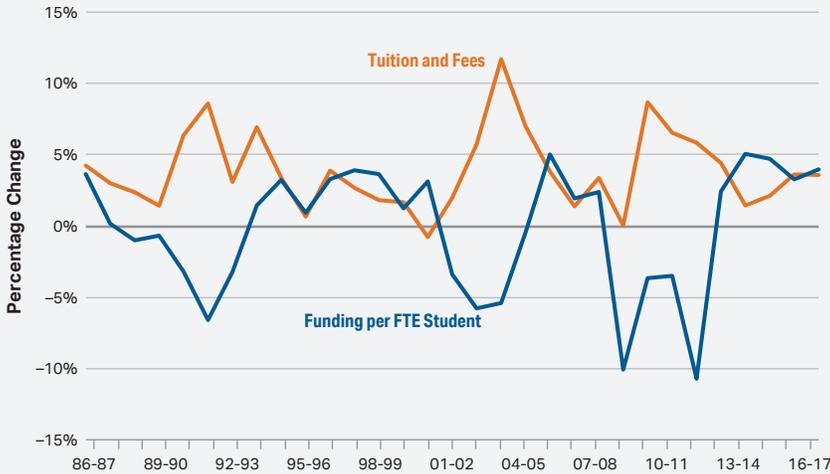


Institutional Revenues: State and Local Funding

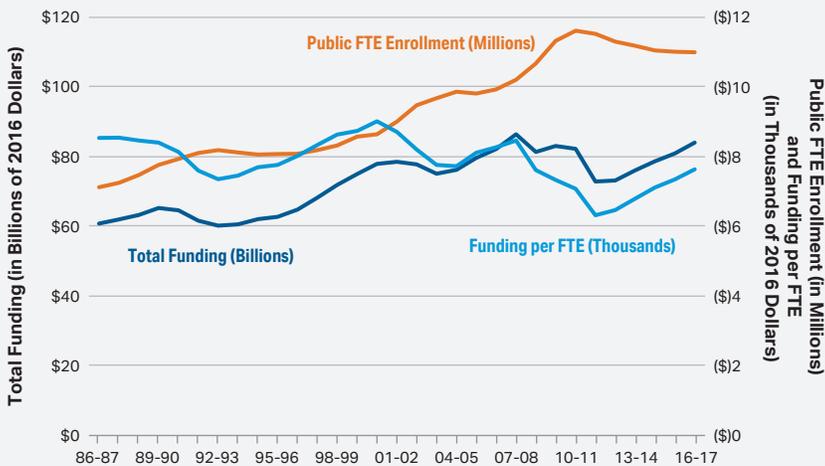
Rapid increases in public sector tuition prices during the most recent recession, followed by smaller increases as state and local appropriations per student recovered from a large decline, were consistent with historical patterns.

FIGURE 15A Annual Percentage Change in Inflation-Adjusted Per-Student State and Local Funding for Higher Education and in Tuition and Fees at Public Institutions, 1986-87 to 2016-17



- Funding per student rose in 2016-17 (in inflation-adjusted dollars) for the fifth consecutive year, following four years of decline.
- State and local funding per student fell by 24% from \$8,270 (in 2016 dollars) in 2006-07 to \$6,320 in 2011-12, and then rose by 21% to \$7,640 in 2016-17.
- Between 2006-07 and 2011-12, the combination of an 11% decline in total funding and a 16% increase in enrollment led to a 24% decline in state and local funding per public college student.
- Between 2011-12 and 2016-17, the combination of a 15% increase in total funding and a 5% decline in enrollment led to a 21% increase in funding per student.
- In 2016-17, total appropriations were 2% higher (after adjusting for inflation) than a decade earlier (\$84.1 billion vs. \$82.2 billion), but appropriations per student were 8% lower (\$7,640 vs. \$8,270). Total appropriations were 38% higher than 30 years earlier (up from \$60.8 billion), but appropriations per student were 11% lower (down from \$8,540).

FIGURE 15B Total and Per-Student State and Local Funding for Higher Education in 2016 Dollars and Public FTE Enrollment, 1986-87 to 2016-17



NOTES: Enrollment figures are fall FTE enrollments for public two-year and four-year institutions excluding medical students. Tuition and fees reflect an FTE enrollment-weighted average of the public sector prices reported in Table 2. Funding is for both two-year and four-year institutions and includes tax revenues and other state and local funds for higher education, but not funding for capital expenditures.

SOURCES: College Board, Annual Survey of Colleges; NCES, *Digest of Education Statistics 2017*, Table 307.10; State Higher Education Executive Offices Association (SHEEO), State Higher Education Finance (SHEF) reports; calculations by the authors.

ALSO IMPORTANT:

- In 2016-17, local funding represented 13% of total educational appropriations for higher education. Local funding was less than 1% of the total in 24 states, but it was more than half of the total in Arizona and more than 20% of the total in Kansas, Michigan, Nebraska, Oregon, and Texas.

