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Bad trend: Tuition share doubles in Iowa higher-ed funding
New report shows Iowa ranks poorly in keeping up public investment in college

IOWA CITY, Iowa (Oct. 24, 2019) — In 30 years, the share of public higher-education financed by tuition has doubled in Iowa, while the state’s total support for higher education fell 22 percent.

A new report from the Center on Budget and Policy Priorities (CBPP) shows a poor performance for Iowa and many states on various measures of state support of public higher education — by amount, source of funding, and who is affected.

Not only did Iowa’s share of tuition-based funding shift from 31 percent to 63 percent from 1988 to 2018, but state support dropped 22 percent, by nearly $221.9 million, over the period in constant 2018 dollars.

“Only 10 states saw a larger decline in support,” noted Peter Fisher, research director of the nonpartisan Iowa Policy Project, part of the Iowa Fiscal Partnership (IFP).

In addition, the net price of attending a public four-year university in Iowa represented 25 percent of median income overall in 2017. For black families, however, the cost of education was a staggering 47 percent of median income, and 31 percent for Hispanic families.

“Opportunity for all Iowans is the real loser here. For Iowans who see college as the door to their goals in life, it is becoming harder and harder to get there,” said Anne Discher, executive director of the nonpartisan Child and Family Policy Center, also part of IFP.

“There are a lot of numbers — but a common theme: Iowa has a lagging commitment to public higher education, and if we are not careful it will be pushed out of reach of low- and moderate-income families.”

Fisher noted that at the same time of the 22 percent decline in state support of public higher education in Iowa, enrollments were growing.

“So, support per full-time student fell even more, by $2,505, or 28 percent,” Fisher said.

By this per student measure, Iowa ranked among the 10 worst states. Only nine others saw per student support fall by a larger percentage. Meanwhile, tuition rose by $1,455 over this period, or 20 percent.

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The Iowa Policy Project
www.iowapolicyproject.org

Child and Family Policy Center
www.cfpciowa.org
In 2008, Iowa ranked 32\textsuperscript{nd} in public support per student; by 2018, the state’s rank had fallen to 39\textsuperscript{th}. In other words, public support was lower than average to begin with, and fell more rapidly than in most states. The $6,420 the state spent per student in 2018 was well below the national average of $8,073, and only 11 states spent less.

The CBPP report by Michael Mitchell, Michael Leachman and Matt Saenz found that overall state funding for public two- and four-year colleges in the school year that ended in 2018 was more than $6.6 billion below what it was in 2008, just before the Great Recession, inflation adjusted.

“Deep state cuts in funding for higher education over the last decade have contributed to rapid, significant tuition increases and pushed more of the costs of college to students, making it harder for them to enroll and graduate,” the authors stated. “These cuts also have worsened racial and class inequality, since rising tuition can deter low-income students and students of color from college.”


Previous Iowa Policy Project (IPP) and Iowa Fiscal Partnership reports have illustrated the dramatic change from state support to tuition and fees as the dominant funding source for the regents institutions. (See IPP’s Roadmap for Opportunity two-pager on this issue: http://www.iowapolicyproject.org/2018docs/180926-roadmap-highered.pdf)

The CBPP report follows concerns expressed this week about declining enrollment at the Iowa Board of Regents meeting in Milford in northwest Iowa.

“Further reliance on tuition instead of public investments in higher education can only compound that problem,” said Mike Owen, executive director of the Iowa Policy Project.

IPP has suggested policy alternatives include restoring balance between state support and student tuition in funding of postsecondary education, promoting payment plans that enhance affordability, and freezing tuition for in-state students until state investments are restored.

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*The Iowa Fiscal Partnership is a joint public policy analysis initiative of two nonpartisan, nonprofit Iowa-based organizations, the Iowa Policy Project and the Child & Family Policy Center. Reports are at www.iowafiscal.org.*