In 2022, education appropriations increased 4.9%, surpassing pre-recession per-student funding levels in 2008 by 3.1%. Federal stimulus funding decreased by roughly one-third, but still cushioned state budgets and supported higher education. However, a sharp decline in enrollment for the second year (2.5%) and a decrease in tuition revenue (1.0%) creates uncertainty for public higher education revenues as federal stimulus funds are used up.

For the first time, state funding to public colleges exceeds per-student funding levels seen prior to the Great Recession.

The loss of 266,338 full-time equivalent (FTE) students in 2022, a 2.5% decline, marks the second largest decline since the start of the SHEF dataset in 1980. Enrollment at public institutions has declined by 5.6% since the start of the COVID-19 pandemic in 2020. This drop was concentrated at two-year public institutions, with a 9.8% decline since 2020, compared to 2.9% at four-year institutions.

Since 1980, tuition revenue per FTE at public institutions has increased 186.4%. Recently, this trend has shifted, and tuition and fee revenue has declined for three of the last four years. After a 1.0% decline in 2022, public institutions received 5.8% less tuition revenue per student than five years ago.

In 2022, inflation-adjusted average per-student tuition revenue fell 2.1% after hitting an all-time high in 2021. The proportion of total public higher education revenue paid by students increased from 20.9% in 1980 to a high of 47.5% in 2013. However, in recent years, the student share has steadily declined, reaching 41.7% in 2022. These decreases are thanks to low tuition rate growth and increases in state funding and state financial aid.

The Higher Education Cost Adjustment (HECA), a measure of inflation in service industries, increased 5.1% between fiscal years 2021 to 2022. Public institutions are not immune to the challenges caused by inflation, and they continue to feel budgetary pressure from rising costs.

FISCAL YEAR 2022 MARKS THE 11TH CONSECUTIVE YEAR OF ENROLLMENT DECLINES.

The Higher Education Cost Adjustment (HECA), a measure of inflation in service industries, increased 5.1% between fiscal years 2021 to 2022. Public institutions are not immune to the challenges caused by inflation, and they continue to feel budgetary pressure from rising costs.