

Annual Grapevine Compilation of State Fiscal Support for Higher Education Results for Fiscal Year 2022

PRESS RELEASE

Media contact: Annahita Jimmerson, ajimmerson@sheeo.org
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Data reported by states in the latest Grapevine survey indicate that initially-approved state support for higher education in fiscal year 2022 reached \$105.4 billion, an 8.3% increase over 2021. This is the first time that state fiscal support for all higher education has topped \$100 billion. This large increase is partly due to states reversing funding cuts implemented between 2020 and 2021 during the pandemic-induced economic recession. In some cases, states temporarily replaced state higher education support with federal stimulus funding in 2021; in 2022, those states were again able to fund higher education using state dollars.

After including the influx of \$7.2 billion in federal stimulus funding over the last three years,¹ states reported a 6.6% increase in higher education support between 2021 and 2022, the largest single-year increase since 2008. An important caveat is that the Grapevine data do not account for inflation. While year-over-year inflation from fiscal 2021 to 2022 is not yet known, it will likely account for a significant portion of the increase.^{2,3}

Federal stimulus funding was effective in maintaining higher education support during the last three years. From 2021 to 2022, 33 states reported increases in state support for higher education. The largest increases, all above 10%, were in California, Colorado, Louisiana, Nevada, and Texas.

Seventeen states reported a decline in funding between 2021 and 2022. However, in all but five of those states, the decline was due to a reduction in federal stimulus funding, not state support.

Annual Percent Changes in State Support and Federal Stimulus Funding for Higher Education Across U.S. States		
Fiscal Year	% Change from Previous Fiscal Year	Number of States Reporting a Decline
<i>Including Federal Stimulus Funding</i>		
2022	6.6%	17
2021	3.4%	15
2020	5.3%	5
<i>Excluding Federal Stimulus Funding</i>		
2022	8.3%	5
2021	1.2%	23
2020	3.8%	7
2019	4.3%	6
2018	2.2%	17
2017	3.7%	15
Note: Prior year revisions may mean that data reported here differ from those detailed in earlier Grapevine reports.		

¹ Federal stimulus funding includes allocations to states for higher education to stabilize state and local sources of funding for higher education and provide additional resources during the COVID-19 pandemic, and it excludes any funds (such as HEERF) allocated directly by the federal government to institutions or students.

² While actual inflation data are not available for 2022, forecasts suggest the U.S. will face 4.8% inflation over 2021. Source: OECD Economic Outlook: Statistics and Projections, Inflation Forecast Indicator <https://data.oecd.org/price/inflation-forecast.htm>.

³ From January 2021 to January 2022, the Consumer Price Index increased 7%. Source: U.S. Bureau of Labor Statistics Economic News Release, Consumer Price Index Summary <https://www.bls.gov/news.release/cpi.nr0.htm>.

The five states reporting declines in state support when excluding federal stimulus funding were Alaska (1.2%), Hawaii (4.8%), New Hampshire (0.5%), Vermont (2.6%), and Wyoming (10.3%). In Wyoming, the decrease was concentrated in the four-year sector, which specifically had a 17% decrease in public operating appropriations.

Federal stimulus funding was also effective in protecting higher education support in 2021. State support alone increased only 1.2% nationally from 2020 to 2021, which was not enough to keep up with the rate of inflation. With federal stimulus funding, state support increased 3.4%. Without federal stimulus funding, 23 states would have seen declines in 2021; after accounting for the influx of federal funds, only 15 states saw declines in 2021.

Two- and Five-Year Trends

Longer-term trends in state support for higher education are also promising. Excluding federal stimulus funding, state support has increased 9.6% nationally since 2020 and 21.3% since 2017. Note that these data do not account for the impact of inflation.

Seven states, again excluding any federal stimulus funding, had lower state support in 2022 than in 2020 (Alaska, Georgia, Hawaii, Nevada, New Hampshire, New York, and Wyoming). Only four states had lower state support in 2022 than in 2017 (Alaska, Mississippi, North Dakota, and Wyoming). While multiple-year declines in any state should be of concern, these state counts are relatively low compared to pre-pandemic years.

Federal Stimulus Funding

For the first time, this year, the Grapevine report includes detailed tables on federal stimulus/relief allocations (to states) that were used for higher education. Funds awarded directly from the federal government to higher education institutions are not included. Across fiscal years 2020, 2021, and 2022, states allocated \$7.2 billion in federal stimulus support to higher education from the 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act, the 2021 Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the 2021 American Rescue Plan (ARP):

- \$1.4 billion was allocated by 21 states in 2020.
- \$3.6 billion was allocated by 45 states in 2021.
- \$2.2 billion was allocated by 33 states in 2022.⁴

Number of States Reporting Two-Year and Five-Year Declines in State Support (Excluding Federal Stimulus Funding) for Higher Education Across U.S. States		
Fiscal Year	Number of States Reporting Two-Year Declines	Number of States Reporting Five-Year Declines
2022	7	4
2021	12	11
2020	4	7
2019	11	11
2018	16	10
2017	14	6

Note: Federal stimulus funding is excluded from these figures. Prior year revisions may mean that data reported here differ from those detailed in earlier Grapevine reports.

Uses of State Support

This year's Grapevine tables also include new data on how total higher education state support allocations were used across two-year public operating, four-year public operating, state financial aid, research, and other uses for fiscal year 2022. While state allocations across each

⁴ In some states, federal stimulus funds initially allocated in 2022 may be used in future years.

area are not final and include estimates for several states (and thus cannot be compared to prior years at this time), initial appropriations to each area were as follows:⁵

- \$22 billion to two-year public operating (22.8% of state support).
- \$48.7 billion to four-year public operating (50.4%).
- \$12.9 billion to state financial aid for all students (13.4%).
- \$10 billion to research, agricultural extension, hospital, and medical schools (10.3%).
- \$3 billion to other uses, including agency funding, private institution operations, and non-credit appropriations (3.1%).

Other Jurisdictions

Fiscal year 2022 marks the sixth year Grapevine has included Washington, D.C., in its survey. Washington, D.C., is excluded from all state counts and U.S. totals. The data reported by the District of Columbia exclude federal appropriations and reveal a 5% decline in the last year, but two- and five-year increases of 4.5% and 21.9%, respectively.

About Grapevine

Grapevine data are collected annually by the State Higher Education Executive Officers Association (SHEEO) in collaboration with the Center for the Study of Education Policy at Illinois State University. Tables summarizing the results of the FY22 Grapevine survey and a complete dataset of state support for higher education going back to 1980 can be found on the SHEEO State Higher Education Finance (SHEF) website: <https://shef.sheeo.org/grapevine>.

The Grapevine report intends to provide a first, tentative look at state higher education funding in the new fiscal year. The fiscal year 2022 data summarized in these tables represent initial allocations and estimates reported by the states from October 2021 through early January 2022 and are subject to change. In most states, fiscal year 2022 refers to the period from July 1, 2021, to June 30, 2022. The corresponding academic year began in the fall of 2021. Further revisions may be made as states make corrections or adjust their budgets in the face of uncertain revenue forecasts. Grapevine data are presented in their raw form; they are not adjusted for inflation or any other measures of state size, student population, or capacity to fund higher education. These first-look data are more limited than those published in the [SHEF report](#), which focuses on the most recently completed fiscal year and offers a more complete examination of trends in total state support for higher education, factoring in enrollment, tuition, and inflation (among other variables). The SHEF report for FY21 will also be released this spring by SHEEO.

Different practices among the 50 states make it impossible to eliminate all inconsistencies or ensure absolute comparability among states and institutions. In addition, the annual percentage changes recorded for each state do not necessarily reflect the annual percentage changes in funding for individual institutions within states. A number of states include estimates for one or more funding areas in their Grapevine data each year. These estimates are noted in the footnotes of each table. Grapevine data are preliminary and should be treated as such; for almost every state, total state support reported in the Grapevine tables for the current fiscal year will change in some way over the course of the year.

⁵ Texas was not able to provide data on the uses of their appropriations in 2022 and is excluded from these figures.