

Study shows funding down, tuition up at US public universities and colleges

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A report by the Center on Budget and Policy Priorities (CPBB) shows that years of cuts in state funding for public colleges and universities have driven up student tuition. This has led to faculty reductions, fewer courses offerings and campus closings.

While some states are beginning to restore a portion of the deep cuts in funding prompted by the 2008 financial crisis, overall, state funding for public two- and four-year colleges still remains far below pre-recession levels.

According to the report, nearly every state has failed to keep higher education funding on par with inflation, and many have actively cut funding. Half of the states in the country have cut funding per student by more than 20 percent.

One state, Arizona, has cut funding per student by more than 50 percent at public universities and colleges. A CBPP graph shows that six states—Louisiana, South Carolina, Pennsylvania, Kentucky, Idaho and New Hampshire—have cut funding by 30 to 40 percent.

In only four states—Montana, North Dakota, Wisconsin and Wyoming—was per-student funding for the last school year above its 2008 pre-recession levels. Forty-five states spent less per student in 2015-2016 than they did before the recession. Alaska spending stayed statistically stable.

Tuition at public four-year institutions rose in 34 states over the past year, increasing by an average of \$254, or 2.8 percent. In nine states, average tuition rose by more than 5 percent, while Louisiana hiked tuition at its four-year schools by more than 7 percent, about \$540.

States across the country recently approved tuition increase caps, which allow universities to keep state funding low as long as they observe the set maximum

tuition increase. At the University of Michigan, some administrators have questioned whether or not they even need to raise tuition, due to the university's massive endowment.

College tuition rates have soared compared to the Consumer Price Index (CPI), which averages the prices of consumer goods and services, reflecting the cost of living. The *Business Insider* notes that while the CPI increased 120 percent from 1980 to 2014, college tuition rose by a staggering 260 percent during this time period. Even the top 1 percent of families in the United States, who have little trouble affording college tuition, have seen tuition rates outpace their 170 percent income growth.

As tuition has skyrocketed, college enrollment at public colleges and universities has risen almost 9 percent as funding has dried up. This has led many students to take on massive student loan debt.

Rising tuition costs make choosing a college a difficult decision for high school students and their families. Low-income students are particularly affected. Without access to information about available financial aid, many low-income families do not believe that they can afford college and therefore do not pursue it, deciding it is not worth the financial risk.

In 2012, nearly 50 percent of low-income students enrolled in some form of postsecondary education. Over 80 percent of students from families in the top 20 percent income bracket enrolled. Income, more so than test scores and academic records, has been shown to be one of the main deterrents preventing the pursuit of higher education for students from lower income families.

Tuition increases are likely a reason for families who choose a less-selective public institution, which has been shown to decrease a student's future earnings.

Even high-achieving students who grew up in low-income families are likely to select colleges based upon financial constraints.

Various media outlets have placed blame for rising tuition costs on instructors' pensions and allegations of administrative fraud. But, as an article from the *Washington Monthly* points out, the number of full-time professional administrators and their support staffs far outnumber the total number of educators employed by universities throughout the country:

"Alas, today's full-time professional administrators tend to view management as an end in and of itself. ... For many of these career managers, promoting teaching and research is less important than expanding their own administrative domains. Under their supervision, the means have become the end."

This is a change from the past, where professors would often cycle through administrative positions and most always return to teaching or research. While many of these support positions are valuable to students' success, the bloating of higher-level administrative staff and their salaries is not in students' interest.

Many of the major universities have generated massive endowments, which guarantee their own stability outside of state funding. Smaller public universities do not have such massive endowments, and they are virtually nonexistent at community colleges.

The University of Michigan, a public institution, has a \$10 billion endowment. The *Wall Street Journal* reports that UM President Mark Schlissel, pulling in \$772,500 annually before perks, has been guaranteed a minimum salary of \$225,000 when he returns to the faculty, as well as \$2 million to open a new biology laboratory.

The resources exist for quality affordable education. The National Priorities Project reports that military spending in the fiscal year 2015—\$598.5 billion—accounted for 54 percent of all federal discretionary spending. This massive figure included spending for war, nuclear weapons, international military pursuits and other Pentagon-related spending.

The Socialist Equality Party and the International Youth and Students for Social Equality insist that high-quality higher education, including continuing education for adults, is a social right and a necessity in a modern society.



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