
February 17, 2021

States Can Choose Better Path for Higher Education Funding in COVID-19 Recession

By Victoria Jackson and Matt Saenz

Accessible, well-funded higher education is crucial for residents' quality of life, a strong state economy, and thriving communities, but after the Great Recession hit over a decade ago, states weakened their futures by sharply cutting higher education funding and raising tuition, making college less accessible — especially for students with low incomes and students of color. In the school year before the pandemic struck, state support was still way down, adding to long-standing racial and income disparities in higher education. In the COVID-19 recession, half of the states are choosing to cut higher education again. However, there is still time for states to choose a better path that prioritizes people and communities and the state's long-term future.

Public colleges and universities educate and train future professionals who are critical to our communities, like teachers, nurses, HVAC technicians, social workers, and public health officials. People who complete a bachelor's degree also have higher earnings, lower rates of unemployment and underemployment,¹ lower rates of incarceration, and higher rates of civic engagement.² State funding and policies for higher education must ensure that all people and communities share in the benefits that higher education provides, including groups that have historically faced and currently face barriers to accessing and completing higher education, such as people with low incomes and Black, Latinx, and Native American people.

Heading into the COVID-19 recession, state higher education funding nationally was still below its level in 2008 (just before the Great Recession took hold), and tuition at public two- and four-year colleges was dramatically higher. Between school years 2008 and 2019, after adjusting for inflation:

- Funding fell by \$3.4 billion nationally;

¹ National Center for Education Statistics, "Career and Technical Education (CTE) Statistics — Table A60. Combined Unemployment and Underemployment Rate among Adults Ages 25 to 64 Who Are in the Labor Force, by Whether Adults Completed a Work Experience Program and Highest Level of Education: 2016." <https://nces.ed.gov/surveys/ctes/tables/A60.asp>

² Michael T. Nietzel, "New Evidence For The Broad Benefits Of Higher Education," *Forbes*, June 17, 2019, <https://www.forbes.com/sites/michaelt Nietzel/2019/06/17/new-evidence-for-the-broad-benefits-of-higher-education/?sh=d30b9414c5c1>.

- 37 states cut per-student funding, six of them by more than 30 percent: Alabama, Arizona, Louisiana, Oklahoma, Mississippi, and Pennsylvania;
- On average, states cut spending by \$1,033 (11.6 percent) per student;
- Annual published tuition at public four-year colleges rose by \$2,576 (35.2 percent), and in ten states it rose by more than 50 percent; and
- Annual published tuition at community colleges rose by \$1,098 (37.5 percent).

The recession spurred by the COVID-19 pandemic has already led to a new round of cuts to public colleges and universities: 27 states have imposed cuts for state fiscal year 2020 or 2021 (which ends June 30 in most states). Recent declines in undergraduate enrollment, especially for low-income students and students at community colleges, further strain these institutions' finances. Forty-four percent of current and prospective students from households with incomes below \$75,000 reported canceling all plans to take classes during the fall 2020 semester, as did 27 percent of students in households with incomes at or above \$75,000, according to the Census Bureau's Household Pulse Survey from December.³ The pandemic has also added to colleges' and universities' costs by forcing them to serve students in new ways to ensure the safety of the campus community.

To protect public higher education and students both now and for the future, state policymakers should:

- **Strengthen taxation of wealth and high incomes to generate the revenue to offset budget shortfalls and raise funding for public two- and four-year colleges.** High-income and high-wealth households have largely been insulated from the economic hardship caused by the pandemic. States can increase taxes on these households by steps such as raising their top income tax rates, raising taxes on capital gains, and enacting or expanding estate and inheritance taxes.
- **Significantly increase need-based aid.** Research shows that aid targeted at low-income students can boost college retention and graduation rates. Merit-based programs, in contrast, often benefit students who would have attended college even without the aid. And because merit-based aid is typically awarded based on GPAs and standardized test scores, it reinforces the structural inequities inherent in standardized testing, which advantage white and wealthy students who benefit from well-resourced K-12 schools and expensive college test prep.

States Cut Higher Education in Great Recession; Many Cuts Remain

State and local tax revenue is a major funding source for public colleges and universities, accounting for 54 percent of the money used for teaching and instruction.⁴ During the Great Recession and the sluggish recovery that followed, many states closed revenue shortfalls in large part by deeply cutting programs, including higher education. State support for public colleges edged up in

³ U.S. Census Bureau, "Week 21 Household Pulse Survey: December 9 – December 21," January 6, 2021, <https://www.census.gov/data/tables/2020/demo/hhp/hhp21.html>.

⁴ Data are for 2019. Sophia Laderman and Dustin Weeden, "State Higher Education Finance (SHEF) Report FY 2019," State Higher Education Executive Officers Association, <https://shef.shceo.org/report/>.

the years following the recession but remained below pre-recession levels in most states heading into the COVID-19 pandemic. (See Figures 1 and 2.) Between 2008 and 2019:

- State spending on higher education at two- and four-year public colleges fell by \$1,033 (11.6 percent) per student, after adjusting for inflation.
- Thirty-seven states cut per-student spending, 16 of them by more than 20 percent and six by more than 30 percent. Arizona made the largest cut, of over 54 percent.⁵
- Thirteen states raised per-student funding, seven of them by more than 5 percent.

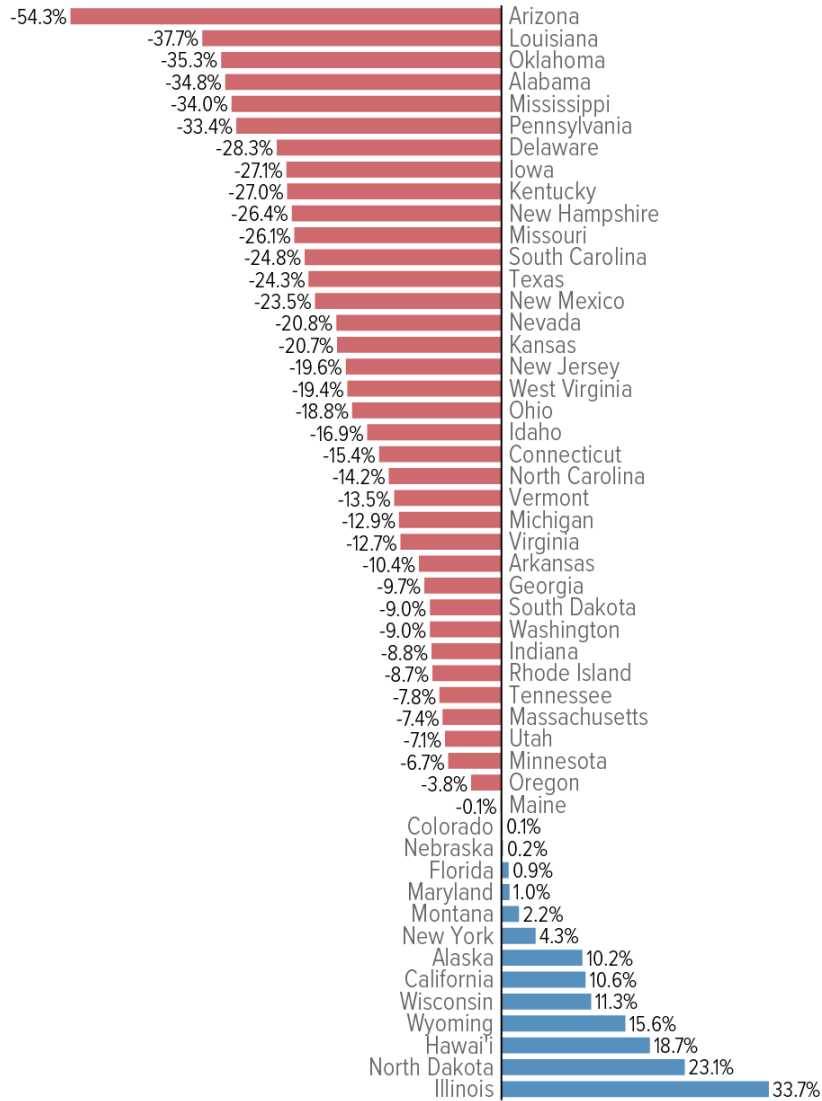
States could have avoided deep cuts in higher education if they had pursued a more balanced approach to fill their shortfalls, including progressive tax increases.

⁵ CBPP calculations using SHEF data and the Consumer Price Index, published by the Bureau of Labor Statistics.

FIGURE 1

State Funding for Higher Education Well Below Pre-Recession Levels in Most States

Percent change in state spending per student, inflation adjusted, 2008-2019

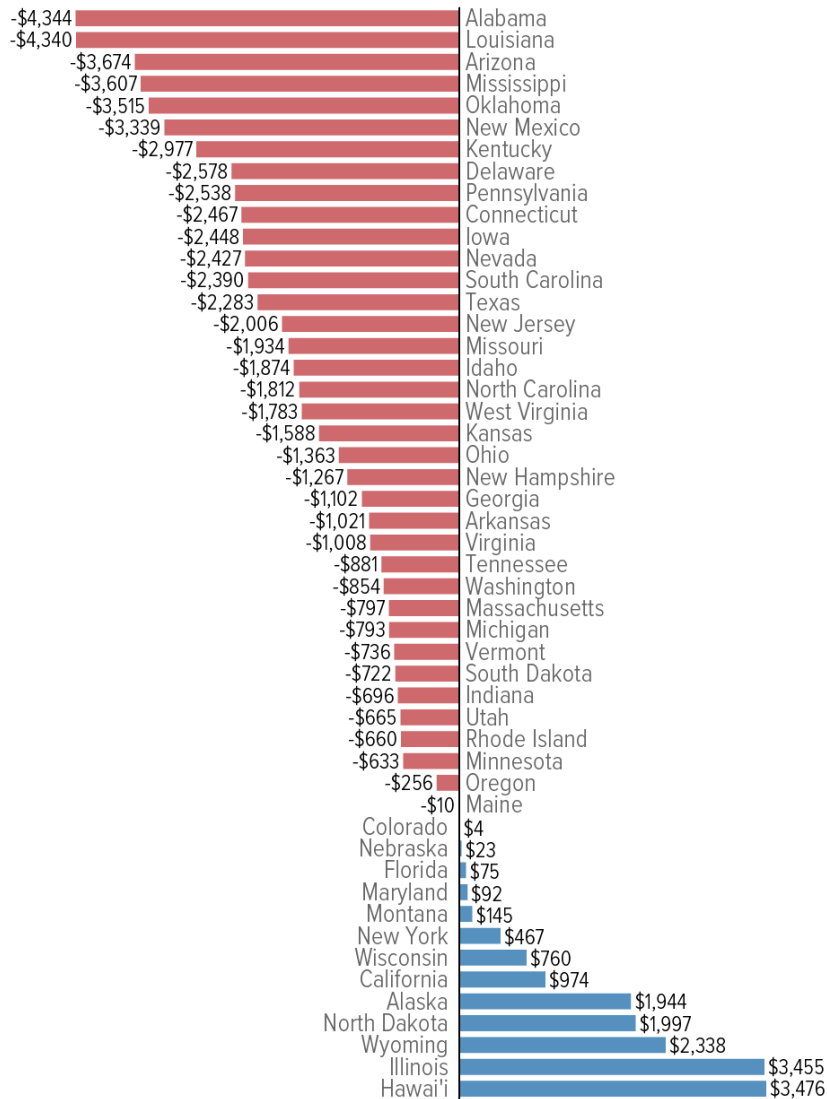


Source: CBPP analysis using SHEEO State Higher Education Finance report and Bureau of Labor Statistics Consumer Price Index Retroactive Series (CPI-U-RS)

FIGURE 2

State Funding for Higher Education Well Below Pre-Recession Levels in Most States

Dollar change in state spending per student, inflation adjusted, 2008-2019



Source: CBPP analysis using SHEEO State Higher Education Finance report and Bureau of Labor Statistics Consumer Price Index Retroactive Series (CPI-U-RS)

Funding Cuts Led to Tuition Hikes

When states cut higher education, public colleges and universities generally pass those costs on to students in the form of higher tuition. Average annual published tuition at public four-year colleges has increased by \$2,576 (35.2 percent) nationally since 2008.⁶ (See Figures 3 and 4.) Tuition has risen sharply across the country, by:

- more than 50 percent in ten states;
- more than 30 percent in 29 states; and
- more than 20 percent in 39 states.

In Louisiana, the state with the largest percentage increase since 2008, published public four-year tuition has nearly doubled, rising by \$4,729 per student; in 2019 tuition averaged \$9,614. In Arizona, the state with the largest dollar increase, tuition has increased by \$5,224 or 78 percent; in 2019 tuition averaged \$11,921.⁷

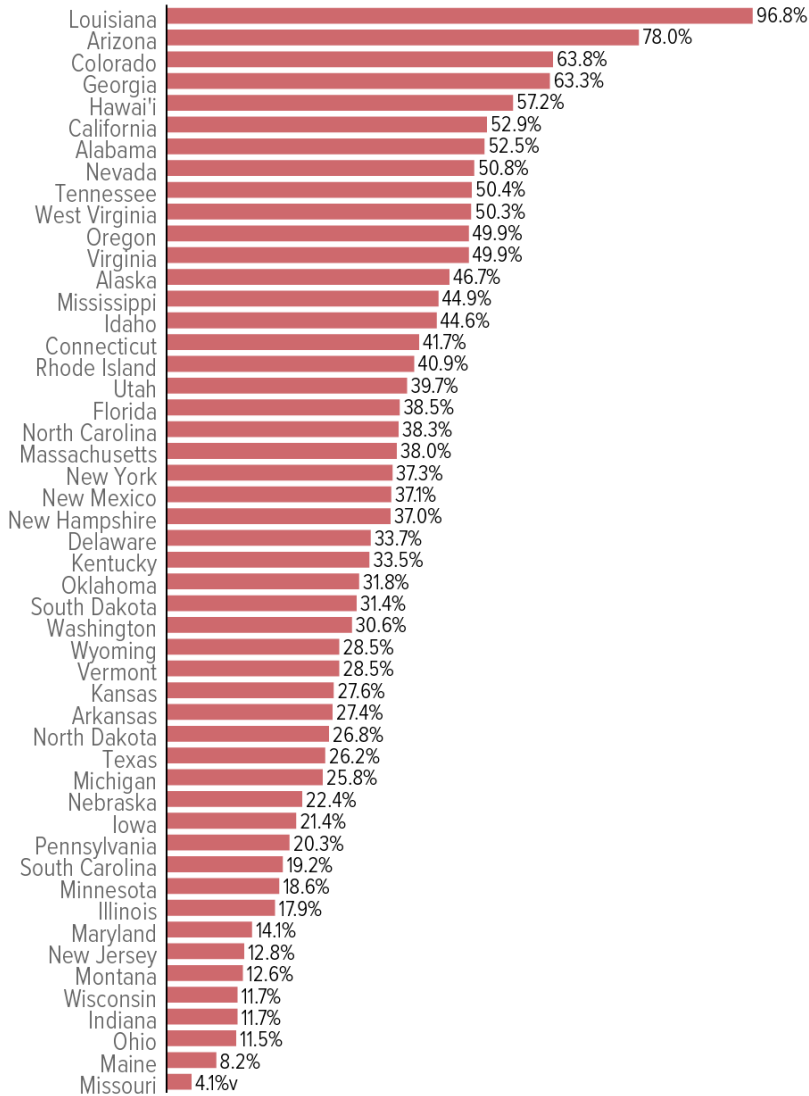
⁶ CBPP analysis using College Board, “Trends in College Pricing 2019,” <https://research.collegeboard.org/pdf/trends-college-pricing-2019-full-report.pdf>.

⁷ *Ibid.*

FIGURE 3

Tuition Has Risen Sharply at Public Four-Year Colleges and Universities

Percent change in average tuition, inflation adjusted, 2008-2019

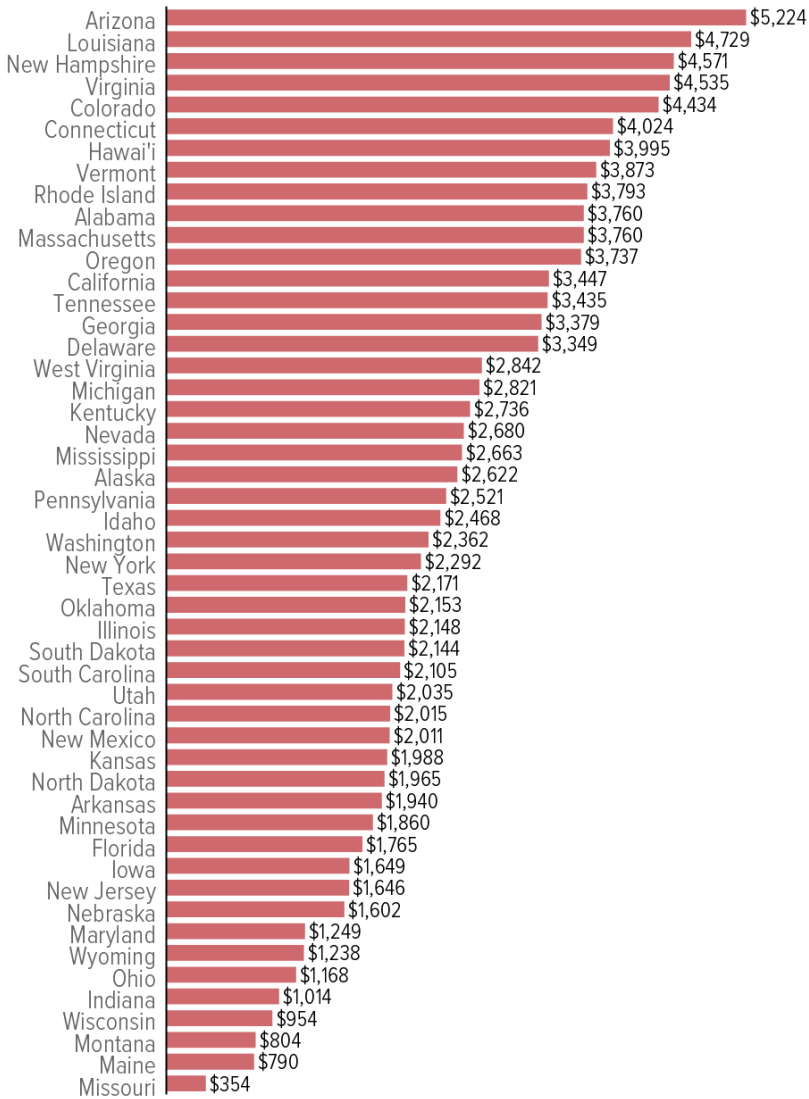


Source: CBPP analysis using College Board Trends in College Pricing 2019 and Bureau of Labor Statistics Consumer Price Index Retroactive Series (CPI-U-RS)

FIGURE 4

Tuition Has Risen Sharply at Public Four-Year Colleges and Universities

Dollar change in average tuition, inflation adjusted, 2008-2019



Source: CBPP analysis using College Board Trends in College Pricing 2019 and Bureau of Labor Statistics Consumer Price Index Retroactive Series (CPI-U-RS)

Community College Tuition Has Also Risen Significantly

Community colleges are intended to be an accessible option for higher education that can respond to the needs of local residents and employers, offering lower tuition than public four-year institutions. They are especially important during recessions, enabling workers to build their skills when jobs are scarce. Yet average annual published tuition for community colleges has risen by \$1,098 (37.5 percent) since 2008, after adjusting for inflation.⁸ (See Figures 5 and 6.) Sharp increases have been widespread:

- more than 60 percent in six states;
- more than 40 percent in 21 states; and
- more than 20 percent in 41 states.

In California, the state with the largest percentage increase, tuition rose by 88.1 percent from 2008 to 2019, though in dollar terms the increase (\$669) was only the 38th largest. Average tuition at community college in California for 2019 was \$1,428.

South Dakota had the largest dollar increase, of \$2,368; in percent terms, the state's 54.9 percent increase was the 8th largest. Average tuition at community college in South Dakota for 2019 was \$6,681, or more than four times the amount students in California pay.⁹

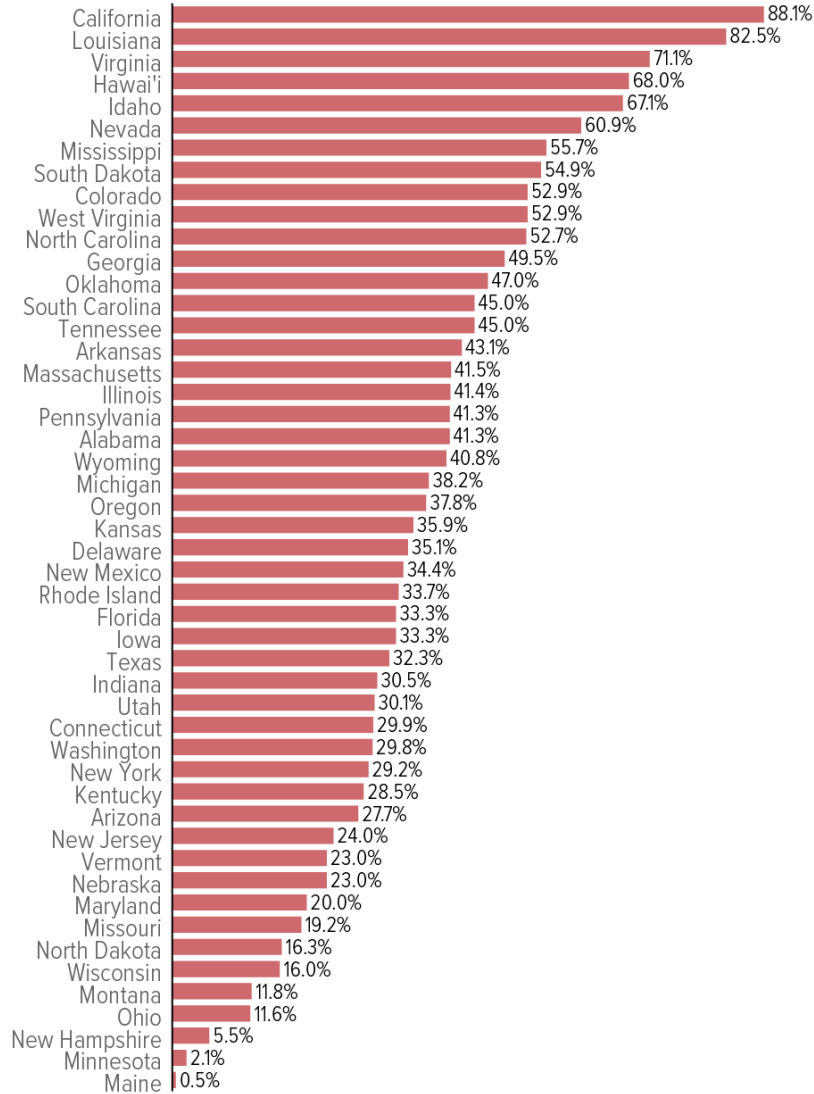
⁸ *Ibid.*

⁹ *Ibid.*

FIGURE 5

Tuition Has Risen Sharply at Community Colleges

Percent change in average tuition, inflation adjusted, 2008-2019



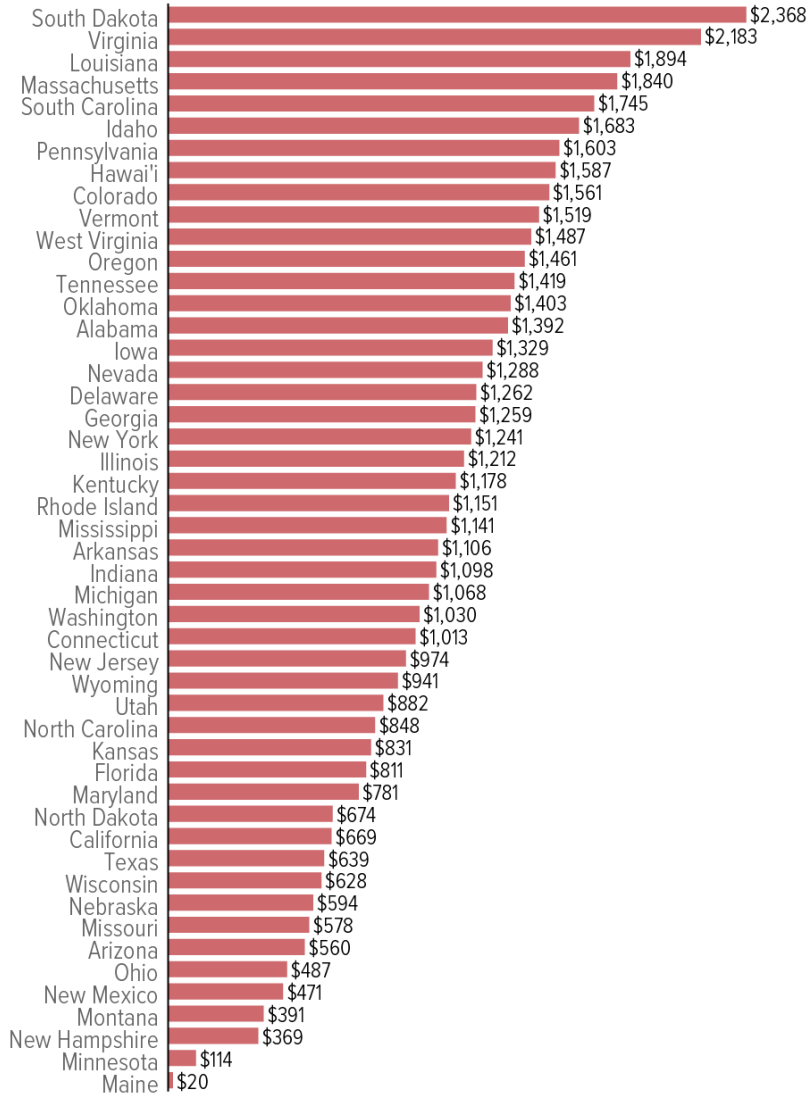
Note: Alaska does not have community colleges, so it is not included.

Source: CBPP analysis using College Board Trends in College Pricing 2019 and Bureau of Labor Statistics Consumer Price Index Retroactive Series (CPI-U-RS)

FIGURE 6

Tuition Has Risen Sharply at Community Colleges

Dollar change in average tuition, inflation adjusted, 2008-2019



Note: Alaska does not have community colleges, so it is not included.

Source: CBPP analysis using College Board Trends in College Pricing 2019 and Bureau of Labor Statistics Consumer Price Index Retroactive Series (CPI-U-RS)

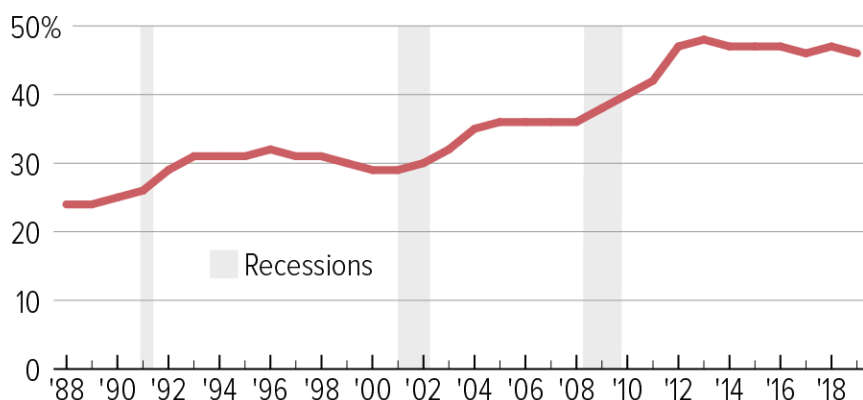
Families Hard Pressed to Absorb Rising Costs, Especially Families of Color

The state funding cuts and rising tuition that followed the Great Recession fit into a longer-term trend in place since the 1980s. Over time, students and their families have assumed much greater responsibility for paying for public higher education. That’s because during and immediately following recessions, state and local funding for higher education tends to fall, while tuition tends to grow more quickly. During periods of economic growth, funding tends to recover somewhat, while tuition stabilizes at a higher share of total higher educational funding.¹⁰ (See Figure 7.)

FIGURE 7

Students Funding Larger Share of Higher Education After Recessions

Tuition as a percent of total educational revenue



Source: CBPP analysis using SHEEO State Higher Education Finance report

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In 1988, students — through tuition — provided about a quarter of public colleges’ and universities’ revenue, while state and local governments provided the remaining three-quarters. Today, that split is much closer to 50-50. Nearly every state has shifted costs to students, with the most drastic shift occurring since the onset of the Great Recession. In 1988, average tuition exceeded per-student state expenditures in only two states (New Hampshire and Vermont); that number grew to ten states by 2008 and to 31 states by 2019, the latest year available. And in 16 states, tuition revenue constitutes at least 60 percent of higher education revenue used for instructional purposes.¹¹

¹⁰ State Higher Education Executive Officers Association, “State Higher Education Finance: FY2018 — State Wave Charts,” 2019, https://sheeo.org/wp-content/uploads/2019/04/SHEEO_SHEF_FY18_State_by_State_Wave_Charts.xlsx.

¹¹ State Higher Education Officers Association, “Data Downloads: State Higher Education Finance (SHEF) Report,” SHEF, accessed January 26, 2021, <https://shef.sheeo.org/data-downloads/>.

States Need More Federal Aid to Support Higher Education

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, enacted in March 2020, provided colleges and universities with \$14 billion in direct federal funds — just a fraction of the need, given their severe revenue losses and increased need for student financial aid due to the pandemic.^a

The CARES Act formula allocates 75 percent of funds based on an institution's share of all Pell Grant students nationally, and the remaining 25 percent on its share of all non-Pell Grant students nationally. This directs funds to the institutions educating the greatest shares of low-income students.

A less equitable element of the formula is that it is based on the number of an institution's *full-time-equivalent* students, which counts two half-time students as one. As a result, community colleges receive less money because they have a large number of part-time students, despite typically serving a greater share of Pell Grant recipients than four-year schools.^b

The coronavirus relief package enacted in December provided another \$22.7 billion in relief for colleges and universities, at a time when their estimated need was \$120 billion.^c This \$22.7 billion included \$20 billion for public and private nonprofit colleges and universities; \$1.7 billion for Historically Black Colleges and Universities, Tribal Colleges and Universities, and Minority Serving Institutions; and about \$680 million for student assistance at for-profit colleges.^d The law uses a somewhat improved formula to allocate the funds: as with the CARES formula, 75 percent of funds are allocated based on an institution's share of Pell Grant recipients, but of this 75 percent, half is based on the institution's number of students (full or part time) and the other half on the number of full-time-equivalent students.^e

Congress is considering a COVID-19 relief bill that includes \$35 billion for public colleges and universities, including private and public Historically Black Colleges and Universities and Minority Serving Institutions.^f

^a Kery Murakami, "Higher Ed Groups Call for \$47 Billion in Federal Aid," *Inside Higher Ed*, April 9, 2020, <https://www.insidehighered.com/news/2020/04/09/higher-ed-groups-call-47-billion-federal-aid>.

^b Kery Murakami, "Community Colleges Got Disproportionately Less in CARES Act," *Inside Higher Ed*, May 12, 2020, <https://www.insidehighered.com/quicktakes/2020/05/12/community-colleges-got-disproportionately-less-cares-act>.

^c Letter from American Council on Education to Senators Lamar Alexander and Patty Murray on costs of reopening campuses, July 2, 2020, <https://www.acenet.edu/Documents/Letter-HELP-Committee-Reopening-Costs-070220.pdf>.

^d Antoinette Flores and Viviann Anguiano, "Congress' Down Payment on Higher Education's 2021 Needs," Center for American Progress, December 23, 2020, <https://www.americanprogress.org/issues/education-postsecondary/news/2020/12/23/494274/congress-payment-higher-educations-2021-needs/>.

^e *Ibid.*

^f "President-Elect Biden Announces American Rescue Plan Emergency Legislative Package to Fund Vaccinations, Provide Immediate, Direct Relief to Families Bearing the Brunt of the COVID-19 Crisis, and Support Struggling Communities."

This increase in the burden on students and families coincided with a multi-decade increase in the number of students from communities of color attending college. In 1980, students of color — that is, Black, Latinx, Asian, Pacific Islander, and American Indian students — made up roughly 17 percent of students at public colleges. By 2010 they made up over 36 percent, and today they make up over 40 percent.¹²

¹² U.S. Department of Education, National Center for Education Statistics, Higher Education General Information Survey (HEGIS), "Fall Enrollment in Colleges and Universities," 1976 and 1980; Integrated Postsecondary Education

This long-term decline in state funding and growing expectation that students and families shoulder a greater load for college education has created a more costly and fraught path to completing college — a path that a more diverse group of students is now navigating.

In addition, published tuition does not reflect the full cost of college, since students must also pay for essential expenses such as housing, food, transportation, books and supplies, internet access, and child care. Every college calculates a cost of attendance, which approximates how much a student can expect to pay to attend every year.¹³ Students who have financial need or meet certain merit requirements can receive federal Pell Grants, state financial aid, or institutional aid, but increases in tuition and other costs have driven up the cost of attendance, and federal and state financial aid has failed to keep up.¹⁴

The cost shift from states to students has happened over a period when many families have had trouble absorbing additional expenses due to stagnant or slowly rising incomes. In the 1970s and early to mid-1980s, tuition and incomes both grew modestly faster than inflation, but by the late 1980s, tuition began to rise much faster than incomes. The sharp tuition increases after the Great Recession exacerbated the longer-term trend.

In 2018, the average net price — that is, published tuition and fees, room and board, and books and supplies minus the average aid received by a student — of a public four-year college accounted for 24 percent of median household income nationally. In 24 states, it accounted for at least 25 percent of median household income. (See Table 1.)

Rising college costs place much greater burdens on families of color, who — because of long-standing discrimination in employment and wages — pay much more of their income for college.¹⁵ The average in-state net price at a public four-year college in 2018 accounted for 40 percent or more of the median household income for Black households in 17 states, and for Latinx households in five states.

Data System (IPEDS), “Fall Enrollment Survey” (IPEDS-EF:90-99); IPEDS Spring 2001 through Spring 2016, Fall Enrollment component; and Enrollment in Degree-Granting Institutions by Race/Ethnicity Projection Model, 1980 through 2026 (table prepared March 2017), https://nces.ed.gov/programs/digest/d16/tables/dt16_306.30.asp.

¹³ Kim Dancy and Rachel Fishman, “Cost of Attendance: More Than Tuition,” National Association of Student Financial Aid Administrators, November 29, 2016, <https://www.nasfaa.org/news-item/10511/Student-Aid-Perspectives-Cost-of-Attendance-More-Than-Tuition>.

¹⁴ Institute For College Access and Success, “Pell Grants Help Keep College Affordable for Millions of Americans,” updated May 2020, <https://ticas.org/wp-content/uploads/2020/05/Pell-Grants-Help-Keep-College-Affordable-for-Millions-of-Americans-logo.pdf>.

¹⁵ State Higher Education Officers Association, “Data Downloads,” SHEF, *op. cit.*

TABLE 1

Average Net Price at Public Four-Year University as Share of Median Household Income, 2018

State	Overall	White, Non-Hispanic	Black	Hispanic	Asian
Alabama	34%	29%	51%*	45%*	
Alaska	16%	15%	19%*		19%*
Arizona	24%	22%	29%*	29%*	18%*
Arkansas	28%	26%	43%*	29%*	
California	16%	13%	22%*	20%*	12%*
Colorado	23%	22%	34%*	31%*	21%
Connecticut	22%	19%	33%*	39%*	17%
Delaware	21%	19%	30%*	22%*	15%*
Florida	16%	14%	21%*	18%*	13%*
Georgia	23%	20%	30%*	26%*	17%*
Hawai'i	18%	18%		21%*	17%*
Idaho	24%	23%	32%*	28%*	
Illinois	25%	22%	41%*	29%*	19%*
Indiana	20%	19%	33%*	23%*	18%
Iowa	26%	25%	48%*	32%*	
Kansas	28%	26%	45%*	35%*	23%*
Kentucky	30%	29%	42%*	35%*	
Louisiana	26%	21%	42%*	29%*	22%
Maine	27%	27%			
Maryland	20%	17%	24%*	23%*	16%*
Massachusetts	23%	21%	34%*	42%*	19%*
Michigan	25%	23%	42%*	28%*	17%*
Minnesota	22%	21%	43%*	31%*	19%*
Mississippi	33%	26%	48%*	33%*	
Missouri	25%	24%	38%*	29%*	19%*
Montana	26%	25%			
Nebraska	26%	25%	41%*	33%*	23%
Nevada	21%	18%	30%*	24%*	18%
New Hampshire	28%	28%			
New Jersey	21%	18%	31%*	29%*	14%*
New Mexico	23%	18%		27%*	15%
New York	16%	14%	23%*	22%*	14%
North Carolina	23%	20%	32%*	30%*	16%*
North Dakota	22%	21%	30%*		

TABLE 1

Average Net Price at Public Four-Year University as Share of Median Household Income, 2018

State	Overall	White, Non-Hispanic	Black	Hispanic	Asian
Ohio	30%	27%	49%*	37%*	22%*
Oklahoma	28%	26%	41%*	32%*	27%
Oregon	25%	25%	35%*	30%*	20%*
Pennsylvania	34%	32%	56%*	48%*	27%*
Rhode Island	27%	25%	36%*	44%*	25%
South Carolina	35%	30%	53%*	43%*	26%*
South Dakota	30%	28%			
Tennessee	28%	26%	40%*	34%*	20%*
Texas	20%	16%	26%*	25%*	14%*
Utah	17%	16%		22%*	18%*
Vermont	31%	30%			
Virginia	25%	23%	36%*	27%*	17%*
Washington	16%	16%	22%*	21%*	12%*
West Virginia	24%	24%	35%*	24%	
Wisconsin	23%	21%	45%*	29%*	20%
Wyoming	21%	21%			

Notes: Results are not included where the standard error associated with the median income is more than 10 percent of the estimated median income and are presented with an asterisk where the median income for that group is statistically different from that of non-Hispanic white households. Note that suppression and statistical significance tests are tied to median income, not average net cost as a share of (estimated) median income. Some people in the “Black” category may also identify as “Hispanic,” so these categories are not necessarily exclusive.

The Integrated Postsecondary Education Data System does not collect average net price by race. Average net price by race could vary. We use median household income because independent students (those considered financially independent from their parents) are over half of all college students. Median *family* income is higher than median *household* income, so average net price would make up a smaller share of income for students in the median family.

Source: American Community Survey 1-Year Estimates (Table B19013) and NCES Integrated Postsecondary Education Data System

As for community colleges, where non-tuition expenses make up 80 percent of the cost of attendance,¹⁶ the average net price in 2018 accounted for 13 percent of median household income nationally and at least 10 percent of median household income in 41 states.¹⁷ (See Table 2.) The average in-state net price at a community college in 2018 accounted for 20 percent or more of median household income for Black households in 14 states and for Latinx households in two

¹⁶ Dancy and Fishman, *op. cit.*

¹⁷ Elise Gould, “Black-White Wage Gaps Are Worse Today than in 2000,” Economic Policy Institute, February 27, 2020, <https://www.epi.org/blog/black-white-wage-gaps-are-worse-today-than-in-2000/>. Average net price varies by race but there are no data to document the variation. Because Black and Latinx students are more likely to receive Pell Grants, their average net price may be lower. On the other hand, white students are more likely to receive merit aid, which reduces their average net price.

states. Community colleges are meant to be a more accessible public higher education option, but many households would struggle to afford them.

TABLE 2

Average Net Price at Community College as Share of Median Household Income, 2018

State	Overall	White, Non-Hispanic	Black	Hispanic	Asian
Alabama	12%	10%	18%*	16%*	
Alaska	-	-	-	-	-
Arizona	12%	11%	14%*	14%*	9%*
Arkansas	16%	15%	24%*	16%*	
California	9%	8%	13%*	12%*	7%*
Colorado	14%	13%	21%*	18%*	13%
Connecticut	9%	8%	13%*	16%*	7%
Delaware	13%	12%	19%*	14%*	9%*
Florida	7%	6%	10%*	8%*	6%*
Georgia	7%	6%	10%*	9%*	5%*
Hawai'i	10%	10%		11%*	9%*
Idaho	10%	9%	13%*	12%*	
Illinois	10%	9%	16%*	11%*	7%*
Indiana	10%	9%	16%*	11%*	9%
Iowa	15%	15%	29%*	19%*	
Kansas	15%	14%	24%*	19%*	12%*
Kentucky	12%	11%	17%*	14%*	
Louisiana	19%	15%	30%*	21%*	16%
Maine	17%	17%			
Maryland	10%	9%	13%*	12%*	8%*
Massachusetts	10%	9%	15%*	18%*	8%*
Michigan	10%	9%	16%*	11%*	6%*
Minnesota	16%	15%	31%*	22%*	14%*
Mississippi	13%	11%	19%*	13%*	
Missouri	12%	11%	18%*	14%*	9%*
Montana	16%	16%			
Nebraska	13%	12%	20%	16%*	11%
Nevada	14%	13%	21%*	17%*	13%
New Hampshire	20%	20%			
New Jersey	9%	8%	14%*	13%*	6%*
New Mexico	13%	10%		15%*	9%
New York	10%	9%	14%*	14%*	9%

TABLE 2

Average Net Price at Community College as Share of Median Household Income, 2018

State	Overall	White, Non-Hispanic	Black	Hispanic	Asian
North Carolina	12%	11%	17%*	16%*	8%*
North Dakota	15%	14%	21%*		
Ohio	12%	11%	20%*	15%*	9%*
Oklahoma	15%	14%	22%*	17%*	15%
Oregon	12%	11%	16%*	14%*	9%*
Pennsylvania	13%	12%	21%*	18%*	10%*
Rhode Island	8%	7%	10%*	12%*	7%
South Carolina	13%	11%	20%*	17%*	10%*
South Dakota	21%	20%			
Tennessee	12%	11%	17%*	14%*	8%*
Texas	11%	9%	15%*	14%*	8%*
Utah	10%	10%		14%*	11%*
Vermont	17%	17%			
Virginia	11%	10%	15%*	12%*	7%*
Washington	10%	10%	14%*	14%*	8%*
West Virginia	15%	14%	21%*	14%	
Wisconsin	14%	13%	27%*	18%*	12%
Wyoming	12%	11%			

^a Alaska does not have community colleges.

Notes: Results are not included where the standard error associated with the median income is more than 10 percent of the estimated median income and are presented with an asterisk where the median income for that group is statistically different from that of non-Hispanic white households. Note that suppression and statistical significance tests are tied to median income, not average net cost as a share of (estimated) median income. Some people in the “Black” category may also identify as “Hispanic,” so these categories are not necessarily exclusive.

The Integrated Postsecondary Education Data System does not collect average net price by race. Average net price by race could vary. We use median household income because independent students (those considered financially independent from their parents) are over half of all college students. Median *family* income is higher than median *household* income, so average net price would make up a smaller share of income for students in the median family.

Source: American Community Survey 1-Year Estimates (Table B19013) and NCES Integrated Postsecondary Education Data System

Cost Shift Harms Students and Their Families

Tuition increases, combined with weak wage growth and the diminishing value of financial aid, make college less affordable and accessible:

- **Deterring some students from enrolling.** Research consistently finds tuition increases result in declining enrollment.¹⁸ Federal and state financial aid has failed to keep pace with rising tuition; moreover, studies suggest that high sticker prices discourage students from enrolling even if the net price of college does not rise.
- **Potentially harming students of color and reducing campus diversity.** College enrollment among students of color is rising, but higher tuition and fees may stop this trend. Tuition increases have been found to reduce campus diversity, especially at non-selective institutions. One study found that, for full-time freshmen attending non-selective schools, a \$1,000 increase in tuition was associated with 4.5 percent decline in diversity.¹⁹ Also, a study that examined tuition policy changes in Texas in the early 2000s found that increasing tuition limited enrollment gains for Latinx students.²⁰
- **Likely deterring low-income students in particular from enrolling.** Tuition increases most harm students with low incomes. For example, states with the largest tuition increases during the 1980s and early 1990s “saw the greatest widening of the gaps in enrollment between high- and low-income youth,” according to a 1995 study.²¹ This is particularly concerning because those gaps are already large: in 2015, 63 percent of recent high school graduates from families with income in the bottom fifth enrolled in postsecondary education, compared to over 83 percent of students from families in the top income fifth.²²
- **Potentially pushing lower-income students toward less-selective public institutions, reducing their future earnings.** High tuition can force high-achieving students from low-income families to forgo applying to selective colleges or universities in favor of lower-cost, less-selective institutions, a 2013 Brookings study found.²³ Similarly, a College Board study found that financial constraints and concerns about cost push lower-income students to narrow their list of potential schools and ultimately enroll in less-selective institutions.²⁴ High-achieving, low-income students are more likely to undermatch in their college choice in part

¹⁸ See, for example, Steven W. Hemelt and Dave E. Marcotte, “The Impact of Tuition Increases on Enrollment at Public Colleges and Universities,” *Educational Evaluation and Policy Analysis*, September 2011; Donald E. Heller, “Student Price Response in Higher Education: An Update to Leslie and Brinkman,” *Journal of Higher Education*, Vol. 68, No. 6, November-December 1997, pp. 624-659.

¹⁹ Drew Allen and Gregory Wolniak, “Exploring the Effects of Tuition Increases on Racial/Ethnic Diversity at Public Colleges and Universities,” *Research in Higher Education*, 2018, <https://doi.org/10.1007/s11162-018-9502-6>.

²⁰ Stella Flores and Justin Shepard, “Pricing Out the Disadvantaged? The Effect of Tuition Deregulation in Texas Public Four-Year Institutions,” *ANNALS of the American Academy of Political and Social Science*, Vol. 655, 2014, pp. 99-122.

²¹ Thomas J. Kane, “Rising Public College Tuition and College Entry: How Well Do Public Subsidies Promote Access to College?” National Bureau of Economic Research, Working Paper 5164, 1995, <https://www.nber.org/papers/w5164>.

²² U.S. Census Bureau, Current Population Survey (CPS), 1975 through 2015, https://nces.ed.gov/programs/digest/d16/tables/dt16_302.30.asp.

²³ Christopher Avery and Caroline M. Hoxby, “The Missing ‘One Offs’: The Hidden Supply of High-Achieving, Low-Income Students,” National Bureau for Economic Research, Working Paper 18586, 2012, http://www.brookings.edu/~media/projects/bpea/spring-2013/2013a_hoxby.pdf.

²⁴ Patrick T. Terenzini, Alberto F. Cabrera, and Elena M. Bernal, “Swimming Against the Tide,” College Board, 2001, <https://files.eric.ed.gov/fulltext/ED562879.pdf>.

due to financial constraints.²⁵ Where a student decides to go to college has broad economic implications, especially for economically disadvantaged students and students of color. Students with less-educated parents, as well as Black and Hispanic students, benefit especially from attending more elite colleges by earning more after graduating, a 2011 study found.²⁶

Responding to COVID Recession, Many States Are Cutting Public Colleges and Universities

The COVID-19 pandemic has taken nearly half a million American lives²⁷ and resulted in massive job losses,²⁸ causing sharp declines in state and local tax revenues in many states while imposing new costs. States, localities, tribal nations, and U.S. territories combined face a \$300 billion shortfall through fiscal year 2022, net of federal aid provided to date, we estimate.²⁹

In response, states and localities have cut spending in a range of services, including education, and laid off or furloughed 1.3 million workers; three-quarters of the lost jobs are in education, both K-12 and higher education. Twenty-seven states cut higher education in fiscal year 2020 or 2021. (See Figure 8 and Appendix Table 1.) Colleges and universities also have new pandemic-related expenses, such as testing, tracing, cleaning, personal protection equipment, social distance, and technology.³⁰

Some states used federal CARES Act funding to offset some or all of their higher education cuts, such as Colorado, Michigan, and Ohio. Additionally, some states were able to reverse cuts in later budgets. But with public colleges and their students still feeling the effects of cuts from the Great Recession, further cuts resulting from the COVID-19 recession will compound underfunding. The precise amount of aid that colleges and universities need is difficult to determine. However, the American Council on Education estimated before enactment of the December relief package (which included \$23 billion in aid) that colleges and universities needed \$120 billion to offset lost funding

²⁵ Eleanor W. Dillon and Jeffrey A. Smith, “The Determinants of Mismatch Between Students and Colleges,” National Bureau of Economic Research, Working Paper 19286, August 2013, <http://www.nber.org/papers/w19286>. Other studies have found that undermatching is more likely to occur for students of color. In 2009, William G. Bowen, Matthew M. Chingos, and Michael S. McPherson found that undermatching was more prevalent for Black students — especially Black women — than for comparable white students. William G. Bowen, Matthew M. Chingos, and Michael McPherson, *Crossing the Finish Line: Completing College at Americans Public Universities*, 2009, <https://press.princeton.edu/books/paperback/9780691149905/crossing-the-finish-line>.

²⁶ Stacey Dale and Alan Krueger, “Estimating the Return to College Selectivity Over the Career Using Administrative Earning Data,” Mathematica Policy Research and Princeton University, February 2011, <https://irs.princeton.edu/publications/working-papers/estimating-return-college-selectivity-over-career-using-administrative>

²⁷ “United States COVID-19 Cases and Deaths by State,” Centers for Disease Control and Prevention, accessed February 12, 2021 <https://covid.cdc.gov/covid-data-tracker>.

²⁸ U.S. Bureau of Labor Statistics, “Current Employment Statistics Summary, December 2020,” January 8, 2021, <https://www.bls.gov/ces/publications/highlights/2020/current-employment-statistics-highlights-12-2020.pdf>.

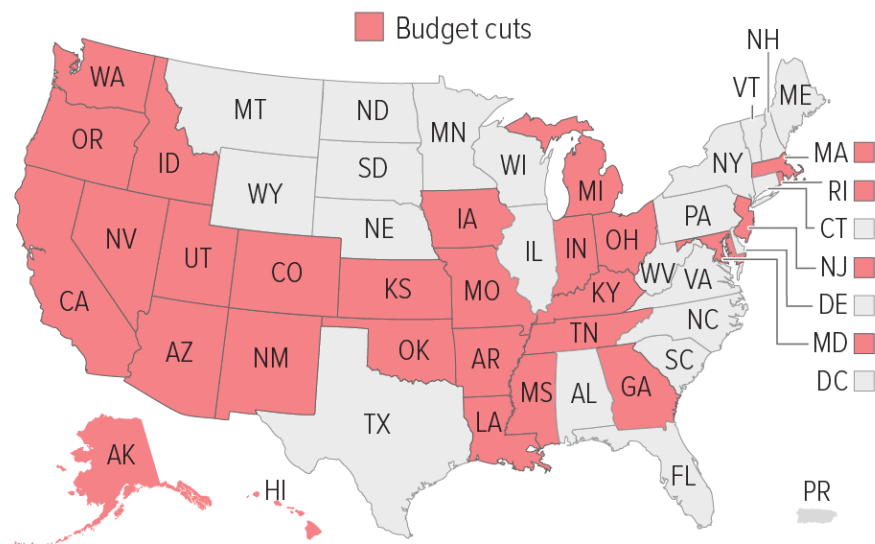
²⁹ Michael Leachman, “States, Localities, Tribal Nations, Territories Need More Federal Aid,” CBPP, January 22, 2021, <https://www.cbpp.org/research/state-budget-and-tax/states-localities-tribal-nations-territories-need-more-federal-aid>.

³⁰ American Council on Education, “Letter on Costs of Reopening Campuses,” July 2, 2020, <https://www.acenet.edu/Documents/Letter-HELP-Committee-Reopening-Costs-070220.pdf>.

resulting from revenue state shortfalls, provide aid for students and families experiencing unemployment, and provide quality distance learning and safe in-person instruction.³¹

FIGURE 8

27 States Cut Higher Education in Fiscal Years 2020 or 2021



Source: CBPP analysis of National Association of State Budget Officers, Fiscal Survey of the States, Fall 2020

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Public Colleges and Universities Cutting Faculty and Staff

Budget pressures due to COVID-19 have caused sharp declines in the public higher education workforce. State education jobs, which are primarily in higher education, declined by 14 percent or 353,000 jobs from February to December 2020.³² Higher education layoffs were concentrated among office and administrative staff, who earn on average \$40,000 a year, followed by cleaning and building services workers and food preparation workers, according to a *Washington Post* analysis. Instructors with master’s and bachelor’s degrees faced the greatest layoffs in April and May, but these jobs rebounded in August and September. Faculty have also faced job losses.³³

³¹ American Council on Education, “Statement by ACE President Ted Mitchell on COVID-19 Relief Package Higher Education Funding,” December 21, 2020, <https://www.acenet.edu/News-Room/Pages/Statement-by-ACE-President-Ted-Mitchell-on-COVID-19-Relief-Package-Higher-Education-Funding.aspx>.

³² Bureau of Labor Statistics, state and local education jobs, seasonally adjusted.

³³ Danielle Douglas-Gabriel and Alyssa Fowers, “The lowest-paid workers in higher education are suffering the highest job losses,” *Washington Post*, November 17, 2020, <https://www.washingtonpost.com/education/2020/11/17/higher-ed-job-loss/>.

Examples of layoffs include:

- Ohio University in Athens, Ohio, laid off 140 union employees who worked as custodial, culinary, or maintenance staff.³⁴
- The City University of New York (CUNY), a system of 25 colleges and universities, laid off about 2,800 employees, mostly adjunct professors and part-time staff.³⁵
- The University of Arizona laid off or did not renew the contracts of over 250 employees, including staff who taught first-year English courses and led research on student retention.³⁶

Undergraduate Enrollment Declining

When a recession hits, it is common for high school graduates and older workers looking to reskill to pursue higher education in greater numbers. This occurred in the Great Recession; enrollment peaked in the 2011 school year with nearly 11.7 million full-time-equivalent students, even as states slashed higher education budgets. Yet in the current economic downturn, enrollment among undergraduate students is declining due to the public health crisis and social distancing requirements.

In March 2020, colleges across the country sent students, faculty, and staff home and switched to virtual learning to ensure of the safety of the campus community. This abrupt but necessary change was difficult for all students but especially for those with low incomes, who were less able to weather the financial strain from lost housing, jobs, and costly returns home as well as from family members becoming unemployed or sick because of the pandemic. Many low-income students also lack the technology or home environment needed to succeed academically.³⁷

For the fall 2020 semester, undergraduate enrollment as of October 22 was down 4.4 percent from fall 2019, a decline five times greater than the pre-pandemic decline of 0.8 percent between fall 2018 and fall 2019.³⁸ Enrollment fell for all racial and ethnic groups in 2020: Native American students had the largest decline at 9.6 percent, followed by Black students (7.5 percent), white students (6.6 percent), Latinx students (5.4 percent), and Asian students (3.1 percent).³⁹ Freshman enrollment fell steeply, by 13 percent. Graduate enrollment, however, rose 4.0 percent.

³⁴ Conor Morris, "OU Lays off 140 Union Employees; More Cuts to Come," *Athens NEWS*, May 6, 2020, https://www.athensnews.com/news/campus/ou-lays-off-140-union-employees-more-cuts-to-come/article_17de0ee8-8bf0-11ea-96d3-ef9297606342.html.

³⁵ Marjorie Valburn, "Economic Fallout of Pandemic Leads to Layoffs at CUNY and Union Lawsuit," *Inside Higher Ed*, July 6, 2020, <https://www.insidehighered.com/news/2020/07/06/economic-fallout-pandemic-leads-layoffs-cuny-and-union-lawsuit>.

³⁶ Grace Oldham, "University of Arizona eliminates 250 jobs as fallout from COVID-19 pandemic hits finances," *Azcentral.Com*, July 16, 2020, <https://www.azcentral.com/story/news/local/arizona-education/2020/07/15/university-arizona-eliminates-250-jobs-citing-covid-19/5436313002/>.

³⁷ Meredith Kolodner, "How Do You Manage College Online — Quarantined with Eight People?," *Hechinger Report*, April 8, 2020, <https://hechingerreport.org/how-do-you-manage-college-online-quarantined-with-eight-people/>.

³⁸ National Student Clearinghouse Research Center, "COVID-19: Stay Informed," November 12, 2020, <https://nscresearchcenter.org/stay-informed/>.

³⁹ *Ibid.*

At public four-year institutions, enrollment fell by 1.9 percent, with a larger decline in towns (4.1 percent) and rural areas (2.8 percent) than cities (1.2 percent).⁴⁰

Community colleges saw a sharp 9.5 percent decline in enrollment.⁴¹ The declines were similar across campus settings, ranging from 10.2 percent in cities to 8.5 percent in suburban areas.⁴²

Because public colleges rely so heavily on tuition dollars, unexpected declines in enrollment and in the number of students living on campus can strain their budgets. Unlike many private nonprofit institutions, public colleges generally lack large cash reserves (such as endowments) to weather a major financial crisis.

Low-Income Students and Students of Color Likelier to Change College Plans

The pandemic has created additional barriers to higher education for people of color and people with low incomes, who already faced barriers to attending and completing college. Households with prospective or current students who are low-income, Black or Latinx, unemployed, or single parents have been more likely to cancel their college plans, data from the Census Bureau's Household Pulse Survey show.⁴³

The Pulse Survey provides insight into why community college enrollment has declined especially sharply. Households with a current or prospective community college student were twice as likely as households with a four-year college student to report that their postsecondary plans changed due to problems with affordability and financial aid. Over a third of households with a community college student cited contracting the virus, fear of contracting it, or caring for someone who has contracted the virus as a reason for changing their college plans, compared to 23 percent of households with a four-year college student.⁴⁴

Low-Income Students Struggling With Debt

To prevent the COVID-19 pandemic and recession from pushing large numbers of student loan borrowers and their families into delinquency and default, the March 2020 CARES Act included a six-month pause on payments and involuntary collections for most federal student loans, which account for 90 percent of all student loans. This pause was later extended to September 31, 2021.⁴⁵ Prior to the pause, many borrowers faced significant hardship with repayment due to rising tuition

⁴⁰ At private four-year institutions, enrollment fell by 2.1 percent among nonprofit institutions and fell by 0.1 percent among for-profit institutions.

⁴¹ National Student Clearinghouse Research Center, *op. cit.*

⁴² *Ibid.*

⁴³ U.S. Census Bureau, "Week 21 Household Pulse Survey," *op. cit.*

⁴⁴ Clive Belfield and Brock Thomas, "Behind the Enrollment Numbers: How COVID Has Changed Students' Plans for Community College," Community College Research Center, November 19, 2020, <https://ccrc.tc.columbia.edu/easyblog/covid-enrollment-community-college-plans.html>.

⁴⁵ Elissa Nadworny, "President Biden Extends Student Loan Payment Freeze Through Sept. 30," National Public Radio, January 20, 2021, <https://www.npr.org/sections/inauguration-day-live-updates/2021/01/20/958845207/president-biden-will-extend-student-loan-payment-freeze-through-september-30>.

and other costs, slow income growth, and insufficient financial aid; many borrowers will once again struggle to repay their student debt once the pause ends.

This is true even for low-income students who are eligible for federal and state aid. Even with access to federal, state, and institutional need-based aid, low-income students are more likely to borrow than their high-income peers. For example, 84 percent of graduating seniors who have received a Pell Grant have student loans, compared to 51 percent of those who have not received a Pell Grant. Students of color, in particular Black students, are more likely to borrow to pay for school: in 2016, 85 percent of Black graduates across all institution types graduated with debt, compared to 69 percent of their white peers.⁴⁶ Black students borrow more and struggle more with repayment than their white peers in large part because structural racism holds down Black people's earnings and wealth accumulation.⁴⁷

Funding cuts and tuition increases in public colleges and universities have shifted public higher education toward a debt-financed model, which will harm students with the fewest resources to pay for college. Although debt levels and borrowing rates have stabilized, the share of students graduating with debt has risen since the Great Recession. In 2008, roughly 55 percent of students graduating from a public four-year college graduated with debt. By the 2012 school year that number had risen to 58 percent and it remained at that level through the 2017 school year (the most recent year for which we have data).

States Can Do Much More to Make College Affordable and Accessible

Strengthen Taxation of Wealth and High Incomes to Increase Higher Education Funding

Public colleges and universities are still recovering from the drastic cuts made during the Great Recession. To address their large budget shortfalls resulting from the COVID-19 recession while protecting — and raising — funding for higher education and other essential services, states should raise revenue, including by increasing taxes for wealthy people.⁴⁸

High-income and high-wealth households have largely been insulated from the economic hardship caused by the pandemic: several types of wealth have maintained or even increased their value; the stock market has recovered; and home values have risen (especially luxury homes).⁴⁹ State policymakers can strengthen taxation of wealth and high incomes by:

⁴⁶ Institute For College Access and Success, “Quick Facts about Student Debt,” April 2019, https://ticas.org/files/pub_files/qf_about_student_debt.pdf.

⁴⁷ Kriston McIntosh *et al.*, “Examining the Black-white wealth gap,” Brookings Institute, February 27, 2020, <https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/>.

⁴⁸ Samantha Waxman, “States Should Tax Wealth to Respond to COVID-19,” CBPP, September 23, 2020, <https://www.cbpp.org/blog/states-should-tax-wealth-to-respond-to-covid-19>.

⁴⁹ Michael Hyman, “Single Family Home Prices Rose in 96% of Metro Areas in 2020 Q2,” National Association of Realtors, August 14, 2020, <https://www.nar.realtor/blogs/economists-outlook/single-family-home-prices-rose-in-96-of-metro-areas-in-2020-q2>; Michael Gerrity, “Driven by the Affluents’ Fear of COVID, Luxury Home Sales Explode in U.S.,” *World Property Journal*, December 24, 2020, <https://www.worldpropertyjournal.com/real-estate-news/united-states/palm-beach/real-estate-news-2020-luxury-home-sales-data-luxury-home-sales-trends-from-coronavirus-covid-19-impact-on-luxury-home-sales-in-2020-redfin-housing-reports-12291.php>.

- Raising top income tax rates and creating additional top tax brackets;
- Raising taxes on capital gains;
- Raising taxes on the purchase and sale of expensive homes; and
- Enacting or expanding estate and inheritance taxes.⁵⁰

Measures like these can help states maintain and even boost higher education funding, enabling them to avoid a repeat of the reduction in affordability, access, and quality at four-year colleges and community colleges that occurred after the Great Recession.

Increase State Financial Aid and Target Students in Need

About 74 percent of the \$14.1 billion in grant aid that states awarded for the 2019 academic year was need-based (a slight decrease from the previous year), meaning it went to low-income students who struggle the most to pay for college. The other 26 percent was merit-based, meaning it was awarded to students who meet certain criteria — typically measured by high school GPA or college entry exam scores — regardless of household income.⁵¹

Need-based aid is intended to expand access to higher education for low-income students. Financial aid is critical for their access to higher education and graduation. One careful study found that a \$1,000 increase in grant aid reduces the likelihood that a student will drop out of college by 9.2 percentage points.⁵² Other studies have found similar effects, noting that aid targeted at low-income students can boost college retention and graduation rates.⁵³

Merit-based aid, provided to students even if they can afford to pay for college, is intended to help retain talent in the state. While studies show that offering merit-based aid can encourage certain students who would have attended college elsewhere to remain in the state, some of the aid goes to students who would have stayed in the state anyway.⁵⁴

Merit-based aid also steers resources to students who would have attended college anyway, and because it is typically awarded based on GPAs and standardized test scores, it reinforces the

⁵⁰ Waxman, *op. cit.*

⁵¹ National Association of State Student Grant and Aid Programs, “50th Annual Survey Report on State-Sponsored Student Financial Aid: 2018-2019 Academic Year,” https://www.nassgapsurvey.com/survey_reports/2018-2019-50th.pdf.

⁵² Eric Bettinger, “How Financial Aid Affects Persistence,” National Bureau of Economic Research, Working Paper 10242, January 2004, <http://www.nber.org/papers/w10242>.

⁵³ Sara Goldrick-Rab *et al.*, “Need-Based Financial Aid and College Persistence: Experimental Evidence from Wisconsin,” Wisconsin Scholars Longitudinal Study, October 10, 2012. See also Sigal Alon, “Who Benefits Most From Financial Aid? The Heterogeneous Effect of Need-Based Grants on Students’ College Persistence,” *Social Science Quarterly*, Vol. 92, No. 3, September 2011, https://people.socsci.tau.ac.il/mu/salon/files/2011/11/ssq_sep2011_final.pdf.

⁵⁴ Liang Zhang and Erik C. Ness, “Does State Merit-Based Aid Stem Brain Drain?” *Educational Evaluation and Policy Analysis*, June 1, 2010, <http://journals.sagepub.com/doi/10.3102/0162373709359683>. See also David L. Sjoquist and John V. Winters, “Merit aid and post-college retention in the state,” *Journal of Urban Economics*, March 2014, <https://www.sciencedirect.com/science/article/pii/S0094119013000818>.

structural inequities that advantage white and wealthy students who benefit from well-resourced K-12 schools and expensive college test prep. An early 2000s study of the Georgia HOPE scholarship, one of the nation's largest and oldest merit aid programs (which then required students to have at least a 3.0 high school GPA and had no income cap), found that it encouraged students across racial lines to enroll in four-year institutions but disproportionately benefited white students, widening the state's racial gap in college attendance.⁵⁵

States should increase their investment in need-based aid and increase the share of aid that is need-based. They also should make need-based aid available to all students attending public college and universities, including those who are undocumented or currently incarcerated. State need-based aid should be awarded to students on a first-dollar basis (meaning that grant awards would not be reduced if a student received other grant aid), and students should be able to use it to cover college costs beyond tuition and fees.

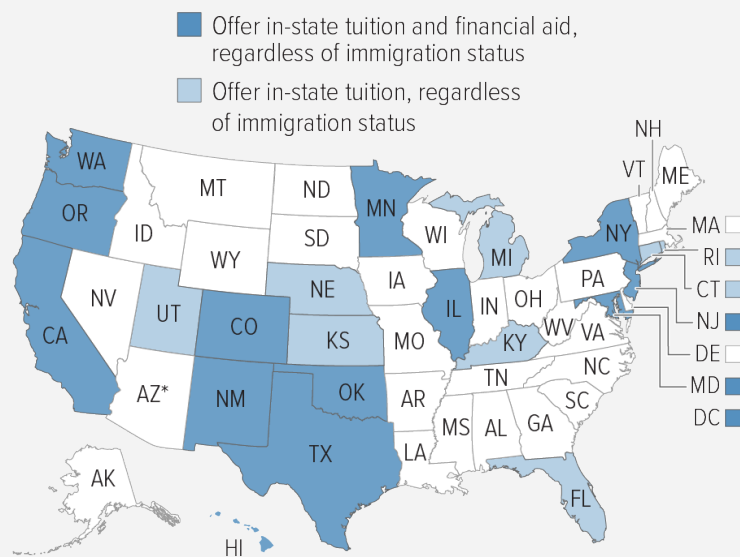
⁵⁵ Sue Dynarski, "The Consequences of Merit Aid," National Bureau of Economic Research, Working Paper 9400, December 2002, <http://www.nber.org/papers/w9400.pdf>. The same study found, however, that merit-based programs in other states that employed less stringent requirements did not widen enrollment gaps, which indicates that the structure of merit-aid programs matters significantly.

Expanding Access and Affordability for Immigrant Students

States can expand access and affordability in higher education by taking an inclusive approach that gives all residents, regardless of immigration status, access to in-state tuition and financial aid. Currently, only 21 states plus the District of Columbia do. (See map.) More than half of states erect barriers to higher education for students without documented status, despite their deep ties and contributions to their states.^a

Currently, students without documented status are eligible for in-state tuition in 21 states plus the District of Columbia and state financial aid in 13 states plus the District of Columbia. (These counts include Hawai'i and Michigan, where access to in-state rates and aid — extended by Boards of Regents rather than state lawmakers — is limited to major state universities.)

21 States Plus DC Have Inclusive Higher Education Policies for Immigrants



*Arizona now provides a tuition rate to immigrants who are undocumented that is 150 percent of the state's in-state rate.

Note: Policies in Hawai'i, Kentucky, Michigan, Oklahoma, and Rhode Island are set by Boards of Regents or their equivalents, not state lawmakers.

Source: National Immigration Law Center and state higher education policies

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Families that are undocumented have lower-than-average incomes. Even at in-state tuition rates, public four-year college or community college is out of reach for many families even with financial aid, and students without documented status do not have access to Pell Grants (the nation's largest financial aid program) or other federal aid.^b

An inclusive approach to higher education makes even more sense today, as students without documented status and their families have been especially hard hit by the pandemic. Immigrants are overrepresented in essential low-wage occupations such as farm work, meat processing, food service, hospitality, and retail and thus face greater risk of exposure to COVID-19. Additionally, most students without documented status belong to racial and ethnic groups that are more likely to contract and die from COVID-19.^c Some 46 percent are Latinx and 15 percent are Black^d — groups that are three times more likely to contract coronavirus and twice as likely to die from COVID-19 than white people, according to the Centers for Disease Control and Prevention.^e

In addition, students without documented status have been left out of many supports that help other students weather the pandemic, such as unemployment insurance and other economic security programs.

States already guarantee all children, no matter their immigration status, a place in K-12 schools to help them reach their potential and to develop the educated workers of tomorrow. Giving a state’s high school graduates access to higher education at in-state tuition rates, with access to financial aid, builds on this investment.

^a National Immigration Law Center, “Toolkit: Access to Postsecondary Education,” April 2020, <https://www.nilc.org/issues/education/eduaccesstoolkit/eduaccesstoolkit2/>.

^b Department of Education, Federal Student Aid, “Eligibility for Non-U.S. Citizens,” accessed January 4, 2021, <https://studentaid.gov/understand-aid/eligibility/requirements/non-us-citizens>.

^c Oxfam, “Supporting undocumented communities amid the COVID-19 pandemic,” May 21, 2020, <https://www.oxfamamerica.org/explore/stories/supporting-undocumented-communities-amid-covid-19-pandemic/>.

^d President’s Alliance on Higher Education and Immigration and New American Economy, “Undocumented Students in Higher Education,” April 2020, <https://www.presidentsalliance.org/wp-content/uploads/2020/07/Undocumented-Students-in-Higher-Education-April-2020.pdf>.

^e Richard A. Ooppel Jr. *et al.*, “The Fullest Look Yet at the Racial Inequity of Coronavirus,” *New York Times*, July 5, 2020, <https://www.nytimes.com/interactive/2020/07/05/us/coronavirus-latinos-african-americans-cdc-data.html>.

APPENDIX TABLE 1

State Cuts to Higher Education in Fiscal Years 2020 and 2021 Due to COVID-19 Recession

Alaska	Enacted 2021 budget cut higher education \$25.2 million below enacted 2020 budget.
Arizona	Enacted 2021 budget cut higher education \$32.7 million below enacted 2020 budget.
Arkansas	Mid-year 2020 budget cut higher education \$11.9 million below enacted 2020 budget.
California	Enacted 2021 budget cut higher education \$1.6 billion below enacted 2020 budget. Mid-year 2020 budget cut higher education \$366.6 million below enacted 2020 budget.
Colorado	Enacted 2021 budget cut higher education \$507 million below enacted 2020 budget.
Georgia	Enacted 2021 budget cut higher education \$331.8 million below enacted 2020 budget. Mid-year 2020 budget cut higher education \$22.8 million below enacted 2020 budget.
Hawai'i	Mid-year 2021 budget cut higher education \$6 million below enacted 2021 budget.

	Mid-year 2020 budget cut higher education \$11.3 million below enacted 2020 budget.
Idaho	Mid-year 2020 budget cut higher education \$3.7 million below enacted 2020 budget.
Indiana	Mid-year 2021 budget cut higher education \$103.2 million below enacted 2021 budget. Mid-year 2020 budget cut higher education \$700,000 below enacted 2020 budget.
Iowa	Enacted 2021 budget cut higher education \$7.3 million below enacted 2020 budget.
Kansas	Mid-year 2021 budget cut higher education \$39.8 million below enacted 2021 budget.
Louisiana	Enacted 2021 budget cut higher education \$93.6 million below enacted 2020 budget. Mid-year 2020 budget cut higher education \$1.5 million below enacted 2020 budget.
Maryland	Mid-year 2021 budget cut higher education \$191.5 million below enacted 2021 budget. Mid-year 2020 budget cut higher education \$10.8 million below enacted 2020 budget.
Massachusetts	Enacted 2021 budget cut higher education \$17.5 million below enacted 2020 budget.
Michigan	Mid-year 2020 budget cut higher education \$200 million below enacted 2020 budget.
Mississippi	Enacted 2021 budget cut higher education \$20.4 million below enacted 2020 budget.
Missouri	Mid-year 2021 budget cut higher education \$55 million below enacted 2021 budget. Enacted 2021 budget cut higher education \$99.7 million below enacted 2020 budget. Mid-year 2020 budget cut higher education \$118.2 million below enacted 2020 budget.
Nevada	Mid-year 2021 budget cut higher education \$115.9 million below enacted 2021 budget. Mid-year 2020 budget cut higher education \$13 million below enacted 2020 budget.
New Jersey	Mid-year 2020 budget cut higher education \$168.2 million below enacted 2020 budget.
New Mexico	Mid-year 2021 budget cut higher education \$98 million below enacted 2021 budget.

Ohio	Mid-year 2020 budget cut higher education \$109.1 million below enacted 2020 budget.
Oklahoma	Enacted 2021 budget cut higher education \$31.6 million below enacted 2020 budget.
Oregon	Mid-year 2021 budget cut higher education \$33.4 million below enacted 2021 budget.
Rhode Island	Enacted 2021 budget cut higher education \$4.4 million below enacted 2020 budget. Mid-year 2020 budget cut higher education \$11.9 million below enacted 2020 budget.
Tennessee	Enacted 2021 budget cut higher education \$23.3 million below enacted 2020 budget.
Utah	Mid-year 2021 budget cut higher education \$60.9 million below enacted 2021 budget. Mid-year 2020 budget cut higher education \$69.1 million below enacted 2020 budget.
Washington	Mid-year 2020 budget cut higher education \$7 million below enacted 2020 budget.

Source: CBPP analysis of National Association of State Budget Officers

Note: The numbers in this table do not account for states that offset cuts with CARES Act funding. For information on states that have used Coronavirus Relief Funds to offset higher education budget cuts and for COVID-19 related expenses, please see the National Conference of State Legislatures, "State Action on Coronavirus Relief Funds,"

<https://app.powerbi.com/view?r=eyJrIjoiaMTcyNGQ5ZmUtNTY3Mi00YjVlTGyNjMtZjk1NzVkYTUyZGUzliwidCI6IjM4MmZiOGlwLTRkYzMtNDExNy04MGJkLTM1OTViMjQzMmZhZSIsImMiOjZ9&pageName=ReportSection>