



Public Funding for Higher Education: The Shifting Landscape

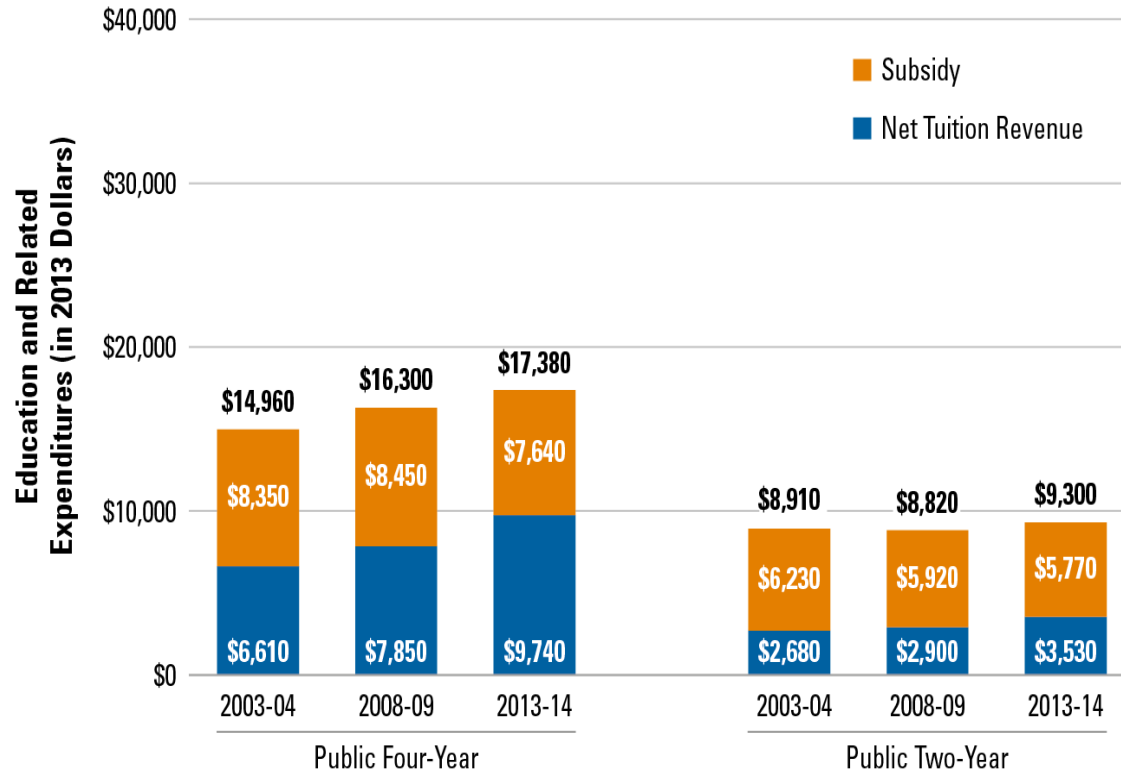
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Public subsidies for higher education

- Equity and efficiency
- Federal, state, local
- Total funding vs. per-student funding
- Funding for institutions vs. student aid
- Allocation of funds (institution type, aid eligibility criteria)

Net tuition revenues & subsidy per FTE student

Public institutions, 2003-04, 2008-09, 2013-14 (2013 Dollars)



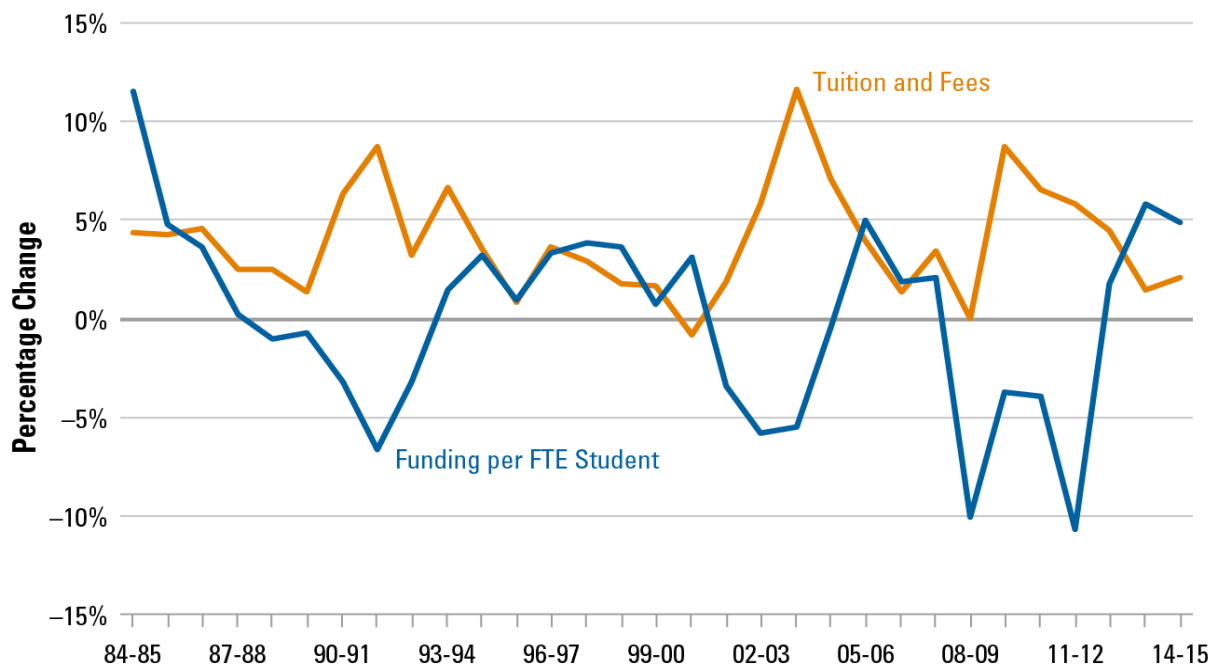
Source: *Trends in College Pricing 2017*, figure 17A

Sources of institutional revenue

	Public Four-Year			Public Two-Year		
	Net Tuition Revenue	State and Local Appropriations	Federal Appropriations and Federal, State, and Local Grants and Contracts	Net Tuition Revenue	State and Local Appropriations	Federal Appropriations and Federal, State, and Local Grants and Contracts
2003-04	29%	39%	32%	27%	57%	16%
2008-09	33%	36%	31%	29%	56%	15%
2013-14	41%	30%	29%	35%	51%	14%

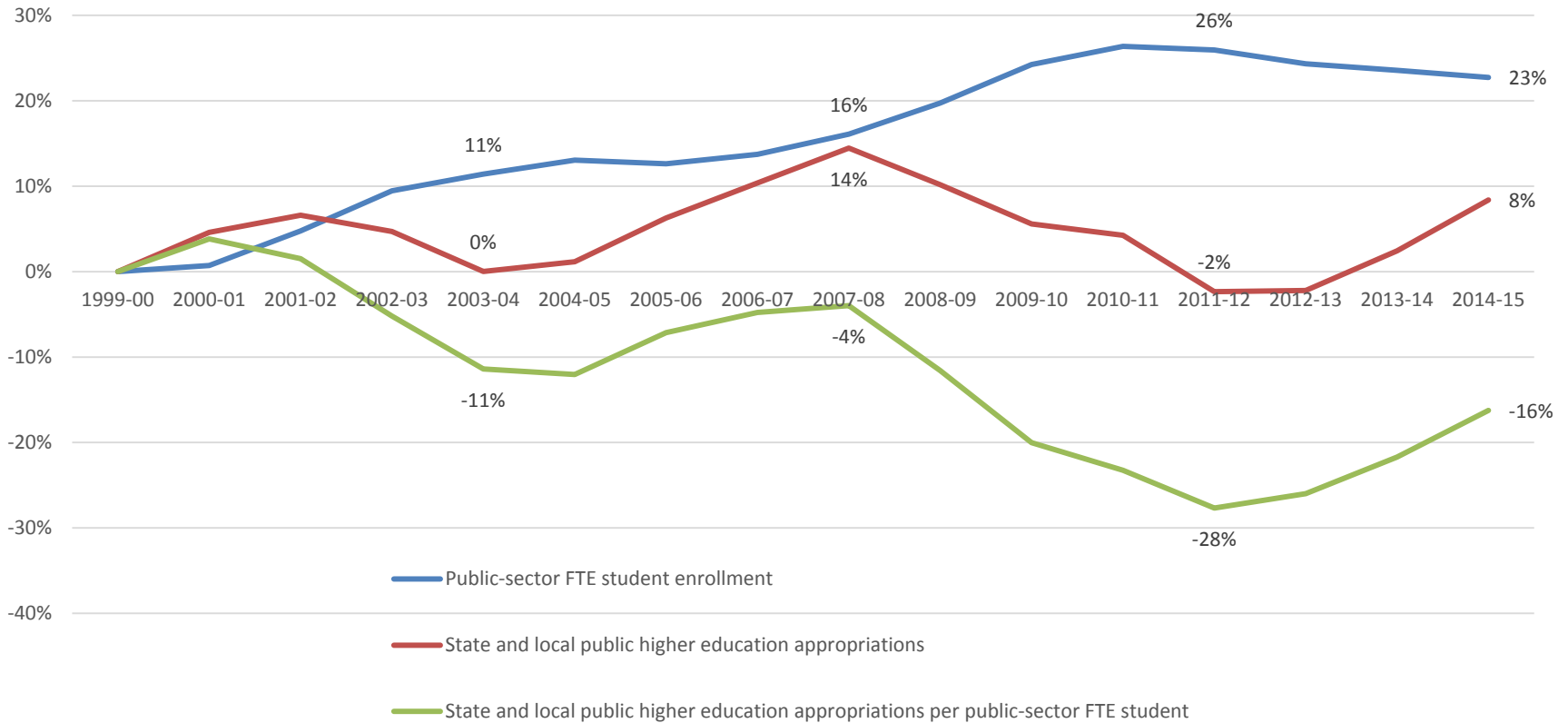
Source: *Trends in College Pricing 2016*, Figure 16

Annual percentage change in inflation-adjusted per-student state & local funding for higher education and in tuition & fees at public institutions, 1984-85 to 2014-15



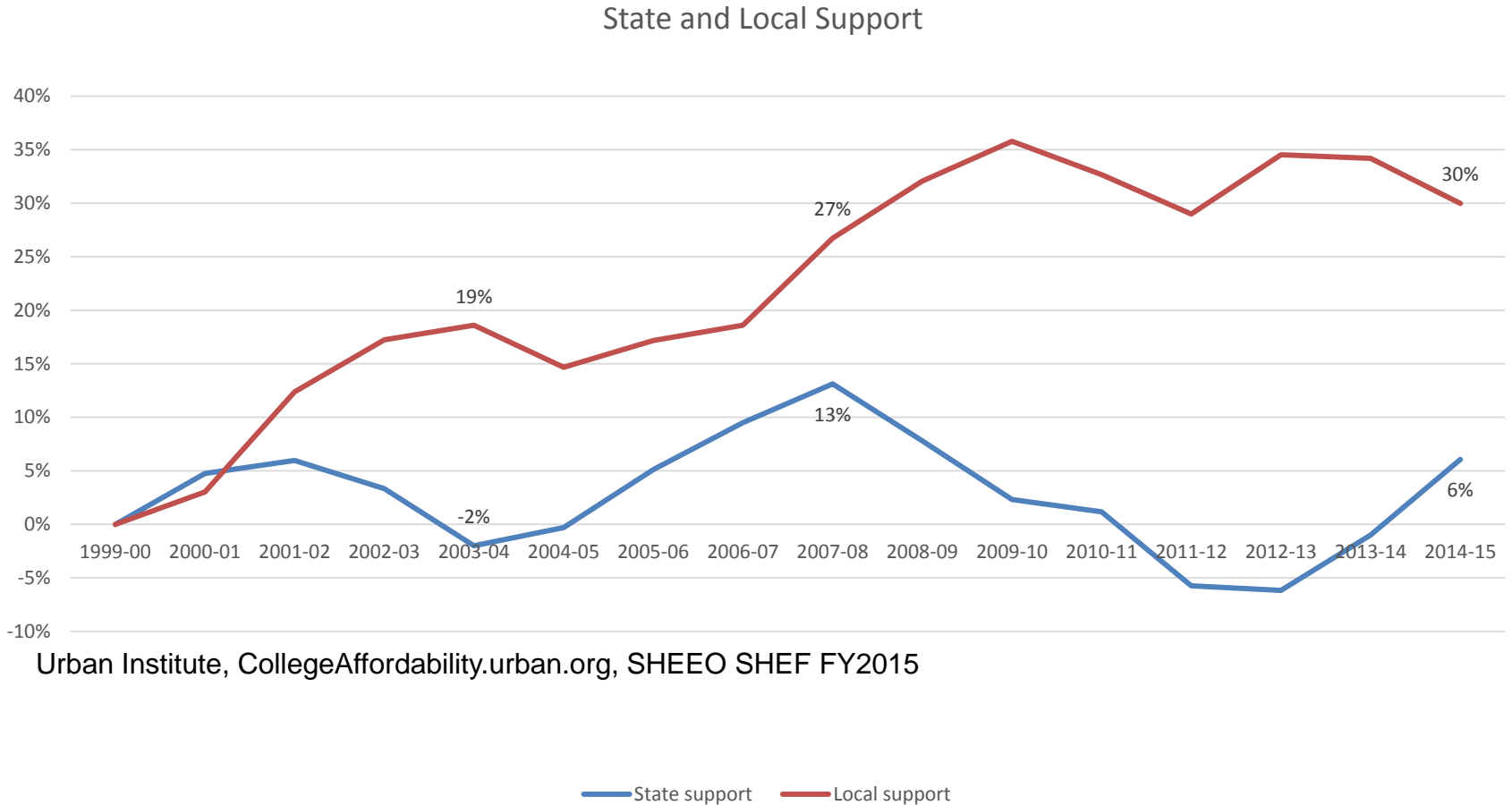
SOURCE: *Trends in College Pricing 2016*, Figure 14A

Enrollments, total appropriations, appropriations per FTE student relative to 1999-00



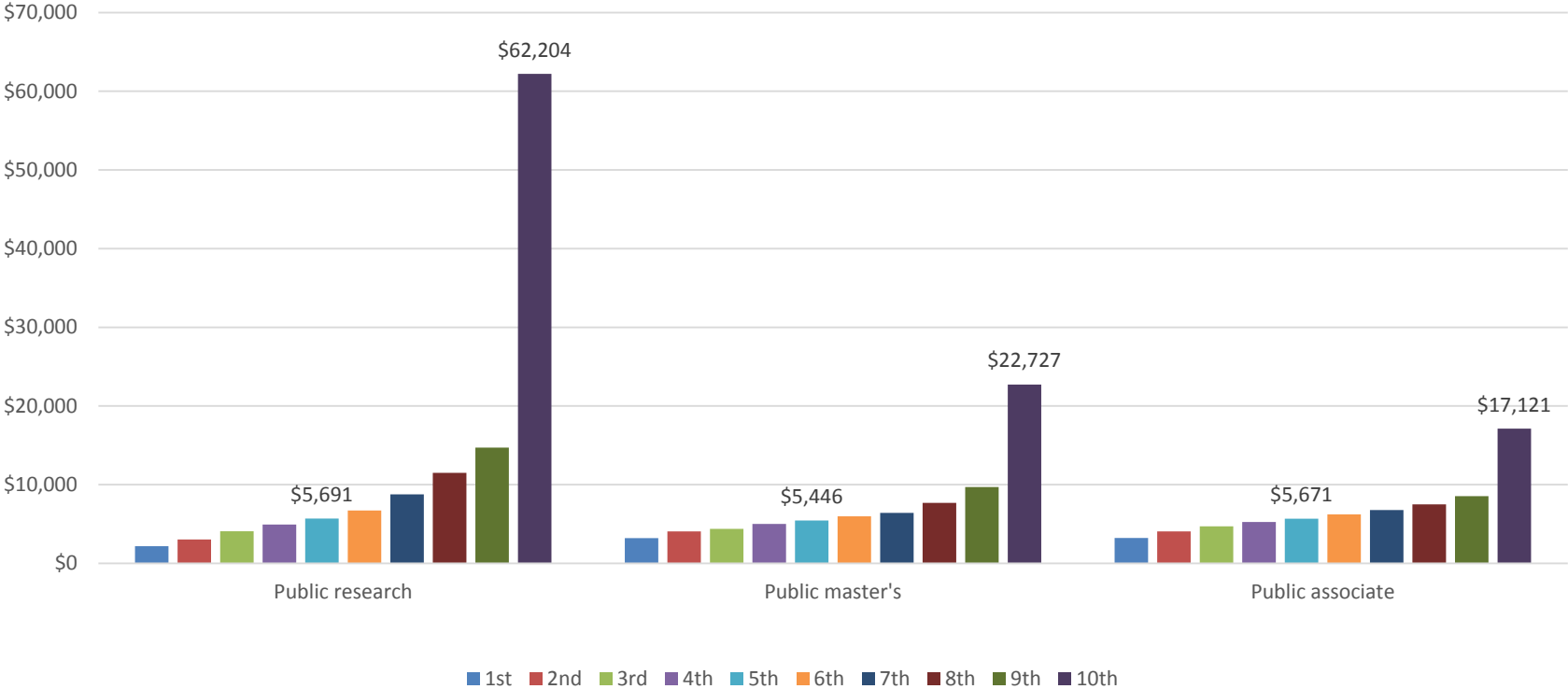
Urban Institute, CollegeAffordability.urban.org, SHEEO SHEF FY2015

State and local support for public institutions relative to 1999-00

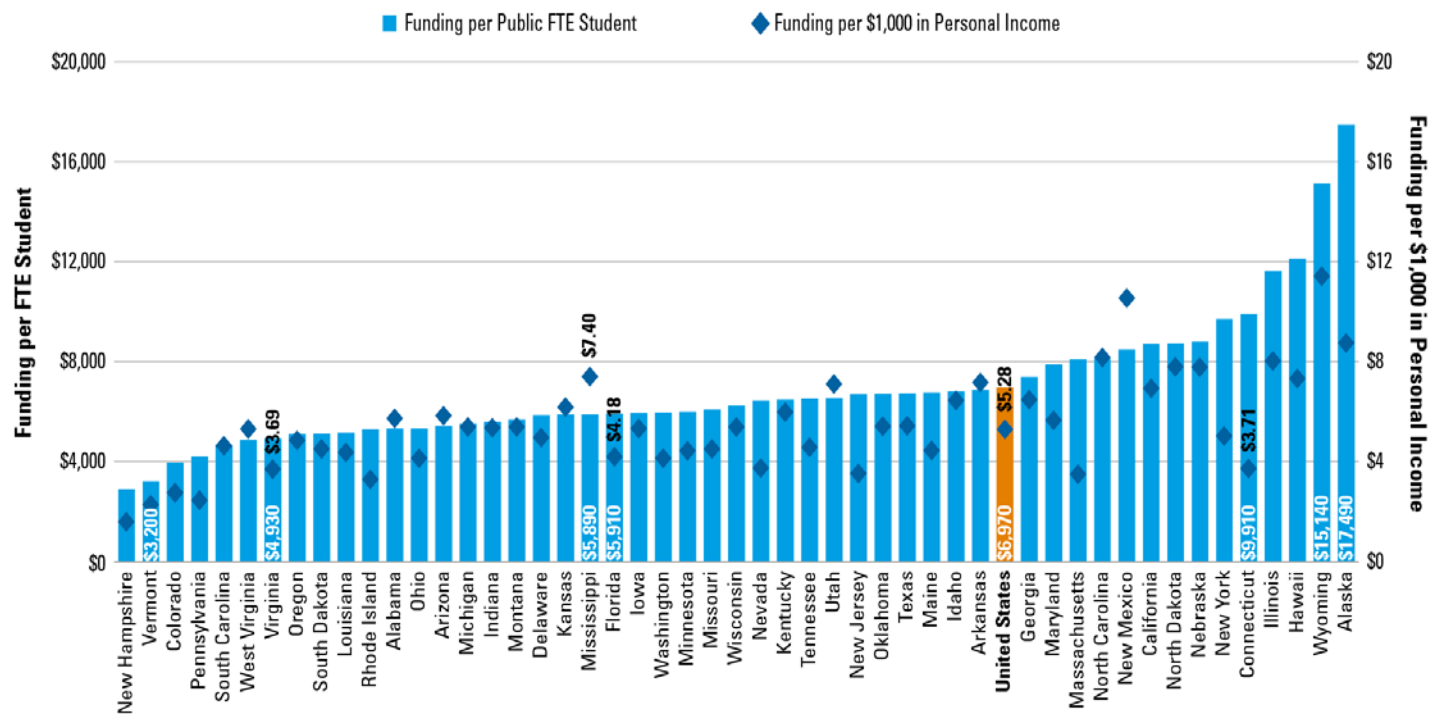


Average state subsidy per FTE student by deciles, 2015-16

Chart Title



State & local funding for higher education per student and per \$1,000 in personal income by state, 2014-15



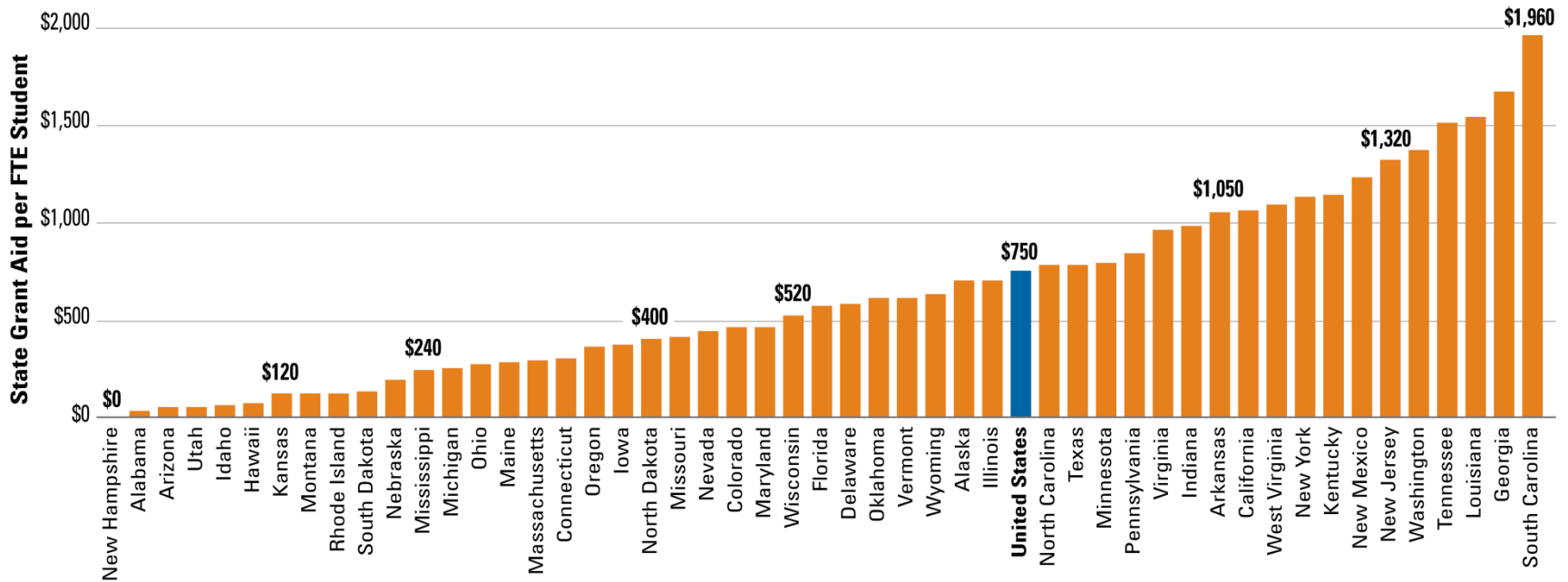
SOURCE, *Trends in College Pricing 2016*, Figure 15B

Grants expenditures as a percentage of state fiscal support, 1993-94 to 2013-14, selected years

Academic Year	Grant Expenditures as a Percentage of State Fiscal Support.
1993-94	7%
1998-99	7%
2003-04	10%
2008-09	11%
2013-14	13%

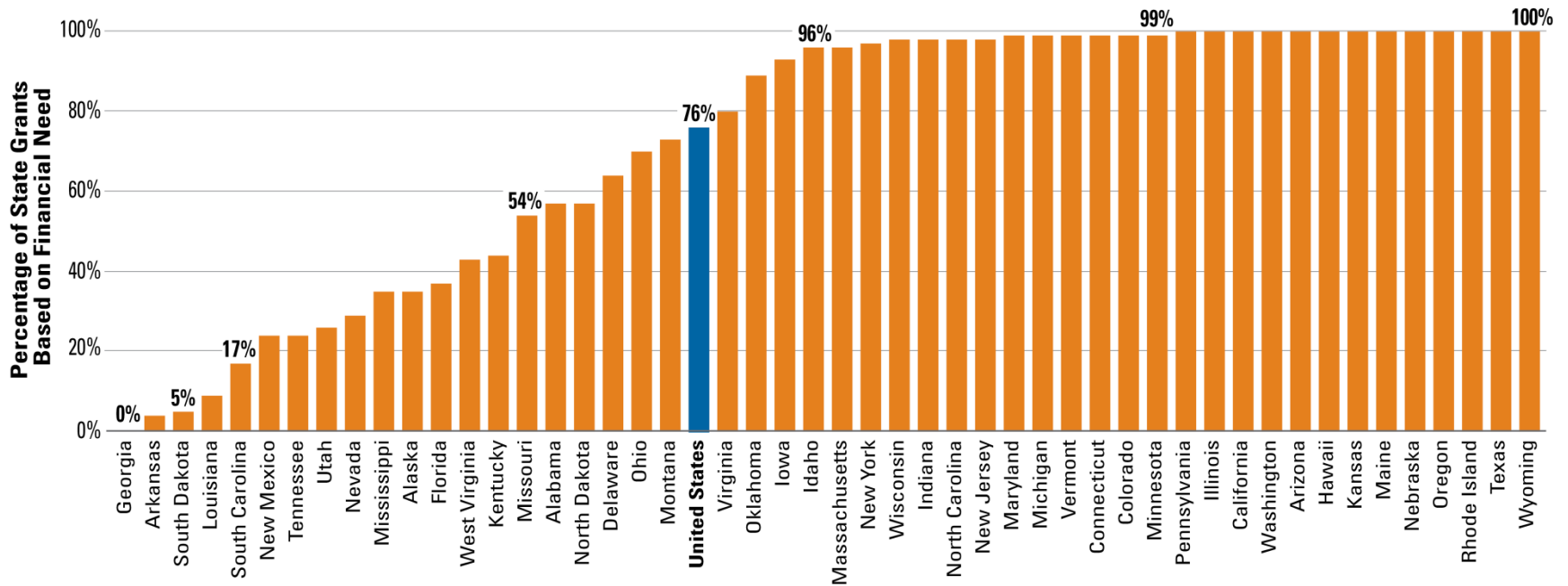
National Association of State Student Grant and Aid Programs, Annual Survey Reports on State-Sponsored Financial Aid, 1993–1994, Table 23; 1998–1999, Table 16; 2003–2004, table 14; 2008–2009, table 14; 2013–2014, table 14

State grant aid per FTE undergraduate student by state, 2014-15



Source: *Trends in Student Aid 2016*, figure 22A

Need-based state grant aid as a percentage of total undergraduate state grant aid by state, 2014-15



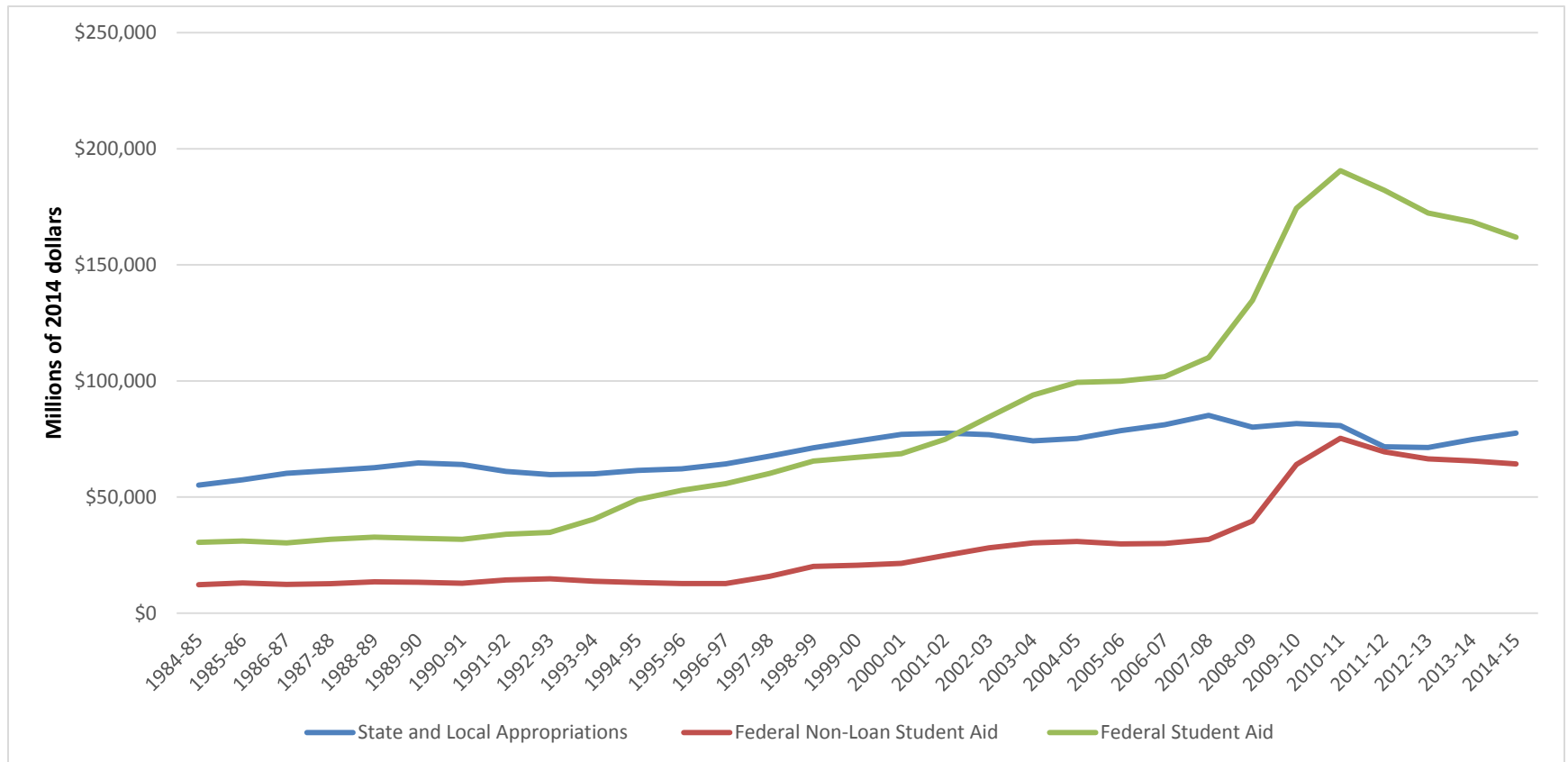
Source: *Trends in Student Aid 2016*, figure 21B

Sources of grant aid for first-time full-time undergraduate students at public institutions, 2003-04, 2008-09, and 2013-14

		2003-04	2008-09
Public Doctoral	Federal	25%	23%
	State	33%	29%
	Institutional	43%	48%
Public Master's	Federal	39%	37%
	State	34%	33%
	Institutional	27%	30%
Public Bachelor's	Federal	45%	44%
	State	36%	32%
	Institutional	20%	24%
Public Associate	Federal	70%	68%
	State	21%	24%
	Institutional	9%	9%

Source: *Trends in Student Aid 2016*, Figure 14

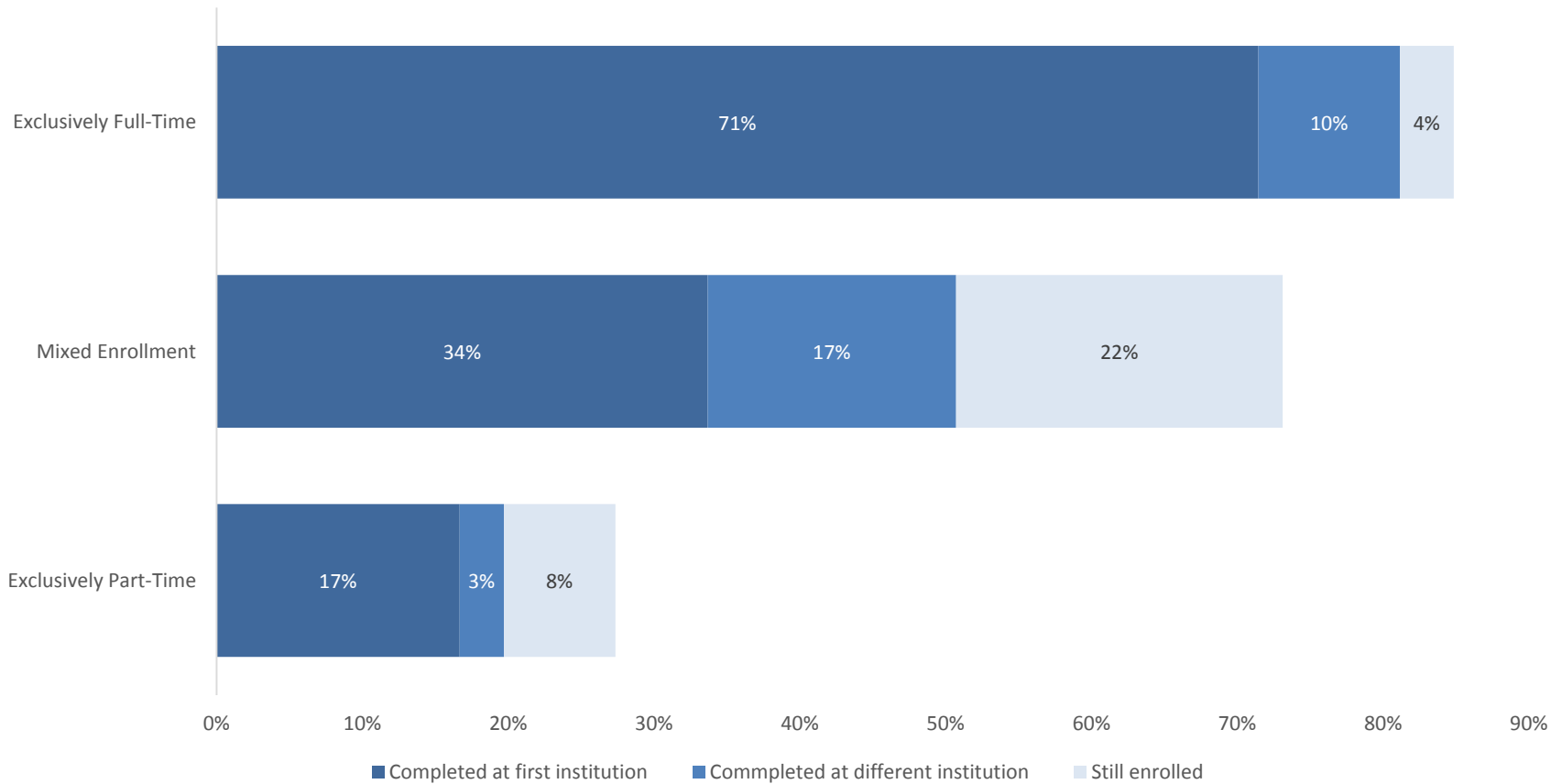
State and local appropriations and federal aid over time



The role of targeted grant aid

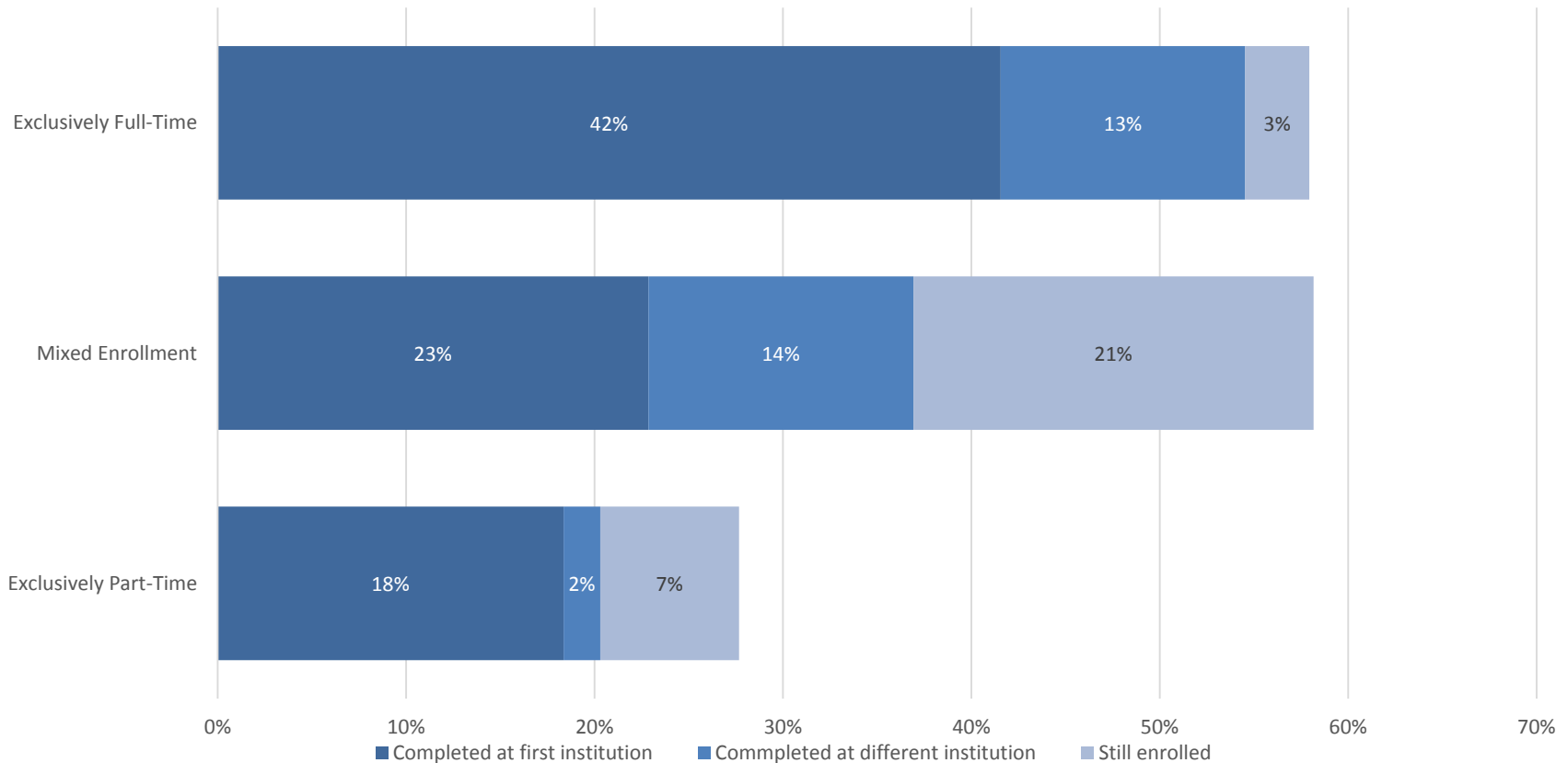
- Preparation for college
 - early awareness, early commitment of funds
- Choice of institution and program
 - better guidance
- Enrollment intensity
 - funding levels, information
- Persistence, completion, time to degree
 - funding levels, support services

Completion: Public four-year (Students beginning in fall 2010—six years)



Source: National Student Clearinghouse

Completion: Public two-year (Students beginning in fall 2010—six years)



Source: National Student Clearinghouse

Constructive directions

- Subsidies: by sector and by student characteristics
- Need-based grant aid—not just focus on tuition
- Institutional subsidies: quality and support services—not just price
- Relationship between enrollment and per-student subsidies

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