

3-31-2021

COVID-19: Higher Education Funding in the Mountain West

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Repository Citation

Cheche, O. K., Grema, P., Saladino, C. J., Brown, W. E. (2021). COVID-19: Higher Education Funding in the Mountain West. *Higher Education Fact Sheet No. 15 1-3*.

Available at: https://digitalscholarship.unlv.edu/bmw_lincy_he/11

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COVID 19: HIGHER EDUCATION FUNDING IN THE MOUNTAIN WEST

Higher Education Fact Sheet No. 15 | March 2021

Prepared by: Olivia K. Cheche, Peter Grema, Caitlin J. Saladino, and William E. Brown, Jr.

PURPOSE:

In February 2021, Victoria Jackson and Matt Saenz of the *Center on Budget and Policy Priorities* published a report titled, “States Can Choose Better Path for Funding Higher Education Funding in COVID-19 Recession.”¹ The report presents data on changes in state spending for higher education, and tuition costs for all 50 states between 2008 and 2019. This fact sheet explores data on higher education budget cuts and changing tuition costs for four-year institutions and community colleges in the Mountain West (Arizona, Colorado, Nevada, New Mexico, and Utah).

ABOUT THE DATA:

As a result of the COVID-19 pandemic and its subsequent economic recession, 37 U.S. states cut per-student funding for higher education. State funding cuts often lead to tuition hikes for students, at both public four-year institutions and community colleges.² Federal and state aid has not kept pace with the rising cost of tuition over the decades, and today, students are left shouldering a larger share of the cost of attending colleges and universities.

The original report³ offers data on budget cuts and changing tuition costs, presented as both percentages and raw dollar amounts; values are also adjusted for inflation. Changes in tuition costs are presented for both four-year institutions and community colleges. The original report also notes budget cuts for higher education that each state faced in fiscal years 2020 and 2021.

In Nevada and Utah, higher education budgets were cut in both fiscal years 2020 and 2021. The sum of these cuts appears as one number in Figure 1. Arizona and Colorado cut their budgets once in fiscal year 2021 based on their 2020 budgets, while New Mexico cut its mid-year 2021 budget based on its enacted 2021 budget.

KEY FINDINGS:

1. All Mountain West states cut higher education funding due to the COVID-19 recession. Budget cuts in fiscal years 2020 and 2021 reduced higher education funding between \$32.7M (Arizona) and \$507M (Colorado) in Mountain West states.
2. Among Mountain West states, Arizona (78%) experienced the highest percent increase in average tuition for four-year institutions between 2008 and 2019; this percent increase is the 2nd highest nationally.
3. Among Mountain West states, Nevada (60.9%) experienced the highest percent increase in average tuition for community colleges between 2008 and 2019; this percent increase is the 6th highest nationally.

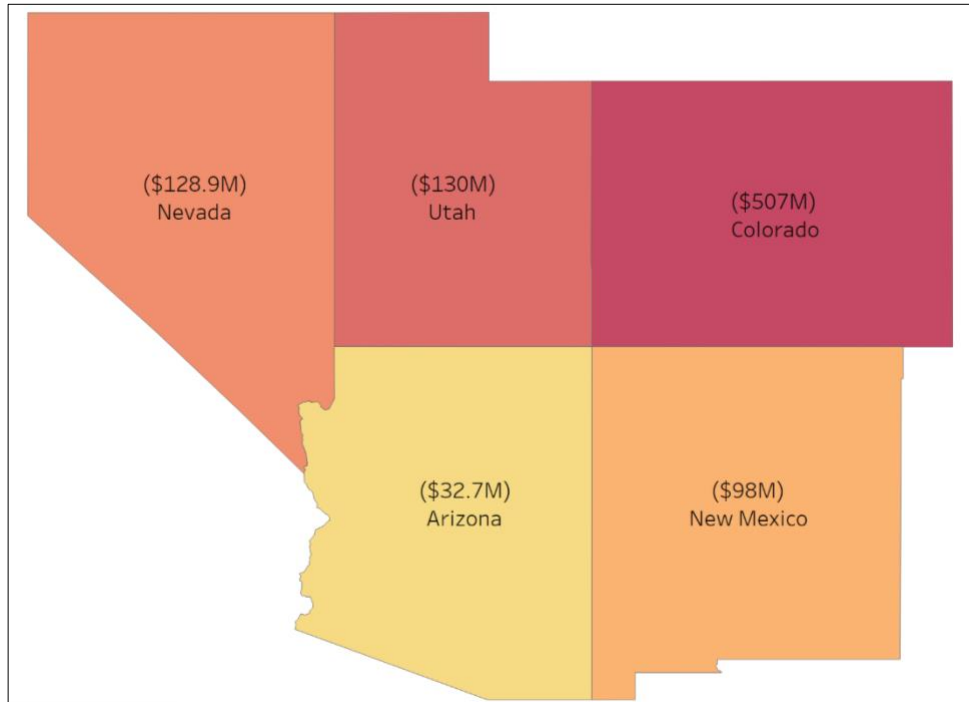
¹ Victoria Jackson and Matt Saenz, “States Can Choose Better Path for Higher Education Funding in COVID-19 Recession,” February 2021 (<https://www.cbpp.org/research/state-budget-and-tax/states-can-choose-better-path-for-higher-education-funding-in-covid>).

² Ibid.

³ Ibid.

Figure 1 shows the total reductions in state higher education funding for the Mountain West during fiscal years 2020 and 2021. Some states, such as Nevada, enacted two rounds of budget cuts (reductions in both FY 2020 and FY 2021), while Colorado and New Mexico only enacted cuts during the 2021 fiscal year. Colorado enacted the highest total budget cuts (\$507M), while Arizona experienced the smallest state budget reductions (\$32.7M).

Figure 1: Total Reductions in Higher Education Funding in the Mountain West, FY 2020 and FY 2021



*Adapted from “States Can Choose Better Path for Higher Education Funding in COVID-19 Recession” by Victoria Jackson and Matt Saenz.

Table 1 displays the average change in tuition for four-year institutions between 2008 and 2019 in the Mountain West, expressed as both percent and dollar values; the values are adjusted for inflation. For reference, red cells in each column represent the highest increases among Mountain West states. Arizona experienced the highest increase in average tuition for four-year institutions between 2008 and 2019, with a \$5,224 increase (78%). Nevada’s increase in average tuition for four-year institutions falls in the middle of Mountain West states, with a \$2,680 increase (50.8%).

Table 1: Increase in Average Tuition for Four-Year Institutions in the Mountain West, 2008 to 2019

State	% Change in Average Tuition	Dollar Change in Average Tuition
Arizona	78.0%	\$5,224
Colorado	63.8%	\$4,434
Nevada	50.8%	\$2,680
New Mexico	37.1%	\$2,035
Utah	39.7%	\$2,011

*Adapted from “States Can Choose Better Path for Higher Education Funding in COVID-19 Recession” by Victoria Jackson and Matt Saenz.

Table 2 displays the average price of attending a four-year public institution as a share of median income across demographic groups. In all Mountain West states, non-Hispanic white students pay less than the “overall” share of median income towards college attendance. Black and Hispanic students pay a higher overall share of their median

household income towards the price of attending a four-year institution. Asian students pay below the overall median household share towards attending a four-year institution in all states except Utah.

Table 2: Average Net Price at Public Four-Year Institutions as Share of Median Household Income, 2018

State	Overall	White, Non-Hispanic	Black	Hispanic	Asian
Arizona	24%	22%	29%	29%	18%
Colorado	23%	22%	34%	31%	21%
Nevada	21%	18%	30%	24%	18%
New Mexico	23%	18%	N/A	27%	15%
Utah	17%	16%	N/A	22%	18%

*Adapted from “States Can Choose Better Path for Higher Education Funding in COVID-19 Recession” by Victoria Jackson and Matt Saenz.

**Results are not included in original source where the standard error associated with median income is more than 10% of estimated median income.

Table 3 shows the average change in tuition for community colleges between 2008 and 2019 in the Mountain West, expressed as both percent and dollar changes; the values are adjusted for inflation. For reference, red cells in each column represent the highest changes. Nevada has the highest percent increase in average tuition for community colleges between 2008 and 2019 in the Mountain West (60.9%); Nevada’s percent increase is the 6th highest nationally.⁴

Table 3: Increase in Average Tuition for Community Colleges in the Mountain West, 2008 to 2019

State	% Change in Average Tuition	Dollar Change in Average Tuition
Arizona	27.7%	\$560
Colorado	52.9%	\$1,561
Nevada	60.9%	\$1,288
New Mexico	34.4%	\$471
Utah	30.1%	\$882

*Adapted from “States Can Choose Better Path for Higher Education Funding in COVID-19 Recession” by Victoria Jackson and Matt Saenz.

Table 4 shows the average price of attending a community college as a share of median income by race. As shown in Table 2, Black and Hispanic students pay more than the overall share of median household income as a cost of attending school. Utah is the only state where non-Hispanic white students are on par with the overall cost; in the other four states non-Hispanic white students pay below the average net price of community college attendance. Asian students pay above the overall share of median household income to attend community college in Colorado and Utah.

Table 4: Average Net Price at Community Colleges as Share of Median Household Income by Race, 2018

State	Overall	White, Non-Hispanic	Black	Hispanic	Asian
Arizona	12%	11%	14%	14%	9%
Colorado	14%	13%	21%	21%	18%
Nevada	14%	13%	21%	17%	13%
New Mexico	13%	10%	N/A	15%	9%
Utah	10%	10%	N/A	14%	11%

*Adapted from “States Can Choose Better Path for Higher Education Funding in COVID-19 Recession” by Victoria Jackson and Matt Saenz.

**Results are not included in original source where the standard error associated with median income is more than 10% of estimated median income.

⁴ Ibid.