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PRESS RELEASE

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Funding Down, Tuition Up

State Cuts to Higher Education Threaten Quality and Affordability of Public Colleges

Years of reduced investment by states in higher education have driven up tuition, jeopardizing the ability of many to afford the college education that is key to their long-term financial success and essential to a growing economy.

As states have slashed higher education funding, the price of attending public colleges has risen significantly faster than the growth in median income. Annual published tuition at four-year public colleges has risen by \$2,333, or 33 percent, since the 2007-08 school year. For the average student, increases in federal student aid and the availability of tax credits have not kept up.

The average state is spending \$1,525, or 17 percent, less per student than they were in 2008 after adjusting for inflation. And in eight states — Alabama, Arizona, Idaho, Kentucky, Louisiana, New Hampshire, Pennsylvania, and South Carolina — funding is down by more than 30 percent since the start of the recession. Eleven states cut per-student higher education funding further this year even as the economy recovers and revenues have returned to pre-recession levels, the report found.

“College-educated workers are essential to our nation’s economic success,” said Michael Mitchell, senior policy analyst at the Center on Budget and Policy Priorities and author of the report. “States must reinvest in their colleges and universities now to build the workforce they need to compete in decades to come.”

Higher education funding remains well below pre-recession levels in almost all states. Although the majority of states have begun restoring funding to their higher education systems, 45 states are still spending less per student today than they did before the recession after adjusting for inflation.

“Sharp increases in tuition have accelerated longer-term trends of college becoming less affordable and costs shifting from states to students,” said Mitchell. “States can help keep college accessible to low-income and middle class students by re-investing in public colleges and universities.”

A large and growing share of future jobs will require college-educated workers. But lawmakers in many states are jeopardizing the opportunity to invest in higher education by entertaining tax cuts that in many cases would give the biggest breaks to the wealthiest taxpayers. In recent years, states such as Wisconsin, Louisiana, and Arizona have enacted large-scale tax cuts that limit resources available for higher education. And in Illinois and Pennsylvania ongoing attempts to find necessary resources after large tax cuts threaten current and future higher education funding.

“To ensure that public colleges and universities are a place where middle-class and low-income students can receive a high-quality and affordable education, states need to reject costly tax cuts,” said Mitchell.

The full report, *Funding Down, Tuition Up*, is available at <http://www.cbpp.org/research/funding-down-tuition-up>.

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