Institutional Revenues: State and Local Funding

Average annual increases in tuition and fees at public colleges and universities were greater than 5% (after adjusting for inflation) in nine of the 30 years between 1987-88 and 2017-18. Each of those years followed a year in which average state and local funding per student declined.

**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, 1987-88 to 2017-18

- Funding per student rose in 2017-18 (in inflation-adjusted dollars) for the sixth consecutive year, following four years of decline.
- In 2017-18, total state and local funding was 2% lower (after adjusting for inflation) than a decade earlier ($85.8 billion vs. $87.9 billion); funding per student was 9% lower ($7,850 vs. $8,610). Total state and local funding was 36% higher than 30 years earlier (up from $63.1 billion), but funding per student was 10% lower (down from $8,700).
- Between 2007-08 and 2012-13, the combination of a 15% decline in total funding and an 11% increase in enrollment led to a 23% decline in state and local funding per public college student.
- By contrast, between 2012-13 and 2017-18, the combination of a 15% increase in total funding and a 3% decline in enrollment led to a 19% increase in funding per student.

**FIGURE 15B** Total and Per-Student State and Local Funding for Higher Education in 2017 Dollars and Public FTE Enrollment, 1987-88 to 2017-18

- In 2017-18, local funding represented 13% of total state and local funding for higher education—an increase from 11% ten years earlier and 8% in 1987-88.

**NOTES:** Enrollment figures are fall FTE enrollments for public two-year and four-year institutions excluding medical students. Tuition and fees are the FTE enrollment-weighted average of the public two-year and four-year 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, 2018, Table 307.10; State Higher Education Executive Offices Association (SHEEO), State Higher Education Finance (SHEF) reports; calculations by the authors.