

# POLICY MEMO

FOCUS HIGHER ED CAPITAL BUDGET  
SPENDING ON BUILDING A 21<sup>ST</sup>  
CENTURY WORKFORCE  
APRIL 3, 2024

## The Buckeye Institute's Recommendation

Requests by public universities for funds from Ohio's capital budget should only be granted for the construction, maintenance, demolition, and repurposing of buildings needed for educating students on public campuses. Requests for administrative, community, entertainment, or sports facilities should be denied. Refocusing capital budget spending should be part of Ohio's long-term higher education reforms and job-training.

## Background

Growing **student debt**, rising tuition, **stagnant and declining** enrollment, **administrative bloat**, **speech codes**, and **ideological homogeneity** have legislators re-evaluating higher education priorities across the country. In Ohio, for example, The Buckeye Institute **supported** the foundation laid in **Senate Bill 83** to improve the state's public colleges and universities, and refocused spending from the capital budget would take another step in the right direction. Taxpayer funding for higher education infrastructure should be limited to meeting the education needs of the 21<sup>st</sup> century and its **technologically sophisticated** economy. Legislators should review requests to ensure that capital budget dollars subsidize construction and maintenance of facilities such as research laboratories, computer science and health-training centers, and other learning environments essential for developing skillsets needed in the new economy. Legislators should grant capital requests to help right-size campuses through demolition and repurposing buildings, but deny requests for administrative, entertainment, and sports facilities.

Critically, the capital budget process should be just the beginning of a larger structural reform to Ohio's higher education. Public officials should realign the incentives and funding structures for colleges and universities with those of the Ohio taxpayer. Taxpayer funding for higher education in Ohio includes **nearly \$500 million** in the capital budget, **\$200 million** each year in needs-based grants (the **Ohio College Opportunity Grant**), and **more than \$2 billion** each year through the main **state subsidy for higher education**, the state share of instruction (SSI). These funds—and the SSI, especially—should be tied more closely to graduates' gainful employment and incomes capable of repaying student debt.

## Conclusion

Ohio's capital budget requests for public colleges and universities should be granted for educational buildings and infrastructure on campuses, not for entertainment and athletic events. Educating students for the 21<sup>st</sup> century workforce should be the priority, and capital requests for projects outside that focused priority should be denied and the taxpayer assets reallocated.