

States axe higher education budgets, hike tuition

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At least 36 states have announced funding cuts to public colleges and universities effective this fall. The reductions, totaling upwards of \$5 billion nationwide, will immediately impact students and their families through tuition hikes and reduced financial aid.

As a direct result, thousands will be priced out of higher education altogether, and millions of others will have no choice but to take on still more loan debt.

Both the scale of the cuts and their immediacy present serious hardships for students. Many go into effect this month with the beginning of the new fiscal year, prompting universities to raise tuition and fees closer to the opening of fall semesters—less than a month away in some states—than ever before. Families may not find out about changes to their bills or to aid disbursements until the semester has gotten under way.

Pointing to a collapse in property, sales, and income tax revenue since the onset of the economic crisis, states have targeted basic social infrastructure for austerity. Longstanding regressive tax policies and the tying of education funding to revenue sources such as state lotteries—which are highly vulnerable to the financial strains of the working poor—have largely created this situation. The drying up of the 2009 federal “stimulus” funds this summer has further exacerbated state-level budget shortfalls.

Even with the 2009 federal infusion, however, funding has declined in the past few years. Department of Education data indicates that between academic years 2007-08 and 2008-09, state and local appropriations per student fell on average by 7 percent nationwide.

This drop is especially devastating coming atop years of spiraling tuition costs and stagnating outlays for grant aid. In the past year alone, in-state tuition for public universities rose by 7.9 percent, to \$7,600, according to the College Board’s 2010 report. Over the past decade, in-state tuition costs have risen 5.9 percent above the rate of inflation.

At the same time, federal financial aid—and in particular the Pell Grant award, which has languished at levels far below school costs for more than a decade—has become a

focus of congressional and White House budget-cutting schemes.

Arizona	-22.3%
California	-23%
Colorado	-20.9%
Connecticut	-1.7%
Florida	-1.2%
Georgia	-10.7%
Idaho	-3.5%
Illinois	-1.1%
Indiana	-1.9%
Iowa	-3.6%
Kansas	-2%
Kentucky	-1%
Maryland	-0.5%
Michigan	-15%
Mississippi	-1%
Missouri	-7%
Montana	-2%
Nebraska	-0.7%
Nevada	-15.3%
New Hampshire	-45%
New Mexico	-5.9%
New York	-6.5%
North Carolina	-14.4%
Ohio	-11.2%
Oklahoma	-5.8%
Oregon	-13.5%
Pennsylvania	-18%
South Carolina	-6%
South Dakota	-10%
Tennessee	-1.1%
Texas	-5%
Utah	-2%
Vermont	-3%
Virginia	-7.2%
Washington	-23%
Wisconsin	-11%

Source: American Association of State Colleges and Universities

State grant programs are being targeted for sharp reductions or outright elimination. State funding for higher education is already at its lowest level in more than three decades, according to the latest data from the State Higher Education Executive Officers Association. A recent analysis of governmental data by the Delta Cost Project found state tuition assistance programs have been axed by an average of \$700 per student over the past decade.

New Hampshire, which terminated all state education grants in June, has cut overall higher education appropriations by a staggering 48 percent. The new budget

allocates a mere \$52 million to the state's universities. Funding for community colleges was cut by 20 percent.

Tuition is being raised by 9.7 percent, and the University System of New Hampshire board of trustees announced it would eliminate 200 positions. A spokesman for the university system commented that the budget cut came as a "major and unanticipated shock ...especially in light of the traditionally low level of financial commitment to higher education" in the state.

The draconian measures in New Hampshire are not an exception. In Washington state, Democratic Governor Christine Gregoire has implemented a cut of 24 percent to higher education. Tuition is set to rise by 20 percent, state scholarships and work-study programs are being scaled back, and 1,000 employees will lose their jobs. This budget follows two years of deep cuts to the university system and successive tuition hikes of 14 percent.

Arizona Republican Governor Jan Brewer approved a higher education funding cut of 22.3 percent, triggering tuition and fee hikes of up to 22 percent. Beginning this fall, incoming freshmen at the University of Arizona stand to pay over \$10,000 per year, more than twice the amount this past spring's graduating seniors paid upon entering college four years ago.

Colorado is cutting its higher education budget by 20.9 percent. Tuition increases in the state are up to 20 percent. Community colleges will raise tuition by 10 percent. This will deal a blow to the poorest students and their families, who have turned increasingly to cheaper community colleges for degrees and certifications.

On June 17, Nevada's state board of regents approved an increase of 13 percent in undergraduate fees in response to a 15.3 percent cut in higher education appropriations. The university system is also inflicting wage cuts and layoffs on its employees.

At the College of Southern Nevada, the state's largest university, some 4,000 students are expected to be priced out of attending. The cuts are also being extended to community colleges. "We must accept that the access mission at our community colleges is gone," Chancellor Dan Klaich told the *Review Journal*.

The Democratic Party-controlled California legislature approved a funding cut of 23 percent, or \$650 million, to higher education. In dollar terms, this is the largest reduction to higher education funding in the country. Universities are raising tuition by 10-12 percent, on top of an 8-10 percent increase that was previously announced, and a 32 percent increase in the University of California system two years ago.

The Michigan budget includes a 15 percent reduction in higher education spending; most public universities have

announced tuition increases of 7 percent.

Georgia has reduced funding by 10.7 percent; tuition increases average some 3 percent. While this figure seems small compared to increases in other states, Georgia universities have hiked tuition year after year as funding has declined.

Georgia State University raised tuition by 46 percent between 2007 and 2010. The state is now reducing its lottery-funded HOPE Scholarship program, cutting grants that have already been awarded to students by 10 percent. The HOPE funds are awarded primarily to low-income high school students with good grades.

In some states, funding cuts are comparatively small. Yet students still face double-digit percentage increases in tuition seemingly unconnected to state fiscal crises. Tennessee funding is down just over 1 percent, while tuition at most universities is set to soar by 13 to 15 percent. The Florida higher education budget was cut by 1.2 percent; students will see their tuition rise by 15 percent for the third consecutive year.

In other states, such as Texas and Indiana, higher education funding is being cut while available funds sit untapped. Texas cut university outlays by 5 percent, although its Rainy Day Fund amounts to more than \$9 billion. Many of the state's large universities have already announced hundreds of layoffs and tuition hikes.

In Indiana, deep cuts in education spending in the past year have allowed the state to pool \$1.2 billion in surplus funds. For the new fiscal year the state is cutting another 1.9 percent in higher education outlays.

The gutting of higher education funding is of a piece with the austerity policies being implemented at every level of government, aimed at stripping away critical social infrastructure. The result is a precipitous decline in living conditions for the majority of the working class.

Youth are exceptionally vulnerable to the crisis. Increases in college costs force students already saddled with debt to take on thousands of dollars more in the course of their education. Many are compelled to work longer hours while studying or cut back course loads, postponing their graduation and compounding their debt burdens. After receiving their degrees, graduates are confronted with lifelong loan repayment and the worst job market since the Great Depression.



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