Annual *Grapevine* Compilation of State Fiscal Support for Higher Education Results for Fiscal Year 2017-2018

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 reported by the states in the latest *Grapevine* survey (Tables 1 and 2, attached) indicate that initially-approved state fiscal support for higher education nationwide increased by a modest 1.6% from fiscal year 2016-2017 (FY17) to fiscal year 2017-2018 (FY18). This is the lowest annual percent increase in the past five years (see chart to the right). Almost all of the increase between FY17 and FY18 was accounted for by appropriations in only three relatively large states: California, Florida, and Georgia. Total funding across the remaining 47 states rose by only 0.2%.

Annual Percent Changes in Total State Fiscal Support for Higher Education Nationwide, Fiscal Year 2014 - Fiscal Year 2018

Fiscal Year	% Change from Previous Fiscal Year
2018	+1.6%
2017	+4.2%
2016	+2.4%
2015	+5.0%
2014	+5.9%

Note. Each year, *Grapevine* asks states for data on initial appropriations in the new fiscal year as well as revisions to data reported in previous years. Because of these revisions, the percent changes reported here may differ from those detailed in earlier *Grapevine* reports.

Of the 50 states,

- 19 reported decreases between FY17 and FY18 ranging from -0.1% in Ohio to -14.6% in North Dakota,
- 12 reported increases of less than 2.0% (ranging from 0.2% in Kentucky to 1.9% in New York), and
- 18 reported increases ranging from 2.1% in Michigan to 11.3% in Florida.

Funding in one other state (Maine) remained essentially the same from FY17 to FY18, increasing by only 0.02%.

Over the longer term, total FY18 appropriations to higher education nationwide are 5.9% higher than funding made available two years ago in FY16. This two-year rise in funding is skewed by the anomalous 30.2% two-year increase reported by Illinois as it recovers from low levels of stop-gap funding appropriated in FY16 during the state's recent budget impasse.[1] Thirty-four other states in addition to Illinois reported two-year gains ranging from 0.1% in Arkansas to 18.7% in Hawaii. But the remaining 15

[1]Findings from the FY18 survey include figures from Illinois, which were excluded from *Grapevine* tables last year because of the state's unprecedented budget impasse covering the 2015-16 and 2016-17 fiscal years. The Illinois data reported this year include monies for the new fiscal year (FY18); appropriations for FY17, which eventually was funded at roughly FY15 levels; and the partial funding appropriated for FY16. Illinois also revised its figures for previous years to provide a more accurate accounting of non-general-fund monies appropriated to higher education.

states reported that their higher education systems now operate with levels of fiscal support that are 0.1% to 13.3% lower than the fiscal support available in FY16.

In terms of five-year trends, state support for higher education increased by 20.7% from FY13 to FY18. Forty states reported five-year increases ranging from 1.1% to 52.5%. But in 10 states, FY18 fiscal support for higher education is lower than the fiscal support available in FY13. Alaska, West Virginia, and Oklahoma experienced the largest five-year declines from FY13 to FY18: 12.2%, 14.5%, and 20.6%, respectively.

Other Jurisdictions

FY18 marks the second year *Grapevine* has included Washington, DC in its survey. The data reported by the District of Columbia exclude federal appropriations and reveal one-year, two-year, and five-year gains in local tax support of 2.0%, 8.7%, and 3.7%, respectively.

Last year, *Grapevine* also reported data for Puerto Rico. But in the wake of Hurricane Maria, FY18 Puerto Rico data are not yet available. *Grapevine* tables will be updated when the data are reported.

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). Tables summarizing the results of the FY18 *Grapevine* survey can be found at the *Grapevine* website:

https://education.illinoisstate.edu/grapevine/

The FY18 data were collected by Sophia Laderman of SHEEO employing an instrument that consolidates the *Grapevine* survey with the annual survey used by SHEEO in its State Higher Education Finance (SHEF) project (http://www.sheeo.org/projects/shef-%E2%80%94-state-higher-education-finance). Data from the *Grapevine* component of this consolidated instrument were sent to Illinois State University for analysis.

The intent of the *Grapevine* report is to provide a first, tentative look at state higher education funding in the new fiscal year. The FY18 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 SHEF report for FY17 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 FY10, *Grapevine* surveys asked for data on state tax appropriations only.) States were asked to provide data for the new fiscal year (2017-2018) 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 or to ensure absolute comparability among states and institutions. The *Grapevine* data do not provide the contextual information needed to compare or rank states in terms of the fiscal health of their higher education systems. 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.