

**RESEARCH REPORT** 

# Financing Public Higher Education

**Variation across States** 

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November 2015





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# Acknowledgments

This report was supported by funding from the Ford Foundation, the Bill & Melinda Gates Foundation, Lumina Foundation, and the Urban Institute. The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders.

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We are grateful to our funders, and to Kim Reuben, Matt Chingos, and Greg Acs at the Urban Institute, for their review and encouragement of this work.

# Financing Public Higher Education: Variation across States

The issue of college affordability holds a prominent place on the agendas of Congress and the current administration and is an important topic for presidential candidates. Although state governments have historically taken primary responsibility for public higher education in the United States, it is increasingly clear that postsecondary access, quality, and success are national issues for which the federal government has some responsibility. As policymakers and others consider these issues from a national perspective, they should review state-level patterns in tuition, funding, and enrollment rather than just national averages, which obscure important differences across states.

Some states fund their colleges and universities much more generously than others do. Higher-education systems have different structures, some consisting almost exclusively of four-year institutions and others including large community college systems. Tuition levels, grant aid provided to college students, and the proportion of students who stay in their home states for college vary widely across states.

In this report, we examine patterns of public college pricing, funding, and enrollment across the nation, as well as instructional expenditures and student grant aid. Because most students remain instate to take advantage of lower tuition, a clear view of cross-state variation is vital for understanding the nature and extent of barriers to college affordability and for developing policies to address those barriers.

### Variation in Income Levels across States

To put college prices into context, it is helpful to start with a picture of family income levels across the nation. In 2013, when median income for a family of four was \$80,356, it was \$58,149 in Arkansas and \$58,182 in Mississippi, and almost twice as high in Connecticut at \$107,360. Median income for families of four was above \$90,000 in 8 states (above \$100,000 in 4), but below \$70,000 in 16 states (see appendix A table A.1). These differences mean that the same college prices will have a varying effect on college affordability in different parts of the country.

#### Variation in Tuition and Fees

In the 2014–15 academic year, when tuition and fees for in-state students averaged \$9,139 at public four-year colleges and universities in the United States, Wyoming (with median income close to the national average) charged \$4,646 and New Hampshire (with median income for families of four of over \$90,000) charged \$14,712. In 12 states, the published price for state residents was less than \$7,000, and in 8 states it was above \$11,000. (See appendix A, table A.2 for tuition and fee levels in all states.)

Neither two-year college tuition and fees nor out-of-state prices are perfectly correlated with tuition and fees for in-state students at four-year institutions, the most commonly cited figures (figure 1).

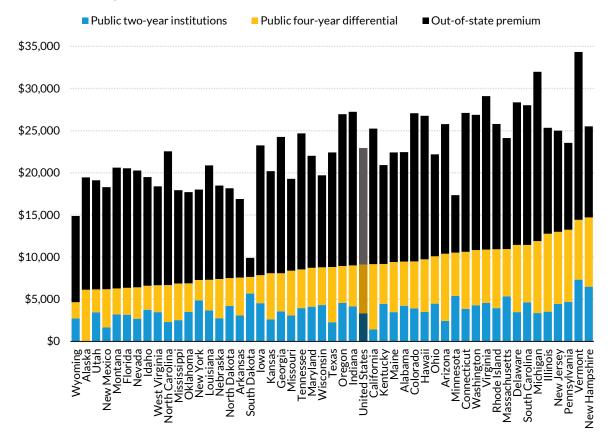
#### Two-Year and Four-Year Institutions

On average, published charges for in-district students at two-year colleges were 37 percent of those for in-state students at four-year institutions in 2014–15—\$3,374 versus \$9,139. That percentage ranged from 16 percent in California (where 60 percent of public full-time equivalent (FTE) undergraduates are in this sector) and 23 percent in Arizona (where 52 percent are in this sector) to 67 percent in New York (where 53 percent of full-time equivalent public undergraduate enrollment is in this sector) and 74 percent in South Dakota (where 22 percent are in this sector). (See table A.3.)

FIGURE 1

#### Tuition and Fees for Public Institutions, 2014-15

Some states with relatively high public four-year college prices have lower than average two-year college prices and/or out-of state prices



Source: College Board, 2014.

**Notes:** States are ranked by public four-year in-state tuition. The total height of the bars corresponds to the total out-of-state tuition at public four-year universities. Average tuition and fees are weighted by full-time enrollment. Only public four-year tuition and fees are shown for Alaska because this state does not have a community college system.

#### **Out-of-State and In-State Students**

On average, published tuition and fee levels for out-of-state students were 2.51 times those for state residents—\$22,958 versus \$9,139. But the ratio ranged from 1.29 in South Dakota and 1.65 in Minnesota to 3.28 in Montana and 3.38 in North Carolina (table A.3).

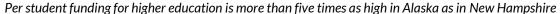
### Variation in Funding Levels

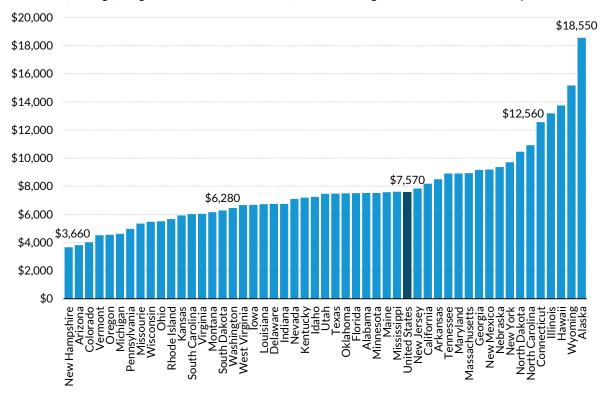
One explanation for differences in prices is that funding for higher education institutions varies across states.

#### **Funding per Student**

In 2014–15, when state funding for higher education averaged \$7,730 per FTE student, funding levels ranged from \$3,660 per student in New Hampshire to \$18,550 in Alaska, a difference of almost \$15,000 per student (figure 2). Seven states provided less than \$5,000 per student. At the other end of the spectrum, seven states provided more than \$10,000 per student.

FIGURE 2
State Funding for Higher Education per FTE Student, 2014–15





**Sources:** Illinois State University, *Grapevine*, 2015; National Center for Education Statistics (NCES), 2014. **Notes:** Fall 2014 enrollment estimates are based on fall 2013 enrollments by state, updated with the NCES predicted increase of 0.03 percent for the nation as a whole. FTE = full-time equivalent.

#### **Funding by Personal Income**

Some of the differences in funding levels are related to differences in state wealth and in costs of living. Focusing on funding per \$1,000 in personal income (average income per capita) accounts for some of the differences in available resources that affect the effort required to fund higher education.

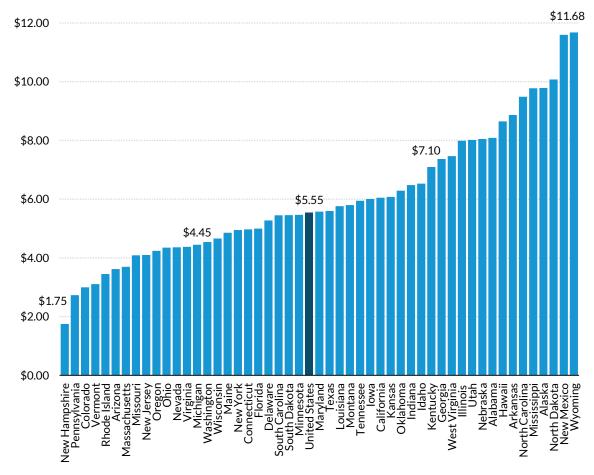
In Connecticut and New Jersey, two of the wealthiest states, lower-than-average funding relative to personal income, or low funding effort, yielded higher-than-average per student funding in 2014–15. The same is true for Massachusetts and New York. In 12 states, above-average funding per \$1,000 in personal income in 2014–15, or high funding effort, yielded below-average-funding per student.

Nonetheless, as figure 3 shows, New Hampshire, the state with the lowest per student funding for higher education, also had the lowest funding per \$1,000 in personal income in 2014–15, \$1.75, compared with a national average of \$5.55. Wyoming, with the second-highest per student funding, had the highest funding, \$11.68 per \$1,000 in personal income.<sup>2</sup>

FIGURE 3

State Funding for Higher Education per \$1,000 in Personal Income, 2014–15

Differences in personal income across states do not explain all of the variation in per student funding



Source: Illinois State University, Grapevine, 2015.

Note: Based on personal income data for the second quarter of 2014, retrieved from the Bureau of Economic Analysis.

#### **Explaining Variation in Funding**

In addition to differences in personal income, funding variation may reflect differences in public resources. For example, New Hampshire, without a general sales tax or income tax, raises relatively less money than other states. Wyoming's taxes on natural resources raise a disproportionate amount of revenue from out-of-state sources.<sup>3</sup>

Funding also depends on the state's policy priorities and other obligations. Moreover, patterns of enrollment can explain variation in funding per student. For example, a higher percentage of the

population enrolled in college in the state will reduce per student funding, given the resources devoted to postsecondary education. The discussion below addresses several related factors.

#### Variation in Enrollment Patterns

Per student measures of state funding for higher education are directly dependent on the number of college students enrolled. Student migration patterns and the distribution of enrollment across two-year and four-year institutions also play a role.

#### **Student Migration**

In some states, it is unusual for a student to leave the state to enroll in college. Of 2012 high school graduates who went immediately to college, only 7 percent in Mississippi and 9 percent of those in Utah enrolled in colleges (public or private) in other states (figure 4). In contrast, 51 percent of those from Vermont and 46 percent from New Hampshire crossed state lines to begin college.

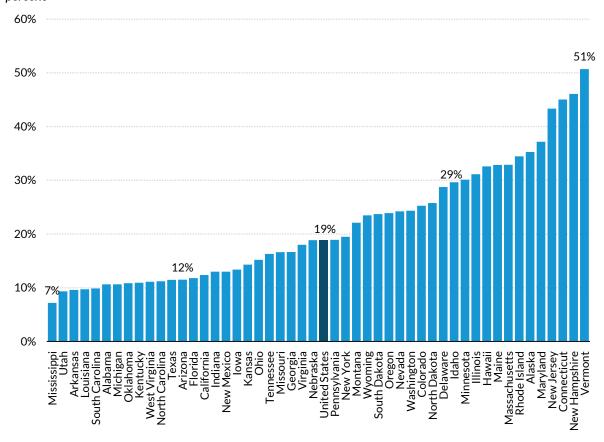
These differences emerge from a variety of factors, including the number, prices, and variety of institutions within states; proximity to institutions in other states; and college-going culture within the state.

States do not have to fund education for those who leave the state, and most states do not provide state grant aid to these students.<sup>4</sup> Moreover, states that enroll many out-of-state students at their public institutions bring in more tuition revenue through the higher prices charged to nonresidents.<sup>5</sup>

FIGURE 4

# Share of Recent High School Graduates Enrolling in College Who Enrolled in a Different State, Fall 2012

The percentage of college-going high school graduates who enroll out of state ranges from under 10 to over 50 percent



Source: National Center for Education Statistics, 2013, Table 309.20.

Note: These figures are for students attending both public and private institutions.

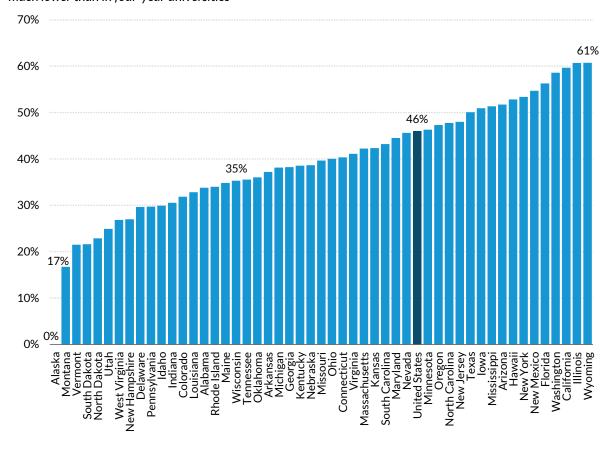
#### **Two-Year and Four-Year Colleges**

Public-sector enrollments include students enrolled in both two-year colleges, also referred to as community colleges, and four-year institutions. We define community colleges as those in which fewer than half of awarded degrees are bachelor's degrees or higher. In 2013, when 46 percent of FTE undergraduate enrollments in institutions across the country were in community colleges, 61 percent of enrollments in Illinois and Wyoming and 60 percent in California were in two-year colleges. In contrast,

Alaska does not have a community college system and only 17 percent of Montana's enrollments were in community colleges.<sup>7</sup>

FIGURE 5
Share of Public FTE Undergraduate Enrollments in Two-Year Colleges, Fall 2013

In some states, many undergraduates enroll in two-year colleges, where average expenditures per student are much lower than in four-year universities



**Source:** Calculations from Integrated Postsecondary Education Data System by the College Board. **Note:** FTE = full-time equivalent.

These patterns are related to funding because per student expenditures tend to be lower in two-year than in four-year institutions. States with relatively more community college students—and with relatively more first- and second-year undergraduates—are likely to struggle less with lower per student funding than are states with more four-year college students in their third and fourth (or fifth and sixth) years of undergraduate study. Educating graduate students is even more expensive.

Although they have lower expenditures per student, public two-year colleges depend on state and local appropriations for a higher percentage of their revenues than four-year institutions do. In 2012–13, this source contributed 26 percent of doctoral universities', 35 percent master's universities', and 51 percent of two-year colleges' revenues (College Board 2014).

### Instructional Expenditures

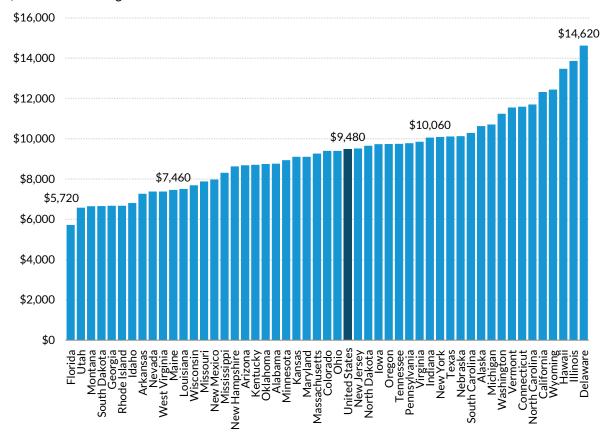
In 2012–13, public four-year colleges spent an average of about \$9,480 per FTE student on instructional expenses (figure 6). The range was from \$5,720 in Florida and \$6,580 in Utah to \$13,860 in Illinois and \$14,620 in Delaware. Differences in expenditure patterns may result from differences in cost of living, budget constraints, management systems, quality of education provided, and a variety of other factors.

Average instructional spending in 2012–13 at two-year colleges was about \$4,680 per FTE student, just half the amount spent at four-year colleges and universities. In three states, per student spending at two-year colleges was less than 35 percent of the instructional spending at four-year institutions. In seven states, per student spending at two-year colleges was over 75 percent of the spending level at four-year colleges. (See instructional expenditures per FTE in public two-year and four-year institutions for all states in table A.4.)

FIGURE 6

#### Instructional Expenditures per FTE Student, Public Four-Year Institutions, 2012-13

The range of instructional expenditures per student per year across states ranges from about 60 to 150 percent of the national average



Source: National Center for Education Statistics, 2014, Tables 334.20, 307.20.

**Notes:** This figure uses the US Department of Education's definition of four-year institutions: those that offer any four-year degrees. The states most affected by the definition are Florida and Nevada, where most community colleges offer some bachelor's degrees. FTE = full-time equivalent.

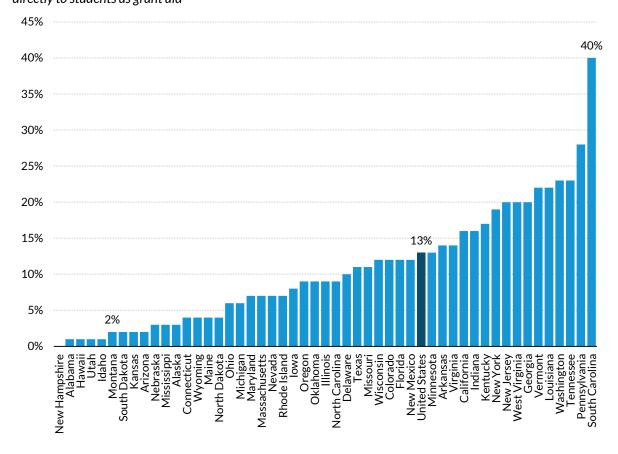
### Student Aid

The state support for higher education reported here includes funding for student financial aid in addition to funding for institutional operations. Some states have generous grant programs, effectively lowering tuition for their recipients at whichever public in-state institution they attend. Others are almost exclusively focused on funding operating budgets, which reduces the tuition institutions must charge to cover ongoing costs.

Among states where individual student aid is an important component of postsecondary education funding, some direct their grant aid toward students with limited abilities to pay, and others subsidize students with strong academic credentials.

Total State Grant Aid as a Share of State Funding for Higher Education, 2013–14

States are nearly evenly distributed from zero to about one quarter of their support for higher education given directly to students as grant aid



Source: NASSGAP, 2015, table 14.

FIGURE 7

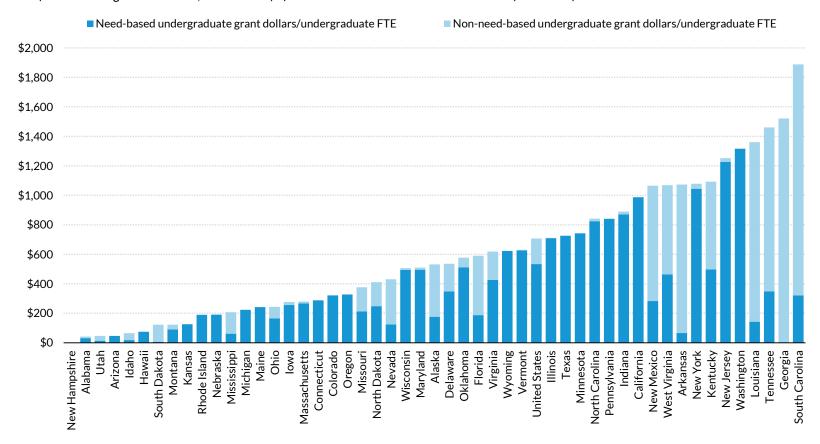
Nationally, states allocated 13 percent of their 2013–14 higher-education funding to support student grant programs, while the other 87 percent went directly to support institutional operations (figure 7). But in New Hampshire (where per student state funding for higher education is the lowest in the country), none of the money goes to fund grant aid. Fifteen other states devote less than 5 percent of their fiscal support for higher education to grant programs.

On the other hand, South Carolina uses 40 percent of its funding for grant aid. Most of this funding is based on academic achievement and is distributed without regard to the financial circumstances of the recipients. In South Carolina, as in some other states with large merit-based grant programs, lottery proceeds support this student aid program. In eight additional states, at least 20 percent of the funding goes directly to students.<sup>8</sup>

FIGURE 8

State Grant Aid per Undergraduate Student: Need based and Non-Need Based, 2013-14

In 7 of the 10 most generous states, less than half of the aid is distributed with consideration of students' financial circumstances



Source: NASSGAP, 2015, table 12.

Differences in state grant programs' generosity and targeting mean that comparing tuition levels across the country does not tell the whole story of how much students and families spend on public higher education. Though 11 states award an average of over \$1,000 in grant aid per undergraduate student, 6 states award less than \$100 per student.

As figure 8 shows, in 7 of the 10 most generous states, less than half of the aid is distributed with consideration of students' financial circumstances. New Jersey, New York, and Washington have particularly generous need-based programs. (For data on grant aid and the percentage based on student need, see table A.5.)

### Funding, Tuition, and Instructional Expenditures

In some states, low levels of funding are reflected in relatively high tuition levels. In four of the seven states with the lowest per student funding in 2014–15, Michigan, New Hampshire, Pennsylvania, and Vermont, tuition and fee levels are among the highest in the country. However, Arizona, Colorado, and Oregon have more moderate prices.

Three of the six states with the highest per student funding in 2014-15, Alaska, North Carolina, and Wyoming, are among the states with the lowest prices. Illinois, however, ranked fourth highest in funding and fifth highest in tuition and fees. This is partially explained by Illinois' recent contributions to its underfunded university retirement system. Illinois is also among the states spending the most per student on instruction. Reversing the comparison, among the six states with the highest tuition prices, four have relatively low funding.

Among the six states with the lowest average tuition and fees are Alaska and Wyoming, which have the highest per student funding in the country, but the other four states have more moderate funding. These states have low per student expenditures, with Montana, Utah, and Florida ranking 48th, 49th, and 50th, respectively, in instructional expenditures per student at public four-year institutions. In other words, low tuition may be associated with relatively generous funding levels or with low instructional expenditures per student.

Differences in instructional expenditures are not easy to interpret. For example, high expenditure levels in California and Hawaii are at least partially attributable to a high cost of living in those states, and the patterns in Utah and Montana are related to a lower cost of living. Moreover, states have different structures, numbers, and sizes of institutions.

### Conclusion

National data on funding, prices, and enrollments provide an important picture of the state of higher education in the United States. But because public higher education is managed and partially funded by states, national averages hide considerable differences across the country. Students face different options depending on their states of residence.

The variability across the nation in higher-education funding, prices, enrollment, expenditures, and aid that contribute to educational opportunities and college affordability makes it difficult to summarize and compare the circumstances students face in different states. But insight into this variability makes it clear that a national agenda for reducing the barriers students and families face in financing higher education requires understanding of state policies and circumstances and strategies for equalizing opportunity across the nation.

# Appendix A

TABLE A.1

#### Median Income for Families of Four, 2013

Variation in income across states means that the same college prices may be affordable for the typical family in some states, but not in others

	Median income		Median income
Arkansas	\$58,149	Ohio	\$77,367
Mississippi	\$58,182	California	\$78,150
Idaho	\$61,353	Nebraska	\$78,363
New Mexico	\$61,837	United States	\$80,356
Oklahoma	\$63,419	Wyoming	\$80,477
Alabama	\$65,381	Iowa	\$81,219
West Virginia	\$66,009	Vermont	\$82,047
Florida	\$66,461	Wisconsin	\$82,350
South Carolina	\$66,561	Illinois	\$83,546
Tennessee	\$66,846	Delaware	\$84,179
Montana	\$67,614	Pennsylvania	\$84,396
Arizona	\$67,800	Washington	\$84,786
Georgia	\$68,066	Colorado	\$84,998
Nevada	\$68,560	New York	\$88,156
Kentucky	\$68,680	Hawaii	\$88,217
North Carolina	\$69,370	Rhode Island	\$88,389
Texas	\$70,824	North Dakota	\$88,887
Oregon	\$71,508	Virginia	\$91,859
Missouri	\$71,550	Minnesota	\$93,294
Utah	\$72,274	New Hampshire	\$94,432
Louisiana	\$72,828	Alaska	\$95,010
Indiana	\$73,020	Maryland	\$105,382
South Dakota	\$73,089	New Jersey	\$105,737
Kansas	\$74,804	Massachusetts	\$106,812
Maine	\$75,290	Connecticut	\$107,360
Michigan	\$76,622		

**Sources:** US Census Bureau, 2013 American Community Survey 1-Year Estimates, Table B19119: Median Family Income by Family Size, (Washington, DC: US Census Bureau, 2015),

http://www.census.gov/hhes/www/income/data/statemedian/index.html; US Census Bureau; Current Population Survey, Table FINC-01, (Washington, DC: US Census Bureau, 2015),

 $http://www.census.gov/hhes/www/cpstables/032014/faminc/finc01\_000.htm.$ 

TABLE A.2

Average Published Tuition and Fees for Public Institutions, 2014–15

Four-year in-state tuition is not closely correlated with a state's four-year out-of-state or two-year tuition

	Four year, in state	Four year, out of state	Two year, in district		Four year, in state	Four year, out of state	Two year, in district
Wyoming	\$4,646	\$14,876	\$2,719	Oregon	\$8,932	\$26,943	\$4,555
Alaska	\$6,138	\$19,458	NA <sup>a</sup>	Indiana	\$9,023	\$27,234	\$4,152
Utah	\$6,177	\$19,120	\$3,449	United States	\$9,139	\$22,958	\$3,347
New Mexico	\$6,190	\$18,290	\$1,645	California	\$9,173	\$25,249	\$1,429
Montana	\$6,279	\$20,619	\$3,213	Kentucky	\$9,188	\$20,916	\$4,461
Florida	\$6,351	\$20,532	\$3,174	Maine	\$9,422	\$22,422	\$3,482
Nevada	\$6,418	\$20,276	\$2,700	Alabama	\$9,470	\$22,453	\$4,237
Idaho	\$6,602	\$19,491	\$3,761	Colorado	\$9,487	\$27,058	\$3,902
West Virginia	\$6,661	\$18,389	\$3,468	Hawaii	\$9,740	\$26,768	\$3,492
North Carolina	\$6,677	\$22,556	\$2,305	Ohio	\$10,100	\$22,183	\$4,484
Mississippi	\$6,861	\$17,930	\$2,526	Arizona	\$10,398	\$25,769	\$2,438
Oklahoma	\$6,895	\$17,715	\$3,493	Minnesota	\$10,527	\$17,350	\$5,391
New York	\$7,292	\$18,018	\$4,851	Connecticut	\$10,620	\$27,093	\$3,866
Louisiana	\$7,314	\$20,877	\$3,683	Washington	\$10,846	\$26,866	\$4,291
Nebraska	\$7,404	\$18,484	\$2,749	Virginia	\$10,899	\$29,096	\$4,549
North Dakota	\$7,513	\$18,158	\$4,192	Rhode Island	\$10,934	\$25,786	\$3,950
Arkansas	\$7,567	\$16,885	\$3,101	Massachusetts	\$10,951	\$24,130	\$5,325
South Dakota	\$7,653	\$9,910	\$5,683	Delaware	\$11,448	\$28,345	\$3,471
Iowa	\$7,857	\$23,249	\$4,541	South Carolina	\$11,449	\$28,019	\$4,632
Kansas	\$8,086	\$20,187	\$2,628	Michigan	\$11,909	\$31,982	\$3,365
Georgia	\$8,094	\$24,254	\$3,576	Illinois	\$12,770	\$25,339	\$3,526
Missouri	\$8,383	\$19,276	\$3,096	New Jersey	\$13,002	\$25,004	\$4,434
Tennessee	\$8,541	\$24,674	\$3,948	Pennsylvania	\$13,246	\$23,551	\$4,695
Maryland	\$8,724	\$22,012	\$4,122	Vermont	\$14,419	\$34,331	\$7,320
Wisconsin	\$8,781	\$19,702	\$4,307	New Hampshire	\$14,712	\$25,500	\$6,500
Texas	\$8,830	\$22,413	\$2,286				

**Source:** College Board, *Trends in College Pricing 2014*, (New York: College Board, 2014).

<sup>&</sup>lt;sup>a</sup> Alaska does not have a community college system.

#### TABLE A.3

# Ratios of Average Two-Year to Four-Year Published Prices and Out-of-State to In-State Published Prices among Public Institutions, 2014–15

In most states, two-year tuition is less than half of four-year in-state tuition, and four-year out-of-state tuition is more than double that for in-state students—but these ratios vary widely by state

	Two year/four year		Four year out of state/in state
California	0.16	South Dakota	1.29
Arizona	0.23	Minnesota	1.65
Texas	0.26	New Hampshire	1.73
New Mexico	0.27	Pennsylvania	1.78
Illinois	0.28	New Jersey	1.92
Michigan	0.28	Illinois	1.98
Delaware	0.30	Ohio	2.20
Kansas	0.33	Massachusetts	2.20
New Jersey	0.34	Arkansas	2.23
North Carolina	0.35	Wisconsin	2.24
Pennsylvania	0.35	Kentucky	2.28
Hawaii	0.36	Missouri	2.30
Rhode Island	0.36	Rhode Island	2.36
Connecticut	0.36	Alabama	2.37
United States	0.37	Maine	2.38
Mississippi	0.37	Vermont	2.38
Missouri	0.37	North Dakota	2.42
Maine	0.37	South Carolina	2.45
Nebraska	0.37	New York	2.47
Washington	0.40	Delaware	2.48
South Carolina	0.40	Washington	2.48
Arkansas	0.41	Arizona	2.48
Colorado	0.41	Nebraska	2.50
Virginia	0.42	Kansas	2.50
Nevada	0.42	United States	2.51
New Hampshire	0.44	Maryland	2.52
Georgia	0.44	Texas	2.54
Ohio	0.44	Connecticut	2.55
Alabama	0.45	Oklahoma	2.57
Indiana	0.46	Mississippi	2.61
Tennessee	0.46	Virginia	2.67
Maryland	0.47	Michigan	2.69
Kentucky	0.49	Hawaii	2.75
Massachusetts	0.49	California	2.75
Wisconsin	0.49	West Virginia	2.76
Florida	0.50	Colorado	2.85
Louisiana	0.50	Louisiana	2.85
Oklahoma	0.50	Tennessee	2.89
Vermont	0.51	Idaho	2.95

#### **TABLE A.3 CONTINUED**

	Two year/four year		Four year out of state/in state
Oregon	0.51	New Mexico	2.95
Montana	0.51	Iowa	2.96
Minnesota	0.51	Georgia	3.00
West Virginia	0.52	Oregon	3.02
North Dakota	0.56	Indiana	3.02
Utah	0.56	Utah	3.10
Idaho	0.57	Nevada	3.16
lowa	0.58	Alaska	3.17
Wyoming	0.59	Wyoming	3.20
New York	0.67	Florida	3.23
South Dakota	0.74	Montana	3.28
Alaska	NA <sup>a</sup>	North Carolina	3.38

Source: College Board, *Trends in College Pricing 2014*, (New York: College Board, 2014).

TABLE A.4

#### Instructional Expenditures per FTE Student in Public Institutions, 2012–13

Across states, instructional expenditures for students attending four-year colleges are higher than for those attending two-year colleges

	Two year	Four year
United States	\$4,682	\$9,482
Alabama	\$4,679	\$8,761
Alaska	NA <sup>a</sup>	\$10,631
Arizona	\$4,017	\$8,682
Arkansas	\$4,123	\$7,271
California	\$4,166	\$12,318
Colorado	\$4,045	\$9,397
Connecticut	\$5,568	\$11,593
Delaware	\$7,674	\$14,620
Florida	\$2,379	\$5,723
Georgia	\$4,419	\$6,669
Hawaii	\$6,579	\$13,466
Idaho	\$4,199	\$6,807
Illinois	\$4,671	\$13,859
Indiana	\$3,551	\$10,059
lowa	\$5,203	\$9,733
Kansas	\$4,934	\$9,096
Kentucky	\$4,204	\$8,709
Louisiana	\$3,706	\$7,511
Maine	\$4,312	\$7,461
Maryland	\$5,949	\$9,099
Massachusetts	\$4,918	\$9,263
Michigan	\$4,814	\$10,715
Minnesota	\$5,098	\$8,940
Mississippi	\$4,712	\$8,311

 $<sup>^{\</sup>rm a}$  Alaska does not have a community college system.

#### **TABLE A.4 CONTINUED**

	Two year	Four year
Missouri	\$4,136	\$7,877
Montana	\$5,176	\$6,652
Nebraska	\$5,309	\$10,128
Nevada	\$4,561	\$7,378
New Hampshire	\$5,228	\$8,627
New Jersey	\$3,843	\$9,521
New Mexico	\$4,194	\$7,981
New York	\$5,496	\$10,090
North Carolina	\$5,934	\$11,704
North Dakota	\$7,616	\$9,651
Ohio	\$4,988	\$9,398
Oklahoma	\$4,519	\$8,753
Oregon	\$5,715	\$9,741
Pennsylvania	\$5,167	\$9,777
Rhode Island	\$5,171	\$6,673
South Carolina	\$4,460	\$10,295
South Dakota	\$5,201	\$6,657
Tennessee	\$4,242	\$9,755
Texas	\$4,111	\$10,107
Utah	\$5,211	\$6,584
Vermont	\$3,646	\$11,554
Virginia	\$4,221	\$9,847
Washington	\$5,320	\$11,238
West Virginia	\$3,461	\$7,377
Wisconsin	\$9,976 <sup>b</sup>	\$7,687
Wyoming	\$6,523	\$12,436

**Source:** National Center for Education Statistics, *Digest of Education Statistics 2014*, Table 334.20, (Washington, DC: US Department of Education, 2014); National Center for Education Statistics, *Digest of Education Statistics 2013*, Table 307.20, (Washington, DC: US Department of Education, 2013).

<sup>&</sup>lt;sup>a</sup> Alaska does not have a community college system.

<sup>&</sup>lt;sup>b</sup> Wisconsin's higher instructional expenditure per student in two-year institutions relative to four-year may be a result of higher instructional expenditures in this state's technical college system or because of other anomalies.

TABLE A.5

State Grant Aid per Undergraduate Student and Share of State Grants Based on Financial Need, 2013–14

Most states provide student grant aid, but in some states very little is based on students' ability to pay

	Undergraduate grants per undergraduate FTE student	Percentage need-based grants
New Hampshire	<b>\$</b> O	NA
Alabama	\$42	74%
Utah	\$46	31%
Arizona	\$46	100%
Idaho	\$65	29%
Hawaii	\$75	100%
South Dakota	\$122	4%
Montana	\$123	73%
Kansas	\$125	100%
Rhode Island	\$189	100%
Nebraska	\$191	100%
Mississippi	\$207	30%
Michigan	\$225	99%
Maine	\$242	100%
Ohio	\$244	68%
Iowa	\$276	93%
Massachusetts	\$279	96%
Connecticut	\$290	99%
Colorado	\$322	99%
Oregon	\$328	100%
Missouri	\$376	56%
North Dakota	\$411	60%
Nevada	\$431	29%
Wisconsin	\$507	98%
Maryland	\$510	97%
Alaska	\$532	33%
Delaware	\$536	65%
Oklahoma	\$577	89%
Florida	\$590	32%
Virginia	\$618	69%
Wyoming	\$623	100%
Vermont	\$630	99%
United States	\$707	76%
Illinois	\$712	100%
Texas	\$725	100%
Minnesota	\$742	100%
North Carolina	\$842	98%
Pennsylvania	\$843	100%

#### **TABLE A.5 CONTINUED**

	Undergraduate grants per undergraduate FTE student	Percentage need-based grants
Indiana	\$890	98%
California	\$989	100%
New Mexico	\$1,065	27%
West Virginia	\$1,069	43%
Arkansas	\$1,073	6%
New York	\$1,079	97%
Kentucky	\$1,093	46%
New Jersey	\$1,252	98%
Washington	\$1,318	100%
Louisiana	\$1,360	10%
Tennessee	\$1,460	24%
Georgia	\$1,521	0%
South Carolina	\$1,888	17%

**Source:** NASSGAP, *45th Annual Survey 2013–14 Academic Year*, Table 12, (National Association of State Student Grant & Aid Programs, 2015).

**Note:** NA = not applicable.

### **Notes**

- 1. Because the latest available enrollment data by state are for fall 2013, these figures are based on actual 2014–15 funding and predicted fall 2014 enrollment.
- 2. New Hampshire and Pennsylvania, the states with the lowest funding per \$1,000 in personal income, also have the lowest funding per capita. Alaska, New Mexico, North Dakota, and Wyoming are the four highest states on both of these measures.
- 3. See tax revenues across states for 2012 in "State and Local Tax Revenue, Per Capita," Tax Policy Center, The Urban Institute, http://www.taxpolicycenter.org/taxfacts/displayafact.cfm?Docid=513.
- 4. Rhode Island and Vermont are exceptions to this restriction on state grant aid.
- 5. Revenue differences may not correspond exactly to these numbers because some out-of-state students benefit from regional reciprocity agreements, allowing them to pay either in-state tuition or a small premium.
- 6. The exception to this is our discussion of instructional expenditures below. In that section, we use data from the US Department of Education's published tables, which classify institutions as four year if they offer any four-year degrees. Using that definition would lower the national percentage of public two-year college students from 46 percent to 41 percent. The states most affected by the definition are Florida and Nevada, where most community colleges offer some bachelor's degrees.
- 7. Among first-year students, the breakdown by sector is more heavily weighted toward the two-year sector, since overall enrollment is affected by the number of years students stay in school.
- 8. NASSGAP, 2015 Table 12.

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