

# THE FINANCING OF PUBLIC HIGHER EDUCATION IN ARIZONA

**A Report from the Office of the University Economist**

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## SUMMARY

Public support for higher education — the combination of universities and community colleges — is quite low in Arizona. Per full-time-equivalent higher education student in fiscal year 2015, state and local government educational appropriations in Arizona were 19 percent less than the national average and ranked 41st among the 50 states after adjusting for the cost of living.

Historically, public support for higher education in Arizona was much stronger. Higher education has experienced a large drop in public support since fiscal year 2008. In response, tuition for higher education has increased substantially in Arizona.

Declining public support and rising tuition is inconsistent with the Arizona Constitution. Section 10 of Article XI states that “the legislature shall make such appropriations, to be met by taxation, as shall insure the proper maintenance of all state educational institutions, and shall make such special appropriations as shall provide for their development and improvement.” Section 6 of Article XI of the Arizona Constitution states “the university and all other state educational institutions shall be open to students of both sexes, and the instruction furnished shall be as nearly free as possible.”

While a cause-and-effect relationship has not been established between the support for public education (an input) and various outcomes, it is interesting to note that the educational attainment of Arizonans historically was above the national average but has been falling versus the national norm since the 1970s and is now considerably below average.<sup>1</sup> Similarly, on measures of prosperity— such as per capita personal income adjusted for the cost of living — Arizona has fallen relative to the national average since the early 1970s.<sup>2</sup>

A study done by the Urban Institute estimates that the expenditure need for higher education in Arizona in fiscal year 2012 was slightly less than the national average. In fiscal year 2012, per capita expenditures were 11 percent less than the need. To have met the need, spending would have had to have been \$579 million higher.

Each of Arizona’s public universities was compared to its 15 peer institutions selected by the Arizona Board of Regents. Public support for universities was measured by state appropriations per full-time-equivalent student. In FY 2014, Arizona State University’s figure was less than that of all of its peers. Northern Arizona University’s figure was third lowest. Five institutions had a lower figure than the University of Arizona.

The inflation-adjusted percent change over time in state appropriations per full-time-equivalent student also was examined. Between fiscal years 2008 and 2014, the figure in each of Arizona’s three universities dropped by half. The University of Arizona and Arizona State University experienced the largest decline in their peer groups. Only one of its peers had a larger decrease than Northern Arizona University.

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<sup>1</sup> See page 81 of the Office of the University Economist report “Arizona Constitution: Specified Duties of State Government,” November 2010, available from <https://economist.asu.edu/public-finance>.

<sup>2</sup> See the Office of the University Economist report “The Performance of the Arizona Economy, Particularly During the Current Cycle,” October 2016, available from <https://economist.asu.edu/p3/competitiveness>.

## INTRODUCTION

This report provides an update to education finance data for Arizona, with comparisons made to the nation and to a group of 10 western states: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, and Washington.

The State Higher Education Executive Officers Association (SHEEO) produces an annual report on “State Higher Education Finance” (<http://sheeo.org/projects/shef-%E2%80%94state-higher-education-finance>). The time series runs from fiscal year (FY) 2000 through FY 2015. The finances and enrollment of all public higher education institutions are combined; data are not available specific to community colleges or to universities.

The SHEEO report focuses on the sources of funding for higher education; it does not provide information on how those funds are used. SHEEO does not include revenue from all sources. Its total education revenue figure consists of two categories:

- State and local government appropriations for public higher education, excluding appropriations for research, medical, and special purposes.<sup>3</sup>
- Net tuition (tuition and fees less financial aid from state and institutional sources) minus tuition used for capital purposes or debt service.

### Standardization of Data

In order to compare states, the data must be standardized to account for differences in size. For education finance, the adjustment for size and changes in size over time is accomplished by reporting the data on a per student basis. SHEEO reports a measure of full-time-equivalent (FTE) enrollment.

In addition to the adjustment for size, dollar figures generally should be adjusted for cost-of-living differences between states. The regional price parity (RPP) data produced by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) are used to measure the cost of living.<sup>4</sup> The regional price parity estimates are available only for calendar years 2008 through 2014. Since the RPPs are not available prior to 2008, time series analyses of revenues and expenditures in this report use unadjusted data. For this report, the FY 2015 SHEEO data are adjusted by the calendar year 2014 RPPs.

Analyses over time of dollar measures must account for inflation as well as changes in size. Inflation is measured by the gross domestic product implicit price deflator produced by the BEA.<sup>5</sup>

An additional adjustment is sometimes made to public finance data to reflect the “ability to pay.” Typically, personal income is used to make this adjustment; in the case of education data that are expressed per student, the revenue and expenditure figures can be adjusted by per capita personal income. Instead of personal income, gross product sometimes is used; the BEA produces both of

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<sup>3</sup> In fiscal years 2009 through 2012, federal monies distributed through the American Recovery and Reinvestment Act (ARRA) are included.

<sup>4</sup> The RPPs are available from <http://www.bea.gov/regional/index.htm>. Data for calendar year 2014 were released in July 2016.

<sup>5</sup> See Table 1.1.9 at <http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=1&isuri=1>.

these series.<sup>6</sup> The ability-to-pay adjustment, however measured, is more appropriately used for revenue data than expenditure data.

### **Representative Revenues and Expenditures**

Another way of measuring the ability to pay is through the “representative revenue system” approach. “Revenue capacity” (revenue-raising potential) is estimated by establishing a revenue base in each state and then applying a national average tax rate to that base.

The counterpart to the representative revenue system is the “representative expenditure system.” “Fiscal need” is estimated by applying a national average rate of per capita spending to the population of each state. The result is then adjusted for workload factors and other factors, such as input prices, that contribute to cost variations by state.

Using FY 2012 data, the Urban Institute recently employed these methods.<sup>7</sup> Arizona’s overall revenue capacity per capita in FY 2012 was one of the lowest in the country at 17.6 percent less than the national average. Arizona ranked 46th nationally and ninth among the 10 western states. Actual revenue collected per capita was 24.1 percent less than the national average, 49th nationally and ninth in the West. Actual revenue was 92.1 percent of revenue capacity, tied for 39th nationally and eighth in the West.

In sharp contrast to the state’s low revenue capacity, Arizona’s overall fiscal need in FY 2012 was among the highest in the nation. The per capita expenditure need ranked 11th nationally and fourth among the western states at 3.7 percent above the national average. Yet actual expenditures per capita were 23.7 percent below average, second lowest nationally and in the West. Actual expenditures were only 73.5 percent of the expenditure need, second lowest in the nation and lowest in the West.

For higher education — again the combination of community colleges and universities — the Urban Institute calculated a workload factor by applying national enrollment rates by age group to each state’s population by age group. The expenditure need for higher education in Arizona in FY 2012 was \$816 per capita, 1.2 percent less than the national average of \$826. The need was 25th highest nationally and sixth highest among the western states. Actual per capita expenditures for higher education were \$727 in Arizona, 12.0 percent less than the national average, 35th in the nation and eighth in the West. Actual expenditures were 89.1 percent of the need, ranking 34th in the nation and eighth among the western states.

In order to have matched the national per capita average in FY 2012, Arizona’s higher education expenditures would have had to have been \$644 million higher than the actual figure. To have met the state’s need, expenditures would have had to have been \$579 million more than the actual figure.

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<sup>6</sup> These data are available from <http://www.bea.gov/regional/index.htm>.

<sup>7</sup> Urban Institute, March 2016, “Assessing Fiscal Capacities of States: A Representative Revenue System-Representative Expenditure System Approach, Fiscal Year 2012,” [www.urban.org](http://www.urban.org). Various groups have used this methodology over time. It is a large project to apply this methodology for all states.

## **Discussion**

If policymakers in a state with below-average prosperity, such as Arizona, limit certain types of expenditures due to the below-average ability of its taxpayers to pay taxes, the result may be to perpetuate the state's low prosperity. States compete with each other (and with other countries) for economic development. The two most important business location factors are the availability and quality of the workforce and the availability and quality of the physical infrastructure.<sup>8</sup> Educational achievement and attainment are key aspects of the quality of the workforce location factor. A state that does not adequately prepare its residents for the workforce through K-12 education, higher education, and job training and that provides an inferior physical infrastructure is placing itself at a significant disadvantage in economic development, particularly in terms of competing for high-quality jobs.

The amount of revenue raised by state and local governments in Arizona is below its revenue capacity according to the Urban Institute study. Thus, the state could increase its expenditures for higher education without going above the national average on revenue collection relative to revenue capacity.

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<sup>8</sup> For more information, see the November 2014 paper "Overview of Economic Competitiveness: Business and Individual Location Factors, With a Focus on Arizona" at <https://wpcarey.asu.edu/sites/default/files/uploads/center-competitiveness-and-prosperity-research/competitiveness11-14.pdf>.

## **HIGHER EDUCATION REVENUE**

This section is based on the “State Higher Education Finance” data released in April 2016 by the State Higher Education Executive Officers Association. All of the data, including revenue and enrollment, consists of the sum of all public institutions of higher education — community colleges and universities — in a state

### **Revenue in Fiscal Year 2015**

Public support for higher education is measured by educational appropriations for public universities and community colleges, which consists of state government and local government appropriations, less monies targeted for special purposes, research, and medical programs. In Arizona in FY 2015, this amounted to \$1.49 billion. The amount per full-time-equivalent student was \$5,626 after adjustment for the cost of living. This figure was 19.2 percent less than the national average and ranked 41st among the 50 states and eighth among the western states.

Since the relative responsibility for financing public higher education varies between state government and local government by state, comparisons across states of state support and comparisons across states of local support need to be made cautiously. Local governments provide funding for higher education in only 29 states.

State government appropriations for public higher education — without subtracting monies intended for special purposes, research, and medical programs — totaled \$916 million in Arizona in FY 2015. Expenditures per FTE student were \$3,464 after adjusting for the cost of living, 51 percent less than the national average and the second lowest among the states (and lowest among the western states). In contrast, Arizona had the highest per FTE student figure for local support adjusted for the cost of living at \$3,057, which was 3.75 times higher than the national average. Local support, which in Arizona is limited to community colleges, totaled \$808 million.

Student tuition and fees is another significant source of higher education revenue. In Arizona in FY 2015, net tuition — tuition and fees less financial aid from state and institutional sources — provided \$2.04 billion. This amount is 37 percent higher than the funding from educational appropriations. Per FTE student adjusted for the cost of living, net tuition amounted to \$7,709, which was 28 percent higher than the national average and ranked 21st nationally and third in the West.

Total educational revenue for higher education is the sum of (1) state and local government educational appropriations (total appropriations less those for special purposes, research, and medical programs), and (2) net tuition less any tuition used for capital outlays or debt service. The total in Arizona in FY 2015 was \$3.43 billion. Per FTE student adjusted for the cost of living, the figure was \$12,978, marginally above the national average. Arizona ranked 33rd nationally but second among the western states.

The data for FY 2015 are summarized in Appendix I for each of the categories of higher education revenue.

### **Change in Revenue Over Time**

Educational appropriations for higher education per FTE student, adjusted for inflation but not for living costs, dropped 29 percent in Arizona between FYs 2000 and 2015. The per FTE student figure dropped from 94-to-78 percent of the national average, with all of the decrease occurring after FY 2009; the ratio had increased from FY 2000 to FY 2009.<sup>9</sup> The state's rank fell from 28th in FY 2000 to 37th in FY 2015. State support per FTE student fell 48 percent in real terms. The ratio to the national average dropped from 74-to-47 percent, with all of the decline occurring after FY 2009. The rank slipped from 46th to 49th. In contrast, local support per FTE student rose 38 percent after adjusting for inflation, with the ratio to the U.S. average going from 2.7 to 3.6 times higher. Most of the gain occurred by FY 2007.

In contrast to the drop in educational appropriations, real net tuition per FTE student jumped by a factor of 2.3 in Arizona between FYs 2000 and 2015. Arizona's tuition figure had been 5 percent below average in FY 2000, with a rank of 34th. In FY 2015, net tuition per FTE student was 24 percent above average, ranking 20th. Almost all of the rise occurred after FY 2007.

Total educational revenue for higher education rose an average of 1 percent per year in Arizona between FYs 2000 and 2015 on an inflation-adjusted per FTE student basis. A small gain also was realized relative to the national average, going from 6 percent less than average in FY 2000 to 3 percent below average in FY 2015. The rank rose a little, from 32nd to 29th.

In Appendix I, the change over time in the state's rank and ratio to the national average is graphed for each of the five categories of higher education revenue based on the per FTE student measure.

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<sup>9</sup> The SHEEO data for FYs 2009 and 2010 include monies received from the federal government through the American Recovery and Reinvestment Act.



## COMPARISON OF ARIZONA UNIVERSITIES TO PEER INSTITUTIONS

The Arizona Board of Regents designates a set of 15 peer institutions — public universities — for each of the three state universities, shown in Table 1. The list of peers is similar for Arizona State University (ASU) and the University of Arizona (UA), with 11 institutions serving as peers for both of these Arizona universities.

A variety of information is available for each institution of higher education from the National Center for Education Statistics, part of the U.S. Department of Education. This organization maintains the Integrated Postsecondary Education Data System (IPEDS, <http://nces.ed.gov/ipeds>). “Core” revenue is defined as total revenues for the essential education activities of the institution. In general, core revenues exclude revenues from auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations. Core revenue for each institution is available for seven categories:

- Tuition and fees. If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an entire academic year is used to estimate average tuition. Required fees include all fixed sum charges that are required of a large proportion of all students.
- State appropriations. These are revenues received by an institution through acts of the state legislature, except for grants and contracts. These funds are for meeting current operating expenses and not for specific projects or programs.
- Local appropriations. Only rarely does a state university receive funding from a local government. However, local governments fund community colleges in some states.
- Government grants and contracts. Revenues from governmental agencies that are for specific research projects, other types of programs, or for general institutional operations.
- Private gifts, grants, and contracts. Revenues from nongovernmental parties that are for specific research projects, other types of programs, or for general institutional operations.
- Investment return. Income from assets, including dividends, interest earnings, royalties, and rent.
- Other core revenue. This category includes revenue from a variety of sources, such as rentals and sales, expired term endowments, and sales and services of internal service departments to external customers.

The core revenue figures are expressed per FTE student. The latest IPEDS data, for FY 2014, are summarized in Table 2 for each of the three public universities in Arizona. In no category did any of the three Arizona universities rank above the middle of the peer institutions. ASU ranked last or second to last in every category except tuition and fees. Total revenue per FTE student at ASU was second lowest of the peer group, with only Florida State University being lower, at 50 percent below the median of the peer institutions. The University of Arizona’s total was 28 percent below its median and also was second lowest in its peer group, with only the University of Maryland being lower. The total at NAU was the lowest of its peer group, also 28 percent below the median.

Of particular interest is the public support for universities, as indicated by state appropriations per FTE student. In FY 2014, ASU’s figure was less than that of all of its peers, 48 percent below the median of the peer institutions. NAU’s figure was third lowest at 31 percent below the median, with only Bowling Green State University and Kent State University (both institutions are in Ohio) being lower. Five of 14 peer institutions had a lower figure than the University of

**TABLE 1**  
**PEER INSTITUTIONS FOR ARIZONA UNIVERSITIES**

<b>ARIZONA STATE UNIVERSITY</b>	<b>UNIVERSITY OF ARIZONA</b>	<b>NORTHERN ARIZONA UNIVERSITY</b>
University of California-Los Angeles	University of California-Davis	University of Akron-Main Campus
University of Connecticut	University of California-Los Angeles	University of Alabama
Florida State University	University of Florida	Bowling Green State University-Main
University of Illinois-Urbana-Champaign	University of Illinois-Urbana-Champaign	George Mason University
Indiana University-Bloomington	University of Iowa	Georgia State University
University of Iowa	University of Maryland-College Park	Kent State University-Kent
University of Maryland-College Park	Michigan State University	University of Maine
Michigan State University	University of Minnesota-Twin Cities	University of Nevada-Las Vegas
University of Minnesota-Twin Cities	University of North Carolina-Chapel Hill	University of North Carolina-Greensboro
Ohio State University-Main Campus	Ohio State University-Main Campus	Northern Illinois University
Pennsylvania State University-Main	Pennsylvania State University-Main	Ohio University-Main Campus
Rutgers University-New Brunswick	Texas A&M University	Old Dominion University
University of Texas-Austin	University of Texas-Austin	Southern Illinois University-Carbondale
University of Washington-Seattle	University of Washington-Seattle	Western Michigan University
University of Wisconsin-Madison	University of Wisconsin-Madison	Wichita State University

Source: Arizona Board of Regents.

**TABLE 2**  
**CORE REVENUE PER FULL-TIME-EQUIVALENT STUDENT IN FISCAL YEAR 2014,**  
**PUBLIC UNIVERSITIES IN ARIZONA**

	Arizona State University: Tempe			University of Arizona			Northern Arizona University		
	\$	Rank*	Differ- ence**	\$	Rank*	Differ- ence**	\$	Rank*	Differ- ence**
Total Core Revenue	25,309	14***	-50%	42,113	14***	-28%	17,044	16	-28%
Tuition and Fees	12,460	10	-7	12,441	10	-2	7,331	10	-17
State Appropriations	4,369	15***	-48	7,377	10***	-29	4,100	14	-31
Government Grants and Contracts	5,366	15	-51	10,696	11	-6	2,951	11	-3
Private Gifts, Grants and Contracts	1,298	15	-73	4,475	13	-26	535	12	-37
Investment Return	281	15	-86	1,109	14	-77	221	10	-75
Other Core Revenue	1,535	15	-80	6,015	11	-31	1,906	8	15

\* Rank among 16 institutions — the Arizona university and its 15 peers — where a rank of 1 indicates the highest revenue per FTE student.

\*\* Percent difference from the median value of the peer institutions.

\*\*\* Data were available for only 14 of the peers.

Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS).

Arizona; its state appropriations per FTE student figure was 29 percent less than the median of its peers.

The inflation-adjusted percent change over time in state appropriations per FTE student also was examined. Between FYs 2008 and 2014, the figure in each of Arizona's three universities dropped by half. Decreases occurred for five consecutive years, from FY 2009 through FY 2013. The University of Arizona and ASU experienced the largest decline in their peer groups. Only the University of Alabama had a larger decrease than NAU.

With these large decreases in real state appropriations per FTE student, each Arizona university in FY 2014 was much further below the median of its peers than in the period prior to FY 2009.

## **APPENDIX I: HIGHER EDUCATION REVENUE BY CATEGORY**

This appendix is based on the “State Higher Education Finance” data released in April, 2016 by the State Higher Education Executive Officers Association. All data consist of the sum of public community colleges and public universities.

## State Support for Public Higher Education

State government appropriations (plus American Recovery and Reinvestment Act monies in FYs 2009 and 2010) for public universities and public community colleges combined.

### PUBLIC HIGHER EDUCATION REVENUES, ARIZONA, FISCAL YEAR 2015

	Millions of Dollars		Rank	
State Support for Public Universities and Public Community Colleges	\$916			
Per Full-Time-Equivalent Student:*	Dollars	Ratio to U.S.	All	West
Total	\$3,340	47.1%	49	10
Adjusted by Cost of Living	3,464	48.9	49	10
Adjusted by Per Capita Personal Income	86.48	57.7	46	9

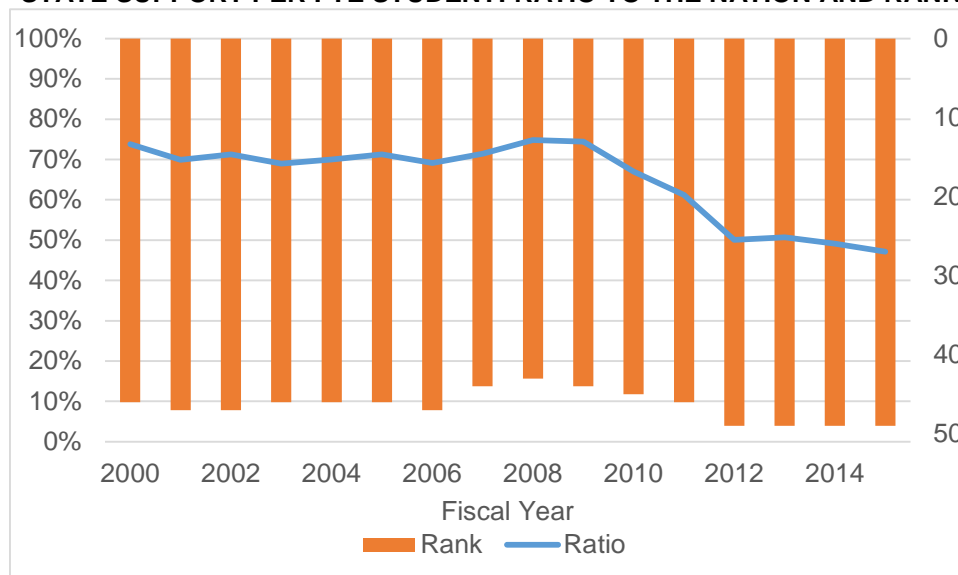
\* The number of students is the combination of those at universities and community colleges.

Notes regarding ranks:

- All includes the 50 states; a rank of 1 represents the highest revenue.
- The West includes 10 western states: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, and Washington; a rank of 1 represents the highest revenue.

Sources: State Higher Education Executive Officers Association, <http://sheeo.org/projects/shef-%E2%80%94state-higher-education-finance> (revenue and enrollment), and U.S. Department of Commerce, Bureau of Economic Analysis, <http://www.bea.gov/regional/index.htm> (regional price parity and per capita personal income).

### PUBLIC HIGHER EDUCATION REVENUE, ARIZONA STATE SUPPORT PER FTE STUDENT: RATIO TO THE NATION AND RANK



Notes: Rank among the 50 states; a rank of 1 represents the highest revenue. Public community colleges and public universities are combined.

Source: State Higher Education Executive Officers Association, <http://sheeo.org/projects/shef-%E2%80%94state-higher-education-finance>.

## Local Support for Public Higher Education

Local government funding for public universities and public community colleges. In Arizona, only community colleges receive local funding.

### PUBLIC HIGHER EDUCATION REVENUES, ARIZONA, FISCAL YEAR 2015

	Millions of Dollars		Rank	
Local Support for Public Universities and Public Community Colleges	\$808			
Per Full-Time-Equivalent Student:*	Dollars	Ratio to U.S.	All	West
Total	\$2,947	362%	1	1
Adjusted by Cost of Living	3,057	375	1	1
Adjusted by Per Capita Personal Income	76.31	443	1	1

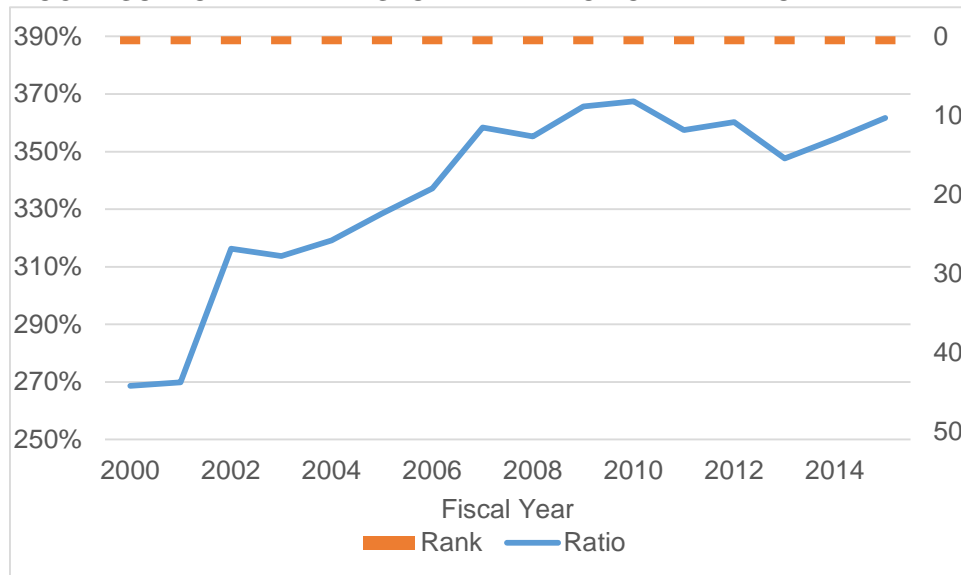
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### PUBLIC HIGHER EDUCATION REVENUE, ARIZONA LOCAL SUPPORT PER FTE STUDENT: RATIO TO THE NATION AND RANK



Notes: Rank among the 50 states; a rank of 1 represents the highest revenue. Public community colleges and public universities are combined.

Source: State Higher Education Executive Officers Association, <http://sheeo.org/projects/shef-%E2%80%94state-higher-education-finance>.

## Educational Appropriations for Public Higher Education

State support plus local support — less appropriations for special purposes, research, and medical programs — for public universities and public community colleges. In Arizona, only community colleges receive local funding.

### PUBLIC HIGHER EDUCATION REVENUES, ARIZONA, FISCAL YEAR 2015

	Millions of Dollars		Rank	
Educational Appropriations for Public Universities and Public Community Colleges	\$1,487			
Per Full-Time-Equivalent Student:*	Dollars	Ratio to U.S.	All	West
Total	\$5,423	77.9%	37	8
Adjusted by Cost of Living	5,626	80.8	41	8
Adjusted by Per Capita Personal Income	140.44	95.4	26	7

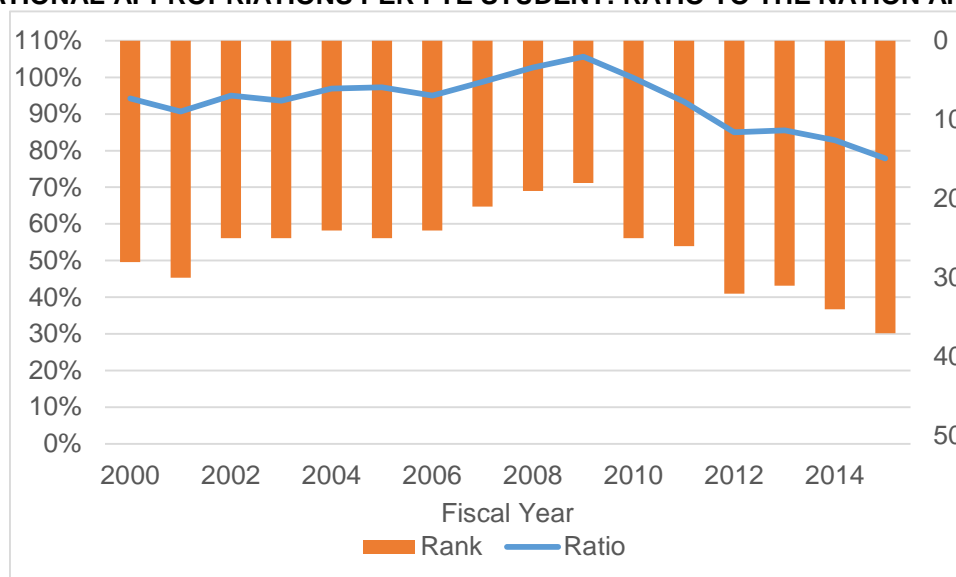
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### PUBLIC HIGHER EDUCATION REVENUE, ARIZONA EDUCATIONAL APPROPRIATIONS PER FTE STUDENT: RATIO TO THE NATION AND RANK



Notes: Rank among the 50 states; a rank of 1 represents the highest revenue.  
Public community colleges and public universities are combined.

Source: State Higher Education Executive Officers Association, <http://sheeo.org/projects/shef-%E2%80%94state-higher-education-finance>.



## Net Tuition for Public Higher Education

Tuition and fees from students at public universities and public community colleges less financial aid from state and institutional sources, student waivers and discounts, and medical student tuition and fees.

### PUBLIC HIGHER EDUCATION REVENUES, ARIZONA, FISCAL YEAR 2015

	Millions of Dollars		Rank	
Net Tuition From Students at Public Universities and Public Community Colleges	\$2,038			
Per Full-Time-Equivalent Student:*	Dollars	Ratio to U.S.	All	West
Total	\$7,432	123.7%	20	3
Adjusted by Cost of Living	7,709	128.3	21	3
Adjusted by Per Capita Personal Income	192.44	151.6	9	1

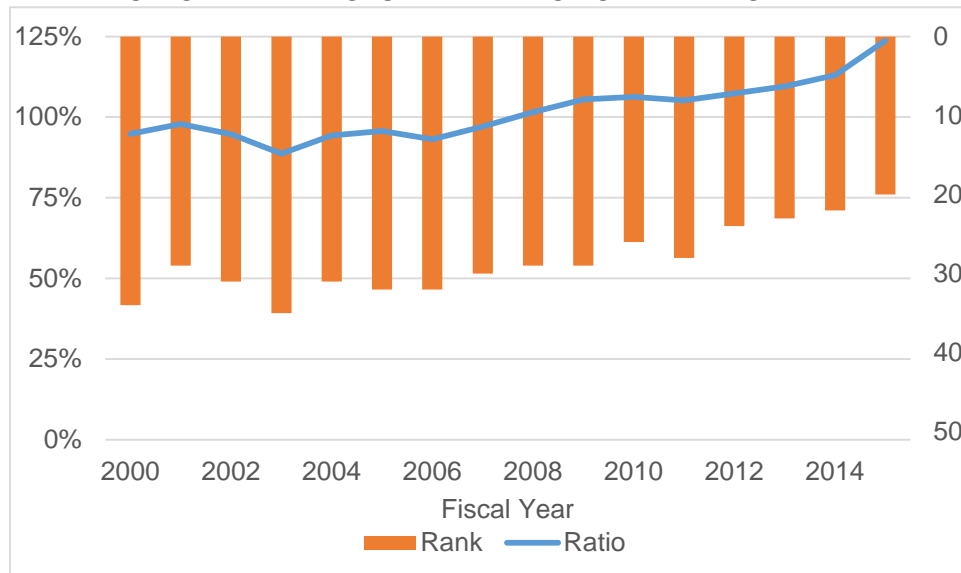
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### PUBLIC HIGHER EDUCATION REVENUE, ARIZONA NET TUITION PER FTE STUDENT: RATIO TO THE NATION AND RANK



Notes: Rank among the 50 states; a rank of 1 represents the highest revenue. Public community colleges and public universities are combined.

Source: State Higher Education Executive Officers Association, <http://sheeo.org/projects/shef-%E2%80%94state-higher-education-finance>.

## Total Educational Revenue for Public Higher Education

Educational appropriations plus net tuition, less tuition revenue used for capital outlays or debt service, for public universities and public community colleges.

### PUBLIC HIGHER EDUCATION REVENUE, ARIZONA, FISCAL YEAR 2015

	Millions of Dollars		Rank	
Total Educational Revenue of Public Universities and Public Community Colleges	\$3,431			
Per Full-Time-Equivalent Student:*	Dollars	Ratio to U.S.	All	West
Total	\$12,511	96.9%	29	3
Adjusted by Cost of Living	12,978	100.6	33	2
Adjusted by Per Capita Personal Income	323.97	118.8	12	1

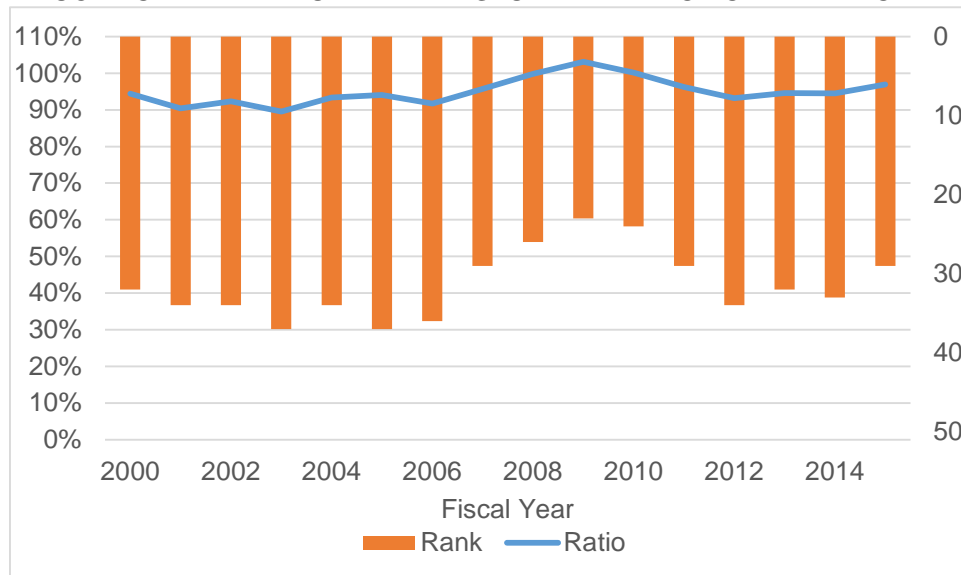
\* The number of students is the combination of those at universities and community colleges.

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- All includes the 50 states; a rank of 1 represents the highest revenue.
- The West includes 10 western states: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, and Washington; a rank of 1 represents the highest revenue.

Sources: State Higher Education Executive Officers Association, <http://sheeo.org/projects/shef-%E2%80%94state-higher-education-finance> (revenue and enrollment), and U.S. Department of Commerce, Bureau of Economic Analysis, <http://www.bea.gov/regional/index.htm> (regional price parity and per capita personal income).

### PUBLIC HIGHER EDUCATION REVENUE, ARIZONA TOTAL EDUCATIONAL REVENUE PER FTE STUDENT: RATIO TO THE NATION AND RANK



Notes: Rank among the 50 states; a rank of 1 represents the highest revenue. Public community colleges and public universities are combined.

Source: State Higher Education Executive Officers Association, <http://sheeo.org/projects/shef-%E2%80%94state-higher-education-finance>.