Report Abstract

Preliminary findings of the forthcoming Florida TaxWatch report: *Independent Assessment of the Economic Impacts of the Florida College System*

Florida's college system has provided an opportunity for generations of Floridians to have a better life, at a cost that is much more reasonable than other forms of higher education. A great many of our law enforcement officers, emergency medical technicians, nurses, and firefighters received their degrees from Florida community colleges. Likewise, a great many of our university graduates started at a community college.

Thousands of jobs in Florida are unfilled because businesses cannot find employees who have the right skills required to fill them. These are jobs in industries such as carpentry, plumbing, electrical work, and construction, jobs that do not require a baccalaureate degree. Two-year degrees and certificate programs can give people the requisite skills needed to fill these positions, thereby dramatically increasing their earning power. In fact, since past TaxWatch studies on this subject were undertaken, the wages of such 'skilled-labor' careers have increased significantly, which – as this analysis shows – have thus increased the value of the state's investment in the Florida College System.

Florida currently ranks 24th in the US in the number of people age 25–64 with an associate in arts degree or higher, or with a high-quality, workforce-relevant certificate. On January 30th, 2019, Governor DeSantis signed an Executive Order establishing the goal to make Florida number 1 in the U.S. for workforce education by 2030 and to ensure that Florida students are ready for high-demand, high-wage jobs. Building a workforce in health services, transportation, education, computing, trade, utilities, and jobs that require an industry certification or license will require a sizable investment of public and private funds.

In this report, TaxWatch takes a fresh look at the return on investment of the Florida College System. The analysis estimates that, relative to state Fiscal Year 2017-18 appropriated General Revenue (GR) of $965,245,757:

- On average, the additional spending done with the higher salaries earned by each year of FCS completers is responsible for 9,860 new sustainable full-time jobs across Florida (these are above and beyond the jobs held by the completers themselves);
- Over a ten-year window, every $1 of GR generated between $4.80 and $6.80 of additional Florida GDP;
- Over a ten-year window, every $1 of GR generated between $9.20 and $13.08 of additional Florida personal income;
- Over a ten-year window, every $1 of GR generated between $9.30 and $13.25 in additional Florida output;
- Over the expected worklife of FCS completers, every $1 of GR will generate between $10.80 and $15.42 of additional Florida GDP;
- Over the expected worklife of FCS completers, every $1 of GR will generate between $31.40 and $44.88 of additional Florida personal income;
- Over the expected worklife of FCS completers, every $1 of GR will generate between $33.00 and $47.18 of additional Florida output.

From every perspective, the Florida College System is a good investment for students and the state, which is likely because the system itself is a national leader compared to other state systems.

The Florida College System compares very favorably to colleges nationally, especially in terms of the key indications: enrollment and graduation rates. Of course, the value of graduation rates is clear, but the value of high enrollment is important for three reasons:

1. Students are 'voting with their feet' to attend these institutions.
2. In an ever increasingly technological world, the value of an FCS degree for individuals and the FCS system for the state is significant and increasing.
3. It is likely, although herein unproven, that students chose FCS institutions because they view higher education as an opportunity to be attractive in the workforce and earn a good wage. Based on post-graduation data and considering course offerings – especially those in fields like nursing – it is clear that many students are choosing to attend FCS institutions because the degrees they provide are related to high wage jobs in high need industries.

It is also clear that Florida institutions are highly ranked by national associations and organizations that focus on ensuring high quality in such institutions. The number of Aspen Institute award winners and finalists as well as the top ranking (2nd nationally) by U.S. News and World Report, show that the Florida College System compares very favorably with similar systems in other states.

The specific Return on Investment (ROI) numbers are even stronger evidence of the value of the FCS to the students and the state. With increased expected worklife earnings of $491,777 to $838,023 (depending on degree attained) and a repayment of total cost time of only 2.50 to 3.80 years (again depending on degree attained), the value for students – and the ROI of between 10.5% and 12.0% (depending on degree attained) – is clear.

Similarly, the return on the state's investment is significant. Overall, the higher worklife salaries earned by degree holders compared to high-school completers compared with the public investment in the system translates to a return of $10.8 to $15.42 in increased Florida Gross Domestic Product for every $1 invested and generates nearly 10,000 new jobs (above and beyond the jobs held by the graduates themselves).

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The findings referenced in this document are preliminary, and should not be considered final and complete until the publication of the final report. Please contact Florida TaxWatch at 850.222.5052 with any questions or concerns.

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