

# THE CHRONICLE OF HIGHER EDUCATION

## Government

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### State Spending on Higher Education Inches Up, but Fiscal Pitfalls Remain

*By Eric Kelderman*

An annual report on state spending on higher education is mostly good news, at least for the fiscal year just past.

But widen the lens, and the focus muddies: Half of the states are still appropriating less for higher education than they did five years ago.

And the prospects for future spending are clouded by falling oil prices and state lawmakers' resistance to raising taxes.

Over all, states increased appropriations for higher education by more than 5 percent from the 2014 to the 2015 fiscal years.

That's the second consecutive annual increase after four years of declines or nominal growth, according to the "Grapevine" report, a joint project of the Center for the Study of Education Policy, at Illinois State University, and the Association of State Higher Education Executive Officers.

The annual survey is the latest sign that spending on higher education is inching its way back from the impact of the recession, when plummeting state revenues and increasing enrollments combined to push per-student spending to its lowest levels in a quarter-century.

In all, 39 states recorded one-year increases in spending on higher education, ranging from 0.1 percent in Maine to 14.6 percent in Colorado. (A 21-percent increase in Illinois reflects the state's increased contribution to pensions for college and university employees, the report said.)

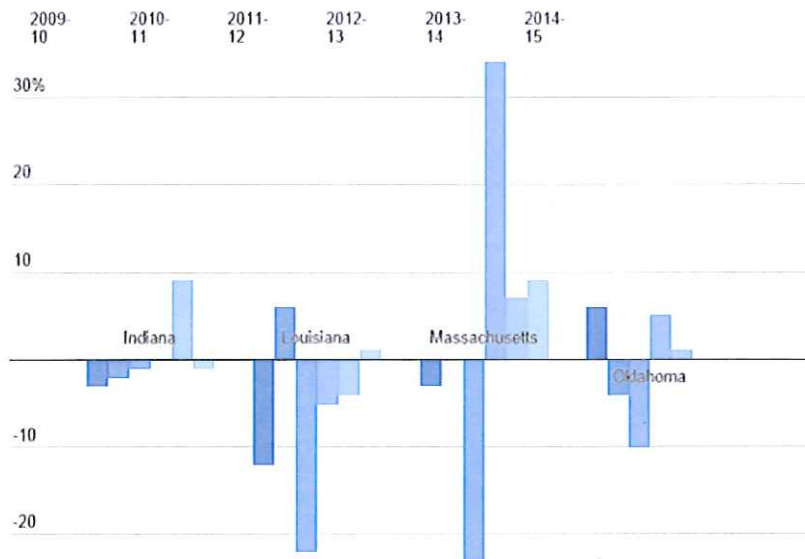
But much of the national increase for this cycle is a result of the large dollar amounts added by California, Florida and Illinois.

Those states make up more than a quarter of the national total. Without them, the overall increase would have been less than 3 percent.

In addition, the results for individual states vary widely—and many are still struggling economically.

### How 4 States' Spending Compares

Here's the annual percentage change in appropriations in Indiana, Louisiana, Massachusetts, and Oklahoma, for the period from 2009-10 to 2014-15.



Note: Estimated 2015 figures reported by states from September to December 2014.

Source: "Grapevine" Report 2015 [Get the data](#)

### Mixed Results

Among the 10 states that cut higher-education spending from 2014 to 2015, Kentucky and West Virginia had the largest decreases, 2 percent each.

Over five years, Louisiana has fared the worst. Its spending on higher education is still more than 24 percent less than it was in the 2010 fiscal year. Appropriations have fallen by more than 10 percent over that period in five other states—Arizona, Pennsylvania, Nevada, New Hampshire, and Oklahoma.

The results of this year's survey "show a checkered pattern of tentative recovery from the last recession," says a news release accompanying the Grapevine data. "Variations across states are expected to continue into the next fiscal year as energy-producing

states experience revenue shortfalls in the wake of declining oil prices."

In one of those states, Louisiana, Gov. Bobby Jindal is already proposing a higher-education budget cut of as much as \$300-million. Leaders of public colleges in the state say reductions of that magnitude could result in closing some campuses.

Even some prominent state legislators among Mr. Jindal's fellow Republicans have spoken out against the proposed reductions.

At the same time, proposals to keep college affordable may restrict institutions' ability to raise tuition even as state appropriations decline.

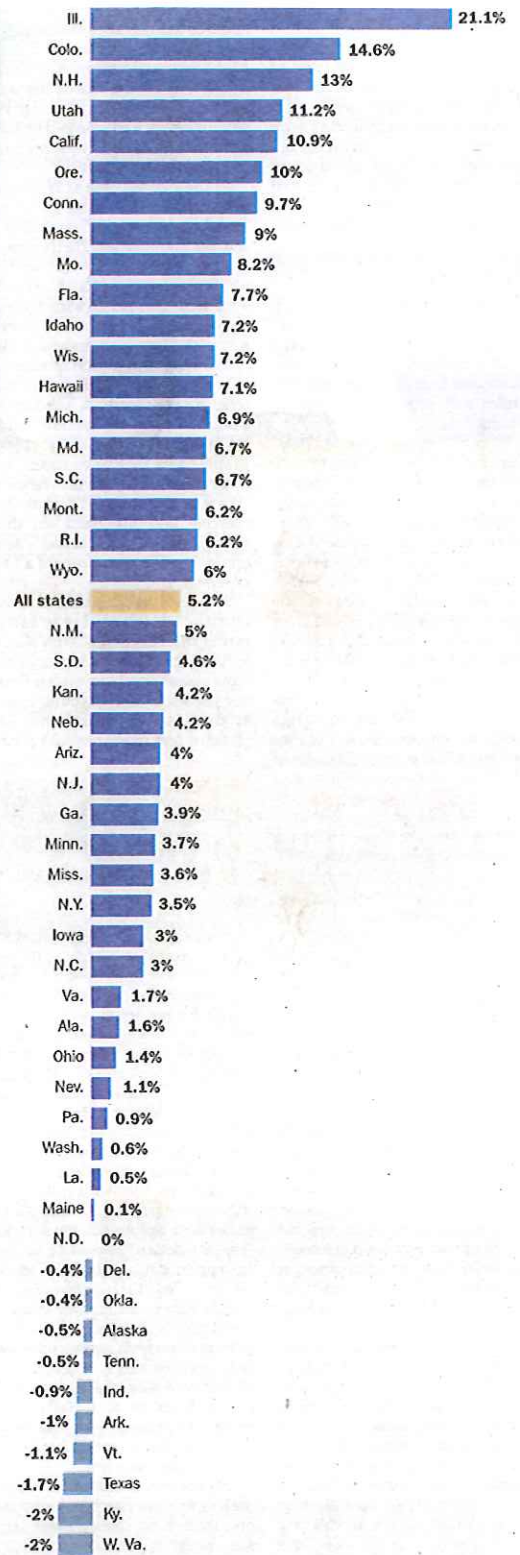
In Texas, another state that relies heavily on revenue from oil, lawmakers from both parties are considering a bill to renew the Legislature's control over college tuition. State appropriations for higher education are less than 1 percent higher than they were five years ago, according to the Grapevine figures.

Higher education could face cuts even in some states in which public colleges have fared relatively well in recent years. In Maryland, newly elected Gov. Larry Hogan, a Republican, has warned that he will not raise taxes to close the state's projected \$1-billion budget deficit.

Maryland has increased spending on higher education by nearly 15 percent since 2010, according to Grapevine figures. But preparing for the coming budget shortfall, the University of Maryland at College Park has already frozen hiring and construction.

# State Support for Higher Education Ticks Upward

Percentage change from 2014 to 2015:



Note: Estimated 2015 figures reported by states from September to December 2014.