

# US states cut higher education spending by nearly a third

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Since the recession began, state governments have cut funding to public higher education by 28 percent. This is the finding of a recent study published by the Center for Budget and Policy Priorities (CBPP). What emerges is a devastating picture of the situation facing youth seeking an education, as over three quarters of undergraduate students in the US attend public colleges and universities.

Titled “Recent Deep State Higher Education Cuts May Harm Students and the Economy for Years to Come,” the CBPP report describes the deep cuts in state spending and student aid and the resulting increases in tuition, cuts in jobs and infrastructure, and curtailment of services at the affected colleges and universities.

Nationwide, states are spending \$2,353 or 28 percent less per student on higher education in fiscal year 2013 when compared to 2008, just before the recession triggered by the collapse of Lehman Brothers. Individually, 48 states are spending less per student than in 2008, with most making severe cuts.

The amount of spending cut varies from state to state; in some areas it has been particularly drastic. Arizona and New Hampshire have cut spending per student by more than half, and nine other states have cut it more than one third; 36 states have cut funding by more than 20 percent. States and localities provide 53 percent of the funding for instruction at public colleges and universities in America.

In response to the cutbacks, schools have themselves cut spending, as well as raised tuition, resulting in education that is both more expensive and worse in quality. Individually, every single state has increased tuition at four-year public institutions faster than the rate of inflation since 2008.

Nationwide, tuition has risen by 27 percent or \$1,850

per student, adjusted for inflation, since the 2007-2008 school year. In some states the tuition rise has been especially steep, with California and Arizona leading the pack with increases exceeding 70 percent.

Increases in federal assistance, such as an increase in the availability of Pell Grants and an expansion of some higher education tax credits, have fallen short of covering the decreases from the state end, adding up to about three quarters of the shortfall nationwide. And because these increases were applied basically equally among all states, the states with the worst state funding decreases, like Arizona and New Hampshire, are falling particularly short. The funding shortfall was further exacerbated due to the recent expiration of federal emergency funds at the end of the 2011 fiscal year.

In addition to increasing tuition, schools have responded by cutting spending through the elimination of faculty positions, discontinuation of many course offerings, the closing of facilities like computer labs, reduction of library services, and even the closing of entire campuses. In Arizona alone, more than 2,100 university positions were eliminated; eight “extension-campuses,” which facilitate distance learning, were closed; and 182 schools, programs and departments were consolidated or eliminated.

The majority of state money used to fund higher education comes from tax revenue, which, adjusted for inflation, is down nationwide by 6 percent compared to 2008. At the same time, an increasing number of young people are attending public universities, partly as a result of the “baby boom echo,” which resulted in a surge in people presently aged 18-24 years. Compared to the beginning of the recession, 1.3 million or 12.4 percent more full-time students were enrolled in public higher education in the 2011-2012 school year.

These cuts are all the more damaging to students and

their families as they come at a time when the working class is still reeling from the officially ended recession. Additionally, \$85 billion in sequester cuts signed into law by President Obama last week will affect programs providing housing assistance, early childhood education, nutrition assistance and unemployment insurance, among many others.

Compared to 2008, median household income is still down 8 percent. Unemployment remains high, officially at 7.7 percent, which is still a falsely rosy measurement as it does not include the underemployed and those who have stopped looking for work. Real estate values are still depressed as well.

All of this puts families of those seeking higher education in dire financial straits, and dissuades young people from attending college at all. The Georgetown Center on Education and the Workforce projects that by 2018, 62 percent of jobs in America will require some form of college education, which is up from 59 percent in 2007 and 28 percent in 1973. It also projects that by that time, the country's higher education system will produce 3 million fewer graduates than the labor market will demand.

The cuts to higher education are of a piece with broad attacks on public education by state governments, and especially the Obama administration's "Race to the Top" program. Under this policy, schools in poor districts are held to the same testing standards as those in affluent areas.

Under this policy, if students fall short of mandated standardized test scores, teachers may be fired and replaced with inexperienced and lower-paid new-hires. So-called "failing schools" may then be closed or turned over to charter companies, which run the schools for a profit, funneling public funds into the pockets of private shareholders. Some public school districts, including in Michigan's capital, Lansing, are eliminating art, music and physical education classes, which do not factor into the standardized tests.



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