nation for those aged 18 to 24 (with an index of 102), 32nd for those aged 25 to 34 (94), 35th for those aged 35 to 44 (92), 41st for those aged 45 to 64 (85), and 40th for those aged 65 and over (78).
- Ohio's highest-ranked category is for graduate degree holders aged 18 to 24, in which the state's index score of 147 ranks 11th in the nation. Ohio's lowest-ranked category is for associate degree holders aged 65 and over, in which the state's index score of 65 ranks 46th in the nation.

Ohio's Colleges and Universities Exceed the National Average in the Granting of Bachelor's Degrees

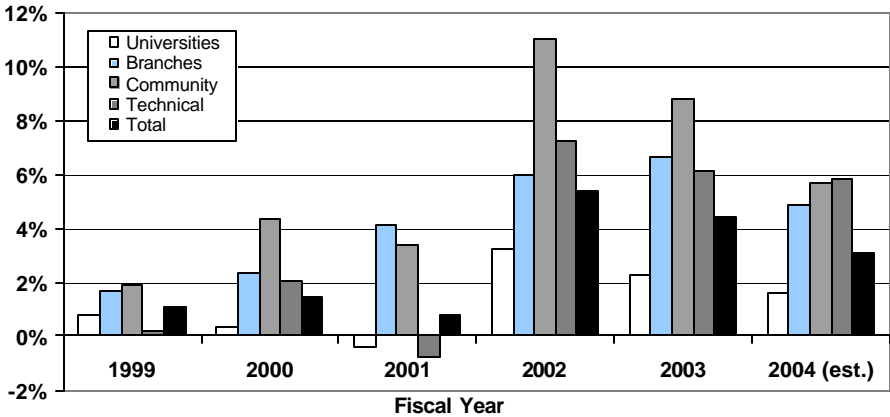
**Degrees Granted by Ohio's Colleges and Universities
(U.S. Average = 100)**



- To create the index used above, the ratio of the number of the specified degrees granted by Ohio's colleges and universities to Ohio's population was divided by the corresponding ratio for the nation. This result was then multiplied by 100. The graph shows annual data for degrees granted in Ohio from 1991 to 2001.
- Ohio was above the national average with respect to bachelor's degrees granted every year from 1991 to 2001. During the same period, Ohio was consistently below the national average with respect to the granting of associate and graduate degrees.
- In 2001, Ohio's index score for associate degrees ranked 34th in the nation (with an index score of 83), 27th for bachelor's degrees (102), and 20th for graduate degrees (96). Aggregating all postsecondary degrees granted, Ohio's index score of 96 ranked 29th in the nation.
- Within the graduate degree category, there was substantial variation by the type of degree granted. Ohio's index score in 2001 ranked 13th for doctoral degrees (with an index of 113), 16th for first professional degrees (101), and 21st for master's degrees (94).
- In 2001, Ohio granted 19,289 associate degrees, 50,856 bachelor's degrees, and 22,856 graduate degrees. Ohio's public institutions accounted for 81%, 63%, and 64%, respectively, of the degrees granted in Ohio.

Enrollments Surge, Led by Two-Year Colleges

Subsidy-Eligible FTE* Student Enrollments: Annual Changes for Each Type of Campus



Subsidy-Eligible FTE* Student Enrollments, FY 1999 – FY 2004

Campus Type	1999	2000	2001	2002	2003	2004 (est.)	% change, FY 1999 to FY 2004
University	195,562	196,266	195,498	201,827	206,454	209,705	7.2%
Branch	25,722	26,321	27,414	29,047	30,976	32,471	26.2%
Community	62,999	65,739	67,959	75,450	82,100	86,760	37.7%
Technical	15,588	15,904	15,786	16,932	17,970	19,022	22.0%
Total	299,871	304,230	306,657	323,256	337,500	347,958	16.0%
Change	1.1%	1.5%	0.8%	5.4%	4.4%	3.1%	

*An FTE (full-time equivalent) student is based on one student's taking 15 credit hours per quarter or the equivalent.

- Total subsidy-eligible FTE student enrollments in Ohio's public colleges and universities began to surge in FY 2002, after having seen moderate growth for three fiscal years following a slight downturn in FY 1998.
- Over the five-year period from FY 1999 to FY 2004, total FTE student enrollments increased by 48,087, or 16.0%. Almost half of the FTE growth in FY 2004 occurred at community colleges; less than one-third occurred at university main campuses.
- The higher recent growth rates in the branches' and community colleges' enrollments are partly attributable to the Regents' Access Challenge program, under which additional state funds have subsidized restraints on tuitions and fees at the state's public two-year campuses, and partly attributable to the slowdown in the economy.

Higher Education Tuitions and Fees Rise

Annual Average Full-Time In-State Undergraduate Tuition and Fees,¹ FY 2002 – FY 2005

Campus Type	Amount in Fiscal Year				Percentage Change		
	2002	2003	2004	2005 ²	2003	2004	2005 ²
University	\$5,267	\$6,019	\$6,693	\$7,330	14.3%	11.2%	9.5%
Branch	\$3,337	\$3,806	\$4,126	\$4,480	14.0%	8.4%	8.6%
Community	\$2,152	\$2,362	\$2,491	\$2,654	9.7%	5.5%	6.5%
Technical	\$2,667	\$3,056	\$3,244	\$3,451	14.6%	6.2%	6.4%
National Average:³							
Four-Year	\$3,735	\$4,059			8.7%		
Two-Year	\$1,380	\$1,479			7.2%		
Consumer Price Index: Percentage Change					2.2%	2.2%	2.5%

1 FTE-weighted average tuitions for all campuses of each campus type

2 Projected

3 For public institutions

- For the FY 2004-FY 2005 biennium, the General Assembly imposed limits (caps) on in-state undergraduate instructional and general fee increases after having eliminated them for the previous biennium. For all four types of campuses, the limit on increases of tuitions and fees is 6% for an academic year. Further, The Ohio State University may authorize an additional increase of 3% in each year. Finally, all campuses may increase tuitions and fees by another 3.9% as long as these funds are used to provide scholarships to low-income students or to provide additional or improved technology services to students.
- The Access Challenge tuition subsidy program required university branches, community colleges, and technical colleges, as well as Central, Cleveland, and Shawnee state universities, to reduce their tuitions and fees by an average 5% or more in FY 2001, as mandated by the FY 2000-FY 2001 biennial budget. In the subsequent two biennial budgets, for fiscal years 2002 through 2005, however, such tuition and fee restraints were eliminated.
- Ohio's FY 2003 weighted-average in-state tuition and fee levels for public institutions were \$6,019 for four-year (university) campuses and \$2,793 for two-year campuses (university branches and community and technical colleges). On a comparable basis, these tuition and fee levels exceeded the preliminary national averages (\$4,059 and \$1,479) provided by the National Center for Education Statistics by \$1,960 and \$1,314 for four-year and two-year public campuses, respectively.

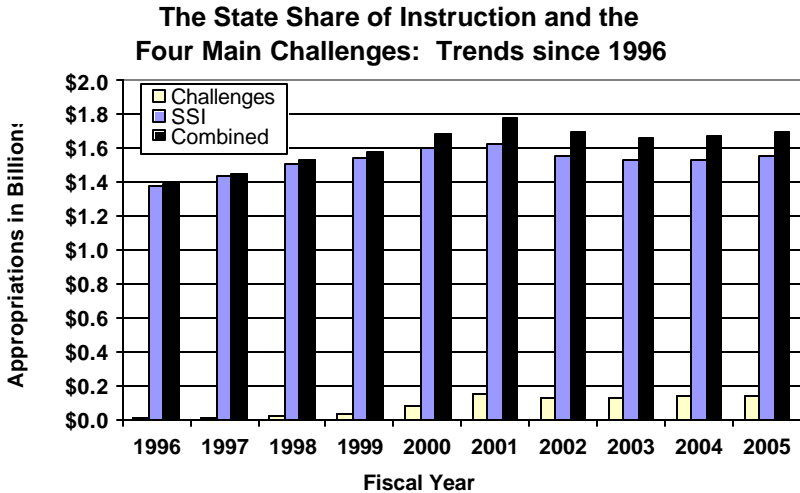
State Share of Instruction Appropriation per FTE Student Continues To Decline

State Share of Instruction per FTE Student* to Campuses, FY 2000 – FY 2004					
Campus Type	Amount in Fiscal Year				
	2000	2001	2002	2003	2004
University	\$6,301	\$6,397	\$5,910	\$5,639	\$5,550
Branch	\$3,332	\$3,337	\$3,143	\$2,939	\$2,800
Community	\$3,296	\$3,304	\$2,875	\$2,647	\$2,553
Technical	\$3,783	\$3,942	\$3,451	\$3,154	\$3,027
Average	\$5,263	\$5,323	\$4,824	\$4,531	\$4,409
Percentage Change	2.5%	1.1%	-9.4%	-6.1%	-2.7%
<i>CPI: Percentage Change</i>	<i>2.9%</i>	<i>3.4%</i>	<i>1.8%</i>	<i>2.2%</i>	<i>2.2%</i>

* This is the amount of the Board of Regents' budgeted line item 235-501, State Share of Instruction, per subsidy-eligible FTE (full-time equivalent) student as distributed among the campuses. An FTE is based on one student's taking 15 credit hours per quarter or the equivalent.

- Several factors have contributed to the recent decline in the State Share of Instruction (SSI) per FTE student: budget constraints, significant enrollment increases, and the current practice of providing more subsidy funds through alternative appropriation items, mainly the Challenge grants.
- Besides the SSI appropriation, the four main Challenge appropriations in FY 2004 provided additional subsidies in the amount of \$140.6 million. These funds increased the state subsidy per FTE student by an average of \$404. By comparison, these Challenges in FY 2000 provided an average subsidy increase of \$275 per FTE student based on a total appropriation of \$83.6 million.
- State instructional subsidy allocations to the university main campuses are significantly higher than those to the two-year campuses because they include the higher-cost baccalaureate, medical, and doctoral curriculum models. The state also subsidizes resident and nonresident master's and professional-degree students at the university main campuses.

Total State Subsidies for Higher Education Experience Small Increases in Recent Years



- Besides the State Share of Instruction (SSI), which is distributed to campuses according to enrollments, student activities, and space utilizations, state support for higher education is provided by the four main Challenge line items (Access, Success, Jobs, and Research). The Challenge subsidies are distributed to the campuses according to their performances in such areas as financial accessibility to students, degree completions, noncredit job training revenues, and outside research funding.
- Executive budget reductions announced in early 2004 reduced the budgeted FY 2004 and FY 2005 appropriations for the four Challenges by 4.0% and 5.1%, respectively. SSI funding was exempted from both fiscal years' reductions. Total funding for SSI and the four Challenges amounts to \$1,701.6 million in FY 2005, an increase of \$26.8 million or 1.6% over FY 2004.
- The four Challenge appropriations have increased from \$5.9 million in FY 1996 (0.4% of the combined spending for the five appropriation items) to \$142.5 million in FY 2005 (8.4% of combined spending).
- Ohio's FY 2004 appropriations of state tax funds per capita for higher education operations placed it 36th-highest in the nation according to a recent Grapevine survey by the Center for the Study of Education Policy. Ohio's appropriations of \$182 per capita were \$26 (12%) below the national average of \$208.