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IN MANY STATES, STUDENTS AT PUBLIC UNIVERSITIES FOOT BIGGEST PART OF THE BILL

State funding cuts mean students in a majority of states are paying more in tuition than the government does

By Douglas Belkin
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For the first time, students in more than half of all U.S. states are paying more in tuition to attend public colleges or universities than the government contributes.

The privatization of public education has been under way for decades but this inflection point was hastened by deep cuts states made to their higher-education appropriations after the 2008 recession. Funding levels since then have only tepidly recovered, according to a report released Thursday by the State Higher Education Executive Officers Association.

The recovery has been hampered by increased demands states face to fund Medicaid, the state-federal health insurance program for the poor and disabled, and rising public-employee health and retirement costs. Those costs are outpacing growth in tax revenue year after year.

The average tuition for a four-year public college or university was \$6,572 in 2017, up from \$4,784 in 2008, adjusted for inflation in 2017 dollars.

Public spending per student declined 24 percent between 2008 and 2012. Appropriations began ticking back up in 2012, but their recovery has been uneven across the country.

"After the Great Recession, appropriations increased around 4 percent but that percentage is going down now and it seems now we're coming to the end of the recovery," said Sophia Laderman, co-author of the report.

In 2016, students in 24 states paid more than half of the cost of their education at public schools. In 2017, through a combination of budget cuts and tuition hikes, students in Kentucky, Louisiana, Oklahoma and Mississippi also passed that mark, according to the report. The average amount states pay per student nationwide, however, remains above a student's tuition costs.

During economic downturns, public universities traditionally have been hit harder than other sectors because state funding cuts can be offset by tuition increases. As of last year, states still allotted nearly \$2,000 less a student than they did in 2001 and \$1,000 less than they did in 2007, according to the report.

"It's really been a double whammy," said Andrew Carlson, the report's co-author. "We had two recessions back to back."

Only six states have reached or surpassed their prerecession crests in 2008; 19 states remain at least 20 percent below their prerecession level.

The amount of money states spend on higher education varies dramatically. Vermont appropriates the least, at \$2,695 a student – down 20 percent since the recession; Wyoming spends the most, \$18,237, up 4 percent.

Because tuition has increased, the average amount of revenue public universities received per student across the country increased to \$14,151 in 2017, up from \$13,375 in 2008.

Higher education is the third-largest budget outlay in state spending from state and local tax sources, behind K-12 and Medicaid appropriations, according to the report. In fiscal 2017, 9.9 percent of state general funds were allocated to higher education, down from 12.9 percent in 1995.