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## **State Support for Public Higher Education Is Stronger Than Believed, Report Says**

By [PETER SCHMIDT](#)

State governments are not backing away from their commitment to financially support public higher education, according to a new report by a group of top state higher-education officials.

The report, which is being released today by the State Higher Education Executive Officers, says that overall state spending on higher education generally has kept pace with enrollment growth and inflation over the past three decades, despite temporary lags during recessions.

"The fundamental message of this report is that the sky is not falling," said Paul E. Lingenfelter, executive director of the Denver-based group and a principal author of the report, "State Higher Education Finance: FY 2003."

"If you look over a long period of time, you see a clear pattern of ebbing and flowing," Mr. Lingenfelter said. But on the whole, he said, states were spending about as much per public-college student, in constant dollars, in the 2003 fiscal year as they were in 1970, even though enrollments nearly doubled during that time.

The report's optimistic tone contrasts sharply with the dire warnings that many college officials and higher-education advocates have issued in recent years, as states have adopted flat or reduced budgets for public colleges to help close budget shortfalls.

Those who hold a bleaker view of the long-term financial prospects for public colleges note that the share of state revenues going to higher education has shrunk significantly in the past two decades, from about 9.8 percent in 1980 to about 7 percent last year. Many higher-education advocates also express fear that states are facing a host of budgetary pressures -- from tax cuts, rising health-care costs, and other recent fiscal trends -- that will keep them from pumping money back into higher education when good economic times return.

The report acknowledges that state spending on public colleges dipped significantly during the recession of the early 1990s, and that colleges' financial recovery from that period was short-lived, because of the economic downturn of recent years and budget pressures stemming from enrollment growth.

Adjusting for the rising cost of college operations, the report says that state governments appropriated about 7.3 percent less, per full-time public-college student, in 2003 than they did in 1991. Public colleges' spending per student remained unchanged over that period, but that's largely because the institutions were collecting 28.6 percent more tuition revenue, per student, in 2003.

But, Mr. Lingenfelter said, the public's interest in financially supporting higher education "has rebounded consistently" from the economic downturns of the past 30 years, and claims that the states are financially abandoning higher education are "inappropriate, and unjustified by the historical record."

One of the chief problems that the researchers for the new report encountered in their analysis was how to

measure and adjust for inflation in higher-education costs. Many economists use the Consumer Price Index to adjust for inflation in college costs, but the report's researchers devised (and based their conclusions on) a new measure, which they call the Higher Education Cost Adjustment. Based partly on federal estimates of average salaries for white-collar workers, the Higher Education Cost Adjustment has risen at a slightly faster rate than the Consumer Price Index in recent decades.

The full text of the report is available on the state officers' group's [Web site](#) (requires [Adobe Reader](#), available free). The group plans to publish similar reports every year.

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