

Date: March 26, 2012

Subject: FY2011 State Higher Education Executive Officer's State Higher Education Finance Report Summary

The latest State Higher Education Executive Officer (SHEEO) [State Higher Education Finance Report](#) (SHEF) confirms that the Great Recession accelerated public four-year institutions' reliance on tuition revenue as state funding declined. Released annually, this report is helpful because it summarizes state appropriations and net tuition revenue for the prior fiscal year well before the Integrated Postsecondary Education Data Set (IPEDS) is available. While this report provides timely national state funding data, results are complicated and require close inspection.

How Washington Stacked Up (FY11)

The SHEF report provides net tuition revenue, state appropriations and calculates these revenue streams on a per student FTE basis, combining student FTE from all sectors into one state-wide denominator. According to the report, Washington has experienced some of the most significant higher education state funding reductions in the country, particularly over the last five years, at the same time as student enrollment is growing. [Table 5](#) measures educational appropriations by state and shows that Washington's educational appropriations per FTE decreased **21.2 percent in FY11**. Across all states, **Washington was one of twelve states that cut higher education funding per FTE over 20 percent**, including Utah (20%), South Carolina (32%), and Michigan (24%).

When FY11 state appropriations (displayed in Table 5) are combined with net tuition revenue to calculate a total net loss of revenue per FTE, Washington again falls to the bottom quartile of the rankings. However, it is important to note that this calculation includes community colleges, which collect far lower amounts of tuition. Washington's large community college population significantly lowers the total tuition revenue collected per student FTE and makes it difficult to accurately compare the result to states with a very different mix of types of students. So, while [Figure 10](#) suggests that the net difference between Washington's FY11 total revenue per FTE and the national average was the worst in the country, we expect that the state would not rank quite this low if the calculation accounted for the relative mix of students between sectors. **Nevertheless, Washington remains among the bottom quartile for state funding cuts and total revenue available per student.**

Ultimately, it is clear that Washington's public institutions (including the large community and technical college sector and all six public baccalaureates) have experienced significant state funding cuts in recent years and have not raised tuition as much as institutions in many other states. As a result, Washington's total educational funding shift has been more dire than most when compared to the national average, but the **dubious distinction of having the deepest and worst state funding cuts to all of higher education in the last year, much less the last 25 years, belongs to Vermont and New Hampshire.**