

States Made Deep Cuts to Higher Education, New Report Finds

Damaging cuts make it harder to afford a college education and undermine states' economic potential

Public universities and colleges in nearly every state have seen their state funding decline sharply, according to a new report from the Center on Budget and Policy Priorities. Nationwide, states are on average spending 28 percent less this year than they did in 2008, a decrease of \$2,353 per student. As a result, colleges and universities have had to raise tuition, make changes that undermine educational quality, or both.

“Investment in higher education should be a priority,” said Phil Oliff, policy analyst at the Center on Budget and Policy Priorities and author of the report released today. “A highly-educated workforce is key to economic growth, so failing to invest in public colleges and universities undermines a state’s economic potential.”

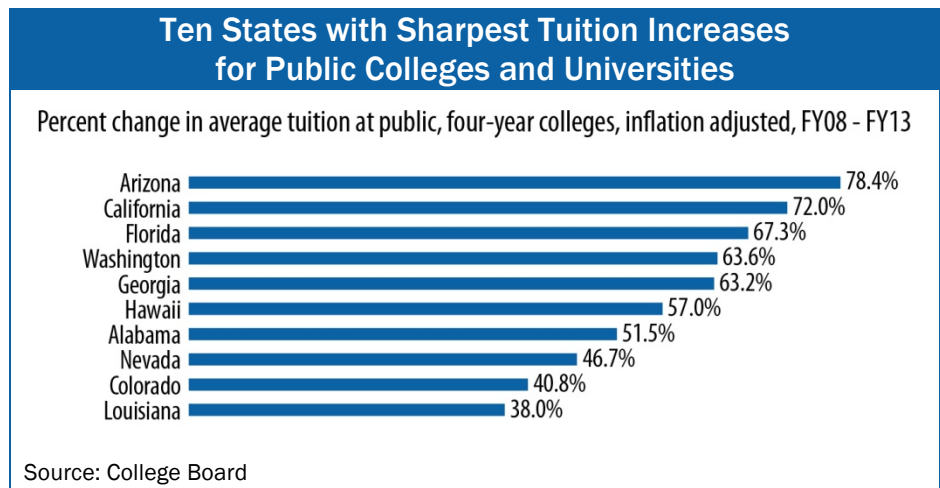
Thirty-six states have cut funding by more than 20 percent, with eleven states cutting funding by more than one-third. Two states — Arizona and New Hampshire — have cut their higher education spending in half.

The deep recession, as well as states’ reluctance to raise revenues, has produced these damaging cuts.

Cuts Hurt Higher Education Affordability and Quality

Public colleges and universities across the country have increased tuition to help make up for declining state investment in higher education. As a result, the average cost of attending a public college or university has surged in recent years.

Average annual tuition at four-year public colleges has grown by \$1,850, or 27 percent, since the 2007-08 school year when adjusted for inflation. In seven states — Arizona, California, Florida, Washington, Georgia, Hawaii, and Alabama — average tuition has increased by more than 50 percent. In Arizona and California, tuition has risen by more than 70 percent.



But these tuition increases have fallen far short of fully covering the funding that public colleges and universities have lost due to state funding cuts. Public colleges and universities also cut spending, often in ways that undermine the quality of education, such as cutting faculty positions, eliminating course offerings, closing campuses, shutting down computer labs, and reducing library services.

A Longer Term Trend of Eroding Affordability and Access

For at least the last quarter-century, state and local funding for higher education has been dropping, and tuition has been increasing. This trend has meant that, over time, students have assumed much greater responsibility for paying for public higher education.

The growth in the cost of education has also far outpaced students' and their families' financial resources. Between 1991 and 2011, median household income grew by about 3 percent while the cost of a four-year public college grew by 159 percent. Even with grants and tax benefits, the cost of college grew by 58 percent in real terms, well above the rate of growth in household income.

Failure to Invest in Higher Education Undermines States' Economic Potential

College completion is increasingly a prerequisite for professional success and entry into the middle class or beyond. And a large and growing share of future jobs will require college attendance. This means that to attract employers and develop a strong middle class states will need a highly educated workforce. But states have scaled back the very investments that will help build that sort of workforce. That's the wrong direction and — unless states reverse course — will weaken state economies in the future.

The full report, *Recent Deep State Higher Education Cuts May Harm Students and the Economy for Years to Come*, is available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3927>.

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