

Annual *Grapevine* Compilation of State Fiscal Support for Higher Education

Partial Results for Fiscal Year 2015-2016

A project of the Center for the Study of Education Policy at Illinois State University and the State Higher Education Executive Officers (SHEEO)

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Data collected to date from 48 states in the annual *Grapevine* survey show an overall 4.1% increase in state fiscal support for higher education from Fiscal Year 2015 (FY15) to Fiscal Year 2016 (FY16). A complete picture of FY16 funding will not emerge, however, until state budgets are finalized in Illinois, which has not yet enacted an FY16 budget, and Pennsylvania, which has enacted only a partial budget. *Grapevine* tables will be updated as those budget negotiations are resolved and FY16 data for those states become available.

Until then, the *Grapevine* data suggest a modest increase in state funding for higher education nationwide. Of the 48 states reporting data, 39 experienced one-year increases between FY15 and FY16 that ranged from 0.1% in Kentucky to 16.2% in Oregon. The remaining nine states reported decreases ranging from 0.1% in New Jersey to 14.0% in Arizona.

Comparisons with funding available two years ago in Fiscal Year 2014 (FY14) show a similar pattern: While seven of the 48 states registered decreases between FY14 and FY16 that ranged from 1.4% in Arkansas to 10.2% in Arizona, the remaining 41 states reported increases ranging from 1.1% in Delaware to 32.1% in Wisconsin. (It should be noted, though, that Wisconsin's outsized increase between FY14 and FY16 reflects a shift in funding sources rather than a genuine increase in monies available to higher education. As a consequence of a property tax relief effort, increases in state funding substituted for reductions in local property tax revenues available to the Wisconsin's technical colleges.)

The tentative picture of modest overall increases is also supported by longer-term trends. Factoring in federal stimulus monies allocated to higher education in Fiscal Year 2011 (FY11), fifteen states reported that fiscal support for higher education in FY16 was lower than fiscal support five years ago. Higher education systems in two of those states—Arizona and Louisiana—are now operating at levels of fiscal support that are more than 20% below FY11 funding. Yet the overall picture this year is more positive than the results of last year's survey, which showed that FY15 funding for higher education in 25 states was lower than the funding available five years previously in 2010. This suggests an ongoing albeit slow recovery in many states from the losses experienced in the wake of the last recession.

This relatively positive picture, however, may change if Illinois and Pennsylvania ultimately report decreases from FY15 to FY16. Both are large states that have a considerable influence on national averages.

Additional data tables summarizing results so far for the FY16 *Grapevine* survey can be found at the *Grapevine* website: <http://education.illinoisstate.edu/grapevine/>. It is important to remember that although the *Grapevine* data provide an initial look at state higher education funding in the new fiscal

year, they do not provide the contextual information needed to compare or rank order states in terms of the fiscal health of their higher education systems. In addition, the FY16 data are initial figures that are subject to change as states balance their budgets during the fiscal year. A more detailed look at state funding for higher education (factoring in enrollments, inflation, and other variables) will appear later this year in SHEEO's State Higher Education Finance (SHEF) report.

About *Grapevine*

Grapevine data are collected annually as a joint project of the Center for the Study of Education Policy at Illinois State University and the State Higher Education Executive Officers (SHEEO). The FY16 data were collected by Sophia Laderman of SHEEO employing an online instrument that consolidated the *Grapevine* survey with the annual survey used by SHEEO in its State Higher Education Finance (SHEF) project (<http://www.sheeo.org/finance/shef-home.htm>). Data from the *Grapevine* component of this consolidated instrument were sent to Illinois State University for analysis.

The intent of *Grapevine* is to provide a first, tentative look at state higher education funding in the new fiscal year. The FY16 data represent initial allocations and estimates that are subject to change. SHEEO's annual SHEF report focuses on the most recently completed fiscal year and offers a more complete examination of trends in total state support for higher education, factoring in enrollment, tuition, and inflation (among other variables). The State Higher Education Finance report for FY15 will be released shortly by SHEEO.

Grapevine data include both tax and nontax state support for the operation of institutions of higher education as well as for other higher education activities. (Prior to the survey for Fiscal Year 2010, *Grapevine* surveys asked for data on state tax appropriations only.) States were asked to provide data for the new fiscal year (2015-2016) as well as revisions (if necessary) to data on file for previous fiscal years. In addition to data on funding for four-year colleges and universities, instructions asked states to include

- sums appropriated for state aid to local public community colleges, for the operation of state-supported community colleges, and for vocational-technical two-year colleges or institutes that are predominantly for high school graduates and adult students;
- sums appropriated to statewide coordinating boards or governing boards, either for board expenses or for allocation by the board to other institutions or both;
- sums appropriated for state scholarships or other student financial aid;
- sums destined for higher education but appropriated to some other state agency (as in the case of funds intended for faculty fringe benefits that are appropriated to the state treasurer and disbursed by that office); and
- appropriations directed to private institutions of higher education at all levels.

States were asked to exclude appropriations for capital outlays and debt service, as well as appropriations of sums derived from federal sources (with the exception of ARRA monies), student fees, and auxiliary enterprises.

Different practices among the 50 states make it impossible to eliminate all inconsistencies and to ensure absolute comparability among states and institutions. In addition, the annual percent changes recorded for each state do not necessarily reflect the annual percent changes in funding for individual institutions or for specific higher education sectors (e.g., community colleges and universities) within states.