

Today's News

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State and Local Per-Student Spending Is at 25-Year Low, Report Says

By [KARIN FISCHER](#)

Despite a 3.5-percent increase in spending on higher education, state and local support per student hit a 25-year low in the 2004-5 fiscal year, according to a report scheduled for release today.

The analysis, by the [State Higher Education Executive Officers](#), a national association that represents top state higher-education officials, found that growth in inflation and college enrollment had negated the upswing in spending on public universities. With enrollment and inflation factored in, per-student support actually decreased by 1.9 percent, to \$5,833 in the last fiscal year, which ended on June 30, 2005.

During that time, tuition increased by 7.7 percent per student.

State and local higher-education spending reached a 25-year high just four years earlier, in 2000-1, at \$7,121 per student, as measured in 2005 dollars. But since that time, enrollment has expanded by 14.3 percent, while inflation climbed by 14.2 percent.

"States are struggling to meet enrollment-growth and inflationary demands," said Paul E. Lingenfelter, executive director of the higher-education-officials group and a primary author of the report.

Mr. Lingenfelter said the report holds positive news, as 43 states increased their spending on public colleges in 2004-5. State spending is on a pace to grow at the fastest rate in five years during the current fiscal year, according to an analysis released in January by the Center for the Study of Education Policy, at Illinois State University ([The Chronicle](#), January 13). (The release of college-enrollment data lags behind the availability of state-appropriations figures.)

Overall state and local spending on higher education has generally held steady over the last 25 years, with temporary lags during recessions. But the report also shows that, over the last decade, the effective state and local tax rate -- tax revenues as a share of the state's total taxable resources -- has decreased from 9 percent to 7.8 percent.

Tax-rate reductions, passed during stronger economic times, could make it difficult for public spending on colleges and universities to keep up with student demand for higher education, especially as public-education and health-care needs also continue to grow, Mr. Lingenfelter warned.

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