WICHE INSIGHTS

May 2019

Colleen Falkenstern, Research Analyst

wiche.edu

Tuition & Fees in the West 2018-19: Trends and Implications

Introduction

This edition of WICHE Insights reviews the results of the Western Interstate Commission for Higher Education's (WICHE) annual survey of tuition and fees at public postsecondary institutions in the West, along with trends in state appropriations and state financial aid. Overall in the region, fiscal trends present a positive outlook as tuition and fees have stabilized over the past five years and state support for higher education has recovered steadily. However, tuition and fees have increased at a significantly higher rate than income over the past two decades, creating a barrier for access to higher education, particularly for low-income students. Recent proposals and initiatives highlight affordability as a key issue at the forefront of policy discussions in the region. It remains unclear, however, if these proposals will positively impact student access, and importantly success, to affordable postsecondary education opportunities in the West.

Tuition and Fees in the West

WICHE administered its tuition and fees survey in the summer and fall of 2018 to state higher education executive offices, system offices, or institutions in its 16 member states and territories—Alaska, Arizona, California, Colorado, Hawai'i, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, and WICHE's Pacific Islands member (the Commonwealth of the Northern Mariana Islands and Guam).[1] Complete data from the survey are available at wiche.edu/pub/tf. Unless otherwise indicated, tuition and fees rates are in current dollars and state- and regional-average rates are weighted by full-time equivalent (FTE) enrollment. Data on the website provide both weighted and unweighted averages.[2]

Tuition and Fees at Public Four-Year Institutions

Average tuition and fees for resident undergraduates at public four-year institutions in the WICHE region were $9,518 in 2018-19—a 1.6 percent increase ($151) from 2017-18 and 12.3 percent ($1,041) more than five years earlier. Adjusted for inflation, the average resident tuition and fees in the region decreased 0.7 percent ($70 in 2018 dollars) from 2017-18 and 1.5 percent ($144 in 2018 dollars) from 2013-14.[3] Nationally, tuition and fees at public four-year institutions increased 0.1 percent to $10,230 in 2018-19 (in 2018 dollars).[4]

Tuition and Fees at a Glance

- Average tuition and fees for resident undergraduates at public four-year institutions in the WICHE region were $9,518 in 2018-19, an increase of 1.6 percent from 2017-18
- Average resident tuition and fees at public four-year institutions increased 1.5 and 45.8 percent in the past five and 10 years, respectively (in 2018 dollars)
- Average in-district tuition and fees at public two-year institutions increased 3.1 percent from 2017-18 to $3,870 in 2018-19
- In the past decade, average tuition and fees at two-year institutions increased 30.7 percent (2018 dollars)
- WICHE average tuition and fees were below the national average at both two- and four-year institutions in 2018-19

Figure 1. Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, 2018-19

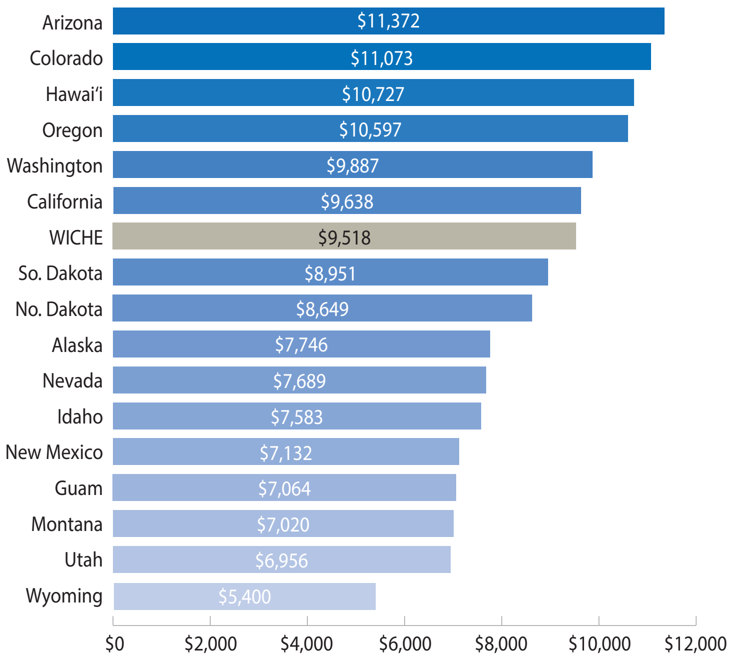
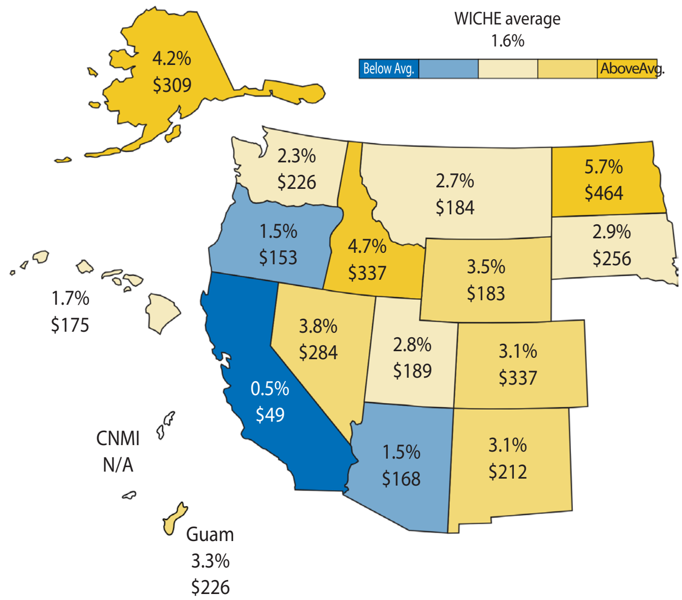


Figure 2. Change in Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, 2017-18 to 2018-19



There was significant variation in state average tuition and fees rates for four-year undergraduates across the WICHE region, from $5,400 in Wyoming to $11,372 in Arizona (Figure 1).[5] Overall, states in the region had lower rates of increase in tuition and fees over the past year compared to the prior year. Figure 2 shows the average one-year increase in tuition and fees for each state in the region. The greatest increase for resident undergraduates at public four-year institutions was in North Dakota at 5.7 percent ($464), followed by Idaho at 4.7 percent ($337). Three states had annual increases less than or equal to the WICHE regional average: California (0.5 percent), Arizona (1.5 percent), and Oregon (1.5 percent). The state averages mask the variation in tuition and fee rates at institutions. In fact, in California alone, average tuition and fees in 2018-19 ranged from $13,956 in the University of California system to $7,295 in the California State University system.

Average tuition and fees for non-resident undergraduates in the WICHE region were $26,480 in 2018-19—almost three times the resident rate. The average tuition and fees for non-residents increased $508 between 2017-18 and 2018-19, a slightly higher year-over-year increase compared to resident students (2.0 percent). Non-resident rates were lowest at Eastern New Mexico University ($6,928) and highest at the University of California campuses ($42,925 on average).

Fees at Public Four-Year Institutions

The average mandatory fees for resident undergraduates at public four-year institutions in the WICHE region were $1,616 in 2018-19, which was 17 percent of total tuition and fees.[6] In inflation-adjusted terms, regional average fees have decreased $461 since 2008-09, when they were 31.8 percent of regional average tuition and fees. Non-residents typically pay the same fees as resident students, but as non-residents pay a significantly higher tuition rate than residents, fees account for just 6.0 percent of the non-resident total.

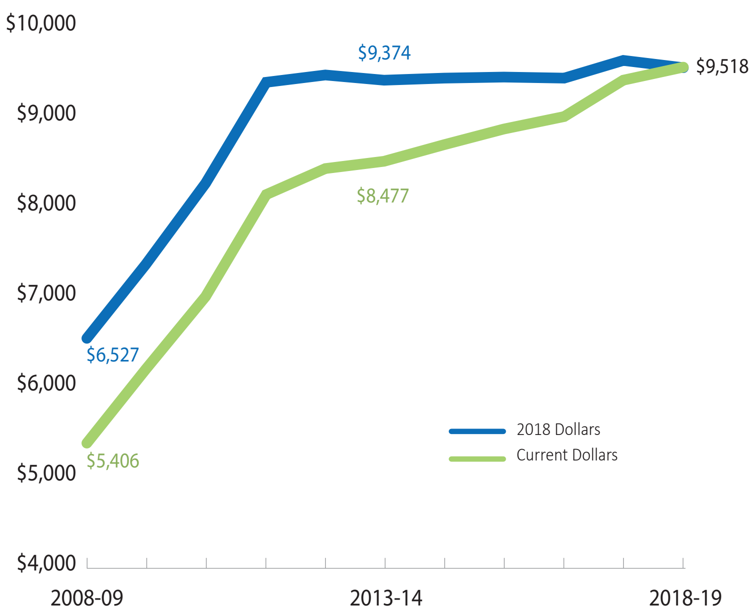
The average regional decrease in mandatory student fees is attributed to changes in student fee charges in California and South Dakota. Fees were over 50 percent of the average total in each state in 2008-09, but they have decreased in dollar terms and percent of total tuition and fees due to changes in reporting and structuring of student fee charges.[7] Meanwhile, increases in average resident undergraduate fees ranged from $76 in Idaho to $811 in Arizona between 2008-09 and 2018-19—and their percentage of the total varied in relation to the change in tuition rates since 2008-09.

Detailed tuition and fees and state finance data available from wiche.edu/pub/tf

Ten-Year Trend

In the decade between 2008-09 and 2018-19, average tuition and fees for resident undergraduates at public four-year institutions in the WICHE region increased 45.8 percent ($2,991 in 2018 dollars). As shown in Figure 3, almost all of the cumulative increase in tuition and fees occurred in the first half of the decade, when the regional average tuition and fees increased 43.6 percent between 2008-09 and 2013-14 ($2,847 in 2018 dollars). Since 2013-14, average tuition and fees in the region increased just 1.5 percent ($144 in 2018 dollars).

Figure 3. Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, 2008-09 to 2018-19 (Current and Constant Dollars)



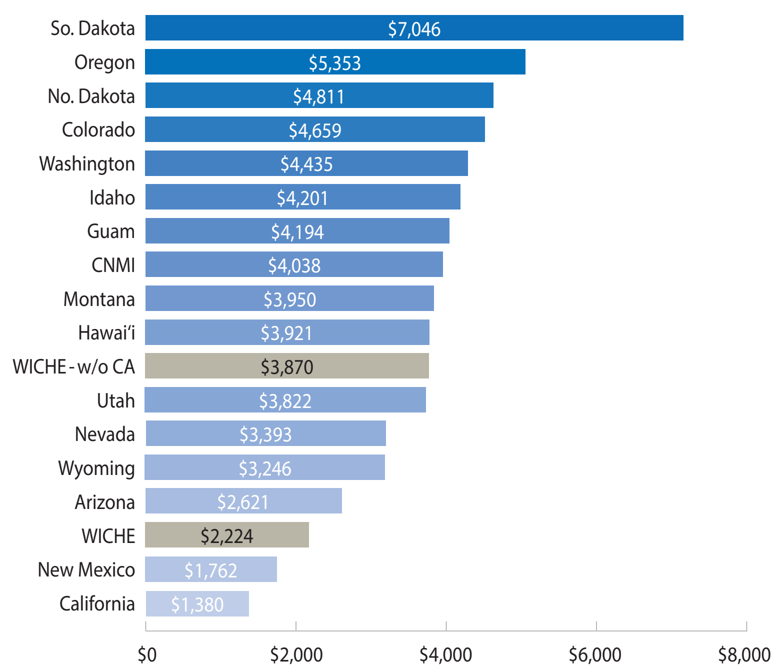
The regional trend in tuition and fees differs slightly from the national trend over the past decade. While tuition and fees, on average, are lower in the WICHE region compared to the national average, tuition and fees for resident undergraduates at four-year institutions increased 28 percent since 2008-09 ($2,261 in 2018 dollars). However, as the WICHE region's average rate had a minimal increase over the past five years, the national average increased 4.1 percent between 2013-14 and 2018-19 ($400 in 2018 dollars).[8]

Tuition and Fees at Public Two-Year Institutions

Average tuition and fees for resident, in-district students at public two-year institutions in the WICHE region (excluding California and Alaska) were $3,870 in 2018-19 (Figure 4).[9] This was a $116 increase (3.1 percent) from 2017-18 rates, and a $552 increase (16.6 percent) from 2013-14. In inflation-adjusted terms, the WICHE average in-district rate increased $27 (0.7 percent) from 2017-18 and $201 (5.5 percent) from five years prior. When California rates are included, the WICHE region average tuition and fees for resident in-district students were $2,224, well below the national average of $3,660. Nationally in 2018-19, tuition and fees at public two-year institutions decreased 0.3 percent ($10 in 2018 dollars) from 2017-18.[10]

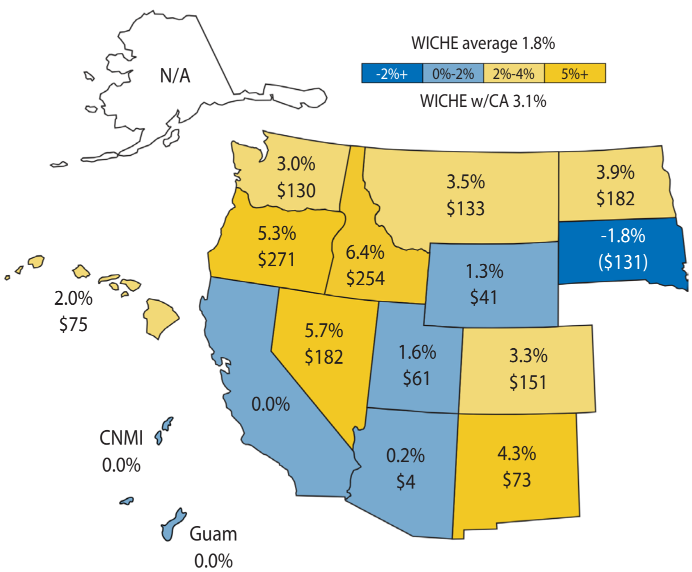
Of course, there is significant variation by state for resident, in-district undergraduates. California's ($1,380) and New Mexico's ($1,762) low rates are contrasted by the average at South Dakota's public technical colleges ($7,046), which is almost double the regional average (Figure 4).

Figure 4. Resident In-District/County Tuition and Fees at Public Two-Year Institutions, 2018-19



In terms of rates of increase, Idaho's two-year students faced the highest increase over the prior year (6.4 percent), whereas students in four states/territories saw virtually no increase or even a decrease (Figure 5). Of course, the magnitude of changes does not always equate in dollar terms. For example, a 5.4 percent increase in Oregon ($272) was 50 percent more in dollar terms than the 5.7 percent increase in Nevada ($182).

Figure 5. Change in Resident In-District Tuition and Fees at Public Two-Year Institutions, 2017-18 to 2018-19



Fees at Public Two-Year Institutions

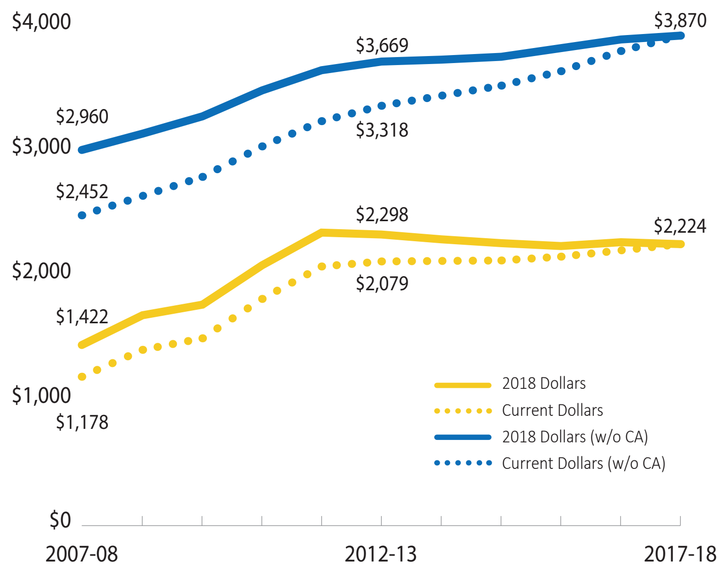
Average fees for resident, in-district students at public two-year institutions in the WICHE region were $440 in 2018-19 (excluding California and Alaska) and represented 11.4 percent of total tuition and fees. California community colleges have historically charged resident in-district students only fees ($1,380 in 2018-19), which is what shows as total tuition and fees in WICHE reports.[11] In 2018-19, average student fees ranged from 50 percent of total tuition and fees in South Dakota ($3,521) to less than 2 percent in Arizona and Hawai'i ($100 or less).

Ten-Year Trends

Between 2008-09 and 2018-19, regional average tuition and fees at public two-year institutions in the WICHE region increased 30.7 percent, or $910 in 2018 dollars (excluding Alaska and California). As with four-year institutions, the largest year-over-year increases occurred early in this period, between 2008-09 and 2013-14, when annual tuition and fees increases were between 4 and 6 percent (Figure 6). This year's 0.7 percent increase is aligned with the trend of more modest annual increases over the past five years.

When including California, the regional average tuition and fees increased 56.4 percent ($802 in 2018 dollars) between 2008-09 and 2018-19, which was substantially more than the national increase of 27.4 percent over the past decade ($786 in 2018 dollars). And while tuition and fees decreased since 2013-14 in the region, the national average increased 2.2 percent over the past five years ($77 in 2018 dollars). It is important to note that the WICHE-region average tuition and fees (including California) was, on average, 40 percent lower than the national average over the past decade.[12]

Figure 6. Resident In-District/County Tuition and Fees at Public Two-Year Institutions, 2008-09 to 2018-19 (Current and Constant Dollars)



State Fiscal Support

Tuition and fee trends should not be viewed in isolation, but rather in conjunction with the other components of state higher education finance, including appropriations and state financial aid. Economic conditions, state revenue, and enrollment trends over the past decade have been a critical factor in a state's ability to steadily fund postsecondary education. Two key data sources—the State Higher Education Executive Officers' annual State Higher Education Finance (SHEF) report and the annual Grapevine survey of state support to higher education—offer a clear picture of state support for higher education but with key differences. SHEF provides state appropriations data for the prior fiscal year (FY 2018) and the ability to compute support per full-time-equivalent (FTE) student. In this edition of WICHE Insights, SHEF data are limited to state support for public higher education, whereas Grapevine captures total state support for the current fiscal year (FY 2019) but does not allow for per-student computations.

State Fiscal Support Key Points

In the WICHE region:

- State appropriations per student increased 1.3 percent between FY 2017 and FY 2018
- On average, tuition revenue accounted for 36 percent of educational revenue in FY 2018
- Total state support increased 6.1 percent on average between FY 2018 and FY 2019

Source: See endnotes 13 and 17. WICHE calculations.

State Higher Education Finance (SHEF): FY 2018 Survey Results

Total state appropriations to public higher education in the WICHE region increased 2.0 percent between FY 2017 and FY 2018, which was slightly higher than the rate of increase for the nation (Table 1).[13] Eight WICHE states had year-over-year increases (from 7.4 percent in Nevada to 0.3 percent in Arizona) in total appropriations to higher education in FY 2018. On the other hand, states in the region whose economy relies more heavily on the

Table 1. Percent Change in Total Appropriations, Enrollment, and Appropriations Per Student

	FY 2017 to FY 2018			FY 2008 to FY 2018		
	Total Appropriations	FTE	Appropriations per FTE	Total Appropriations	FTE	Appropriations per FTE
Alaska	-4.1%	-5.1%	1.0%	-5.9%	-6.4%	0.5%
Arizona	0.3	1.6	-1.2	-26.2	24.7	-40.8
California	3.7	1.3	2.4	12.2	3.3	8.6
Colorado	0.5	0.9	-0.4	-0.7	11.7	-11.1
Hawai'i	5.4	-2.2	7.7	8.4	1.6	6.7
Idaho	1.5	0.9	0.6	-1.1	21.8	-18.8
Montana	-1.9	-1.9	-0.1	3.6	5.1	-1.4
Nevada	7.4	1.9	5.4	-19.4	11.3	-27.6
New Mexico	-3.1	-5.9	3.0	-9.4	-1.7	-7.9
No. Dakota	-16.0	-2.1	-14.2	15.2	0.0	15.2
Oregon	1.9	-1.0	3.0	10.2	10.1	0.1
So. Dakota	-4.6	1.9	6.3	-3.1	11.2	-12.8
Utah	2.3	2.0	0.2	1.8	21.5	-16.2
Washington	-1.5	-0.9	-0.6	-7.0	7.2	-13.3
Wyoming	-5.0	-2.6	-2.4	-0.7	-1.5	0.8
WICHE	2.0	0.7	1.3	3.2	7.2	-3.7
WICHE w/o CA	-0.4	-0.1	-0.3	-7.1	12.4	-17.1
U.S.	0.0	-0.3	0.2	-4.9	7.0	-11.2

Source: State Higher Education Executive Officers, State Higher Education Finance FY 2018. WICHE calculations.
Note: Dollar figure adjusted using HECA, EMI, and COLI. See endnote 13.

energy sector continued to have cuts to higher education, including a 16 percent decrease in North Dakota between FY 2017 and FY 2018.

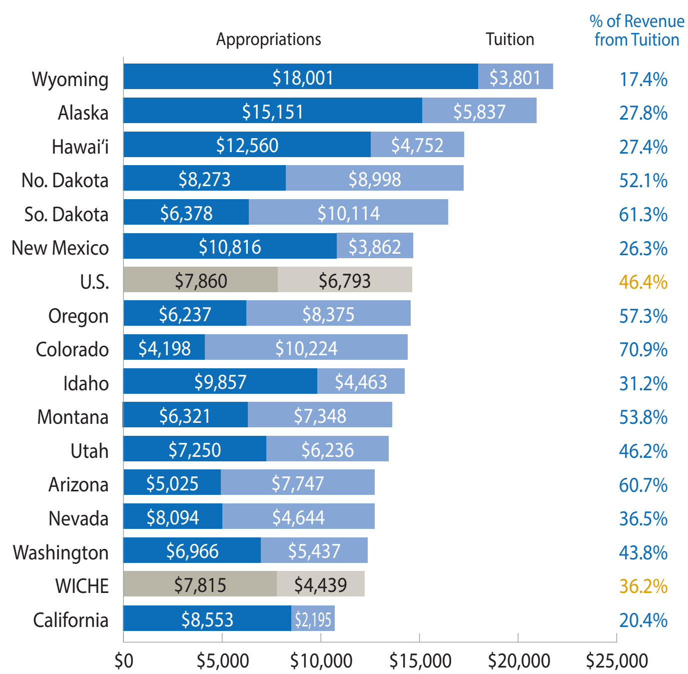
Looking at state support per student provides useful insight into how states are meeting higher education demand. For example, both Arizona and Oregon had modest increases in total appropriations between FY 2017 and FY 2018, 0.3 and 1.5 percent respectively. However, differing enrollment trends resulted in Arizona's appropriations per-student to decrease by 1.2 percent, while Oregon's per-student appropriations increased 3.0 percent. On the other hand, New Mexico and South Dakota had decreases in total appropriations of 3.1 and 4.6 percent respectively. Due to declining enrollments in New Mexico, appropriations per student actually increased by 3.0 percent, while South Dakota's enrollment increase meant that per-student appropriations declined 6.3 percent between FY 2017 and FY 2018.[14]

In the decade between FY 2008 and FY 2018, total state appropriations in the WICHE region increased 3.2 percent, with the growth of the past five years outpacing the declines in state support during the first half of the decade. However, increased demand for higher education over the last decade means that per-student support in the region remains 3.7 percent below FY 2008 levels. Moreover, California represents 54 percent of the region's total appropriations, on average, and when California is excluded, total state appropriations declined 7.1 percent and per-student appropriations declined 17 percent in the remainder of the WICHE region between FY 2008 and FY 2018. Enrollments have stabilized over the last five years, but most states in the region have more students enrolled in public higher education than FY 2008. This means that in some states, like Montana and Utah, total appropriations increased in the aggregate since FY 2008, but per-student funding did not keep pace with increased student enrollments.[15]

Figure 7 shows the varied distribution of total higher education revenue per student by state for FY 2018. Education appropriations per student ranged from $4,198 in Colorado to $18,001 in Wyoming. In FY 2018, for the region as a whole, the student share of revenue from tuition (36.2 percent) remained substantially below the national average of 46.4 percent. This reflects the trend over the past decade of postsecondary revenue relying more heavily on tuition, as the share from tuition in the region increased 44 percent between FY 2008 and FY 2018. The period of the most growth in share of revenue from tuition occurred during the Great Recession, when the share of revenue from tuition increased from 25 percent in FY 2008 to 39 percent in FY 2012. This coincided with sharp decreases in state support and an increased demand for higher education. In the years between FY 2012 and FY 2018, as enrollments stabilized and state appropriations modestly increased, the share of revenue from tuition has remained between 36 and 39 percent.[16] In other words, even though enrollments have stabilized and appropriations for the most part have recovered, higher education in the West is still relying on students to support the enterprise at the same level as during the recession.

Every state in the region had an increase in their share of revenue from tuition between FY 2008 and FY 2018, but the trends vary across states. For example, North Dakota, Alaska, and Wyoming fared "better" than other states in the region during the Great Recession and actually had increases in educational appropriations between FY 2008 and FY 2012. After FY 2012, however, these energy-reliant states experienced decreased appropriations and the share of tuition revenue increased.

Figure 7. Educational Revenues per FTE, FY 2018

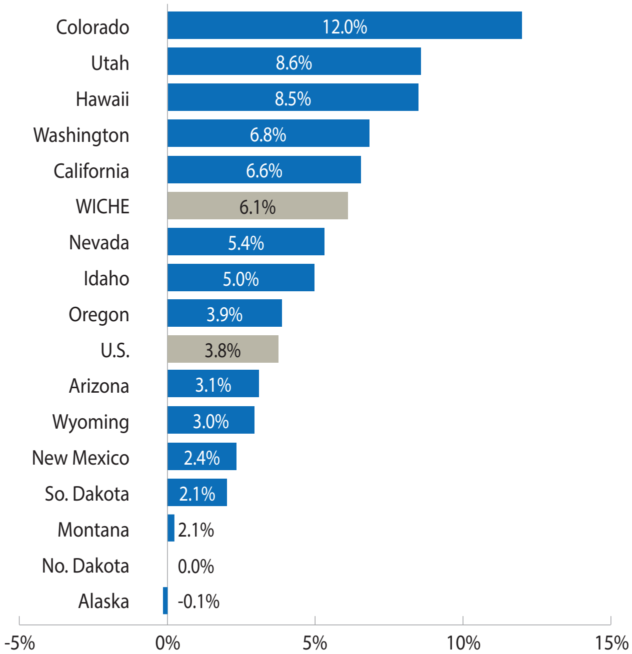


Source: State Higher Education Executive Officers, State Higher Education Finance FY 2018. See endnote 12.

Grapevine Results: FY 2019

This year's Grapevine report indicates that state support to higher education continued to increase in most states through FY 2019. The Grapevine survey found that 45 states maintained the same levels or increased state support for higher education between FY 2018 and FY 2019, with an average increase of 3.8 percent nationally.[17]

Figure 8. Percent Change in State Support for Higher Education, FY 2018 to FY 2019



Source: Illinois State University Center for the Study of Education Policy and State Higher Education Executive Officers, Grapevine, 2019. WICHE calculations. See endnote 17.

On average in the WICHE region, state support increased 6.1 percent in the last year. With the exception of Alaska, all states in the region maintained or increased state support between FY 2018 and FY 2019 (Figure 8). Colorado had the highest one-year percentage increase in state support in the country (12 percent) and increases in seven other WICHE states were above the national average.[18]

View interactive state-level finance data at wiche.edu/pub/tf.

State Financial Aid Highlights

In the WICHE region:

- Average aid per student was $817 in 2016-17, the same as the national average
- On average, 94 percent of all aid was distributed based on need compared to 76 percent for the nation in 2016-17
- Need-based state aid per student ranged from $6 to $1,223

Source: National Association of State Student Grant and Aid. WICHE calculations. See endnote 19.

State Financial Aid

State financial aid is intended to promote affordability and access to postsecondary education and can be used as a policy lever to incentivize student success. The unique context of each state plays a key role in not only the amount of aid available to students but also the criteria by which students are eligible to receive aid.

Across the WICHE region, states' distribution of financial aid dollars varies, both in terms of the amount of aid provided to students and whether the aid is distributed based on a component of need—ranging from 4 percent to 100 percent need-based.[19] According to data from the National Association of State Student Grant and Aid Programs (NASSGAP), the average per-student state financial aid grant to undergraduates in the WICHE region in 2016-17 was $817, equal to the national average. However, in the WICHE region, a higher share of state aid (94 percent) was based on need compared to the national average (of 76 percent), and the region's average per-student need-based aid ($767) was 23 percent higher than the national average ($624). Despite this regional trend, only two WICHE states had per-student need-based aid that exceeded the national and regional average in 2016-17 (Washington, $1,223 and California, $1,176). In contrast, per-student need-based grants were $150 or less in 2016-17 in seven WICHE states (reflecting the strong influence of more populous states on WICHE averages).[20]

Discussion

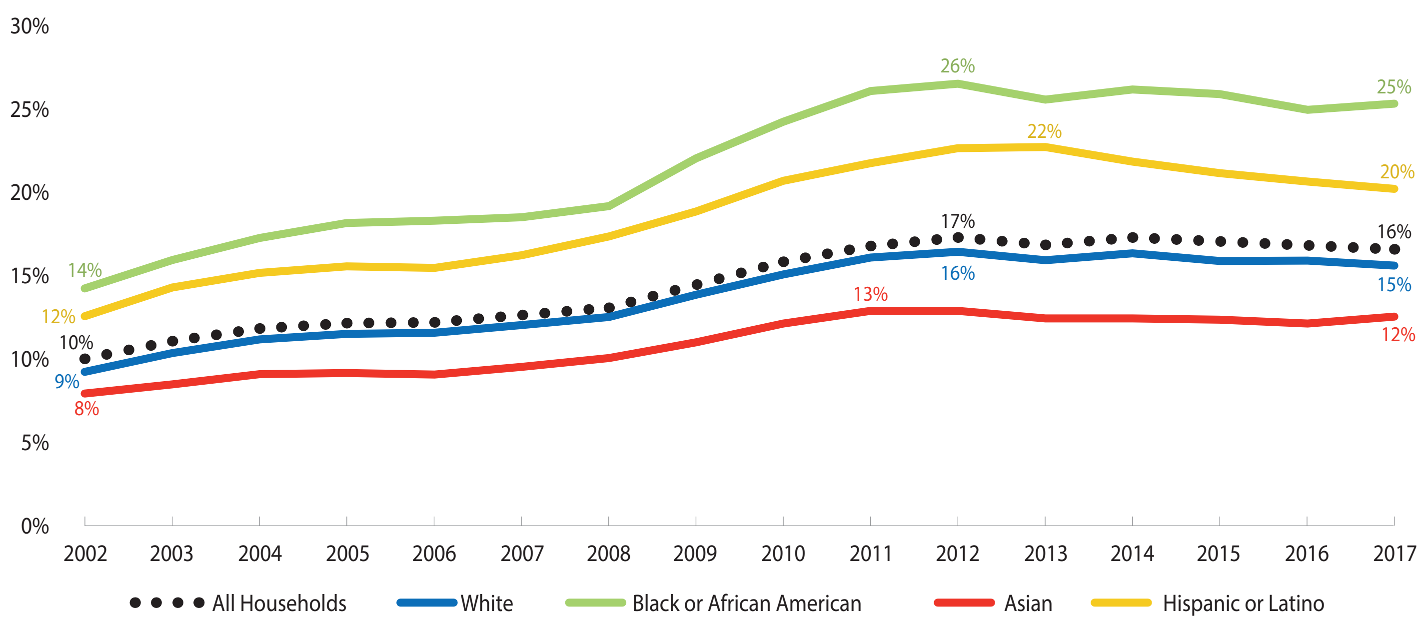
The trend of increased tuition and fees and decreased state support per student over the past decade has brought affordability to the forefront of the national dialogue on higher education, as well as state agendas for postsecondary education and workforce development.[21] Rising tuition and fees have been further shifted to students and families in the last two decades, not to mention other costs of attendance, creating a barrier for access for many students, particularly those from low-income households. Addressing affordability barriers is a crucial priority for states' ability to develop the educated workforce necessary for today's economy, as well as to meet state postsecondary attainment goals.

The increase in tuition and fees over the past 15 years has far outpaced the growth of household income, raising concerns about the affordability of public institutions, particularly for students from Black or African American and Hispanic or Latino households. Nationally between 2002 and 2017, tuition and fees at public four-year and two-year institutions increased 79 percent and 57 percent, respectively.[22] Meanwhile, median household income increased just 6 percent. As a result, tuition and fees at four-year institutions increased as a share of the median household income from 10 percent to 16 percent between 2002 and 2017 (Figure 9).[23]

Due to gaps in household income across populations, tuition and fees often represent a more significant affordability burden for minority students. For example, although Hispanic or Latino household income increased at a faster rate than the average for all households between 2002 and 2017, it remains well below the median household income in the nation with tuition and fees representing 20 percent of Hispanic or Latino median household income in 2017. Black or African American families, which have had minimal median income growth in the past 15 years, face an even starker burden as tuition and fees represented 25 percent of Black or African American median household income in 2017. This represents a key affordability and workforce concern that states are facing, as non-white youth are increasing toward a majority in a number of WICHE states.[24]

Average tuition and fees rates provide a baseline for assessing affordability and gauging how much it costs for students to attend college. However, living expenses (e.g. housing, food, transportation) can make higher education more unaffordable for many students. This can be even more true for students who struggle with basic-needs insecurity. For example, an analysis on affordability in California and Colorado found that 38 percent of California's postsecondary institutions were considered affordable for students in the state (based on Lumina's "Rule of 10"), but just 4 percent were affordable for students who are housing insecure, and no institutions in Colorado were considered affordable for students facing

Figure 9. Tuition and Fees at U.S. Public Four-Year Institutions as a Percentage of Median Household Income, by Race and Ethnicity, 2002-2017



Source: U.S. Census Bureau and College Board. WICHE calculations. See endnotes 22 and 23.

Detailed tuition and fees and state finance data available from wiche.edu/pub/tf housing insecurity.[25] This poses a barrier for students who struggle with basic needs to access postsecondary education opportunities, and, if unaddressed, could have implications for states' efforts to develop an educated workforce.

Student Borrowing

As the cost of college increased and shifted more towards students and families, student borrowing has become a more common option for financing higher education. The national dialogue on student borrowing often refers to the total outstanding education debt, which is now the second highest form of consumer debt in the country and tops $1.5 trillion.[26] However, the total outstanding debt masks nuances of student borrowing that have implications for students and states (see sidebar).

The total annual amount borrowed reached a high point in 2010-11 ($127.7 billion), when tuition was quickly rising, state fiscal support was decreasing, and total enrollment was at a peak. The positive outlook is that total annual borrowing has decreased for seven consecutive years and was $105.5 billion in 2017-18. Additionally, the share of undergraduates who borrowed via federal loans decreased from 38 percent to 29 percent between 2012-13 and 2017-18, and the share of undergraduates with private loans remained stable.[33]

These recent trends in student borrowing are good news; however, there are disparities in repayment across a range of individual factors that have implications for student success. For example, an analysis of repayment across a spectrum of characteristics found:

- Borrowers who do not complete a degree were more likely to be behind on payments compared to those who borrowed and received a degree.
- Borrowers with lower levels of outstanding debt have higher rates of delinquency compared to those with high levels of outstanding debt.
- Hispanic and Black borrowers were more likely to be behind on debt repayment, compared to White borrowers.
- First-generation students who borrow were more likely to be behind on debt repayment compared to non-first-generation students who borrowed.[34]

To some extent, this reflects variability in completion outcomes across demographics and other individual factors, and it is evident that those who borrow but do not complete do not gain the associated benefits of a degree, such as higher wages and more employment opportunities, making repayment more difficult. There are various factors contributing to why students do not complete, including costs and affordability. Policies and initiatives that are intended to make college affordable should promote completion, in order to support those who decided to finance their education through borrowing to gain the benefits of a postsecondary degree that more easily enables repayment.

Student Borrowing by the Numbers

Nationally in 2017:

9%

The share of borrowers with debt above $80,000

41%

The share of debt held by borrowers with debt greater than $80,000

$6,570

The average Federal subsidized and unsubsidized loan amount for undergraduates

8%

Increase in total annual parent PLUS borrowing since 2010-11

65%

Share of bachelor's recipients in the class of 2017 who graduated with debt in the U.S.

U.S.: $28,650
WICHE: $23,133

Average debt of bachelor's recipients (who borrowed) in the class of 2017

Source: See endnotes 27-32.

Addressing Affordability

Addressing affordability was a key part of 2019 legislative sessions across the West, highlighting the importance of this topic for policymakers in the region. Initiatives were put forth in several states for broadening access to state financial aid. In Utah, House Bill 260 created the Access Utah Promise Scholarship Program, which is intended to cover tuition and fees for full-time, low-income students at Utah's state colleges, universities, and technical colleges.[35] The program was not fully funded during this session and will have to be scaled up in order to fully cover the costs for all qualified low-income students in Utah; but this legislation represents a step in addressing affordability barriers for low-income students in the state.[36] The Workforce Education Investment Act was passed in Washington state during the 2019 legislative session, and it is intended to focus on educational opportunities for in-state students by keeping tuition low in order to support workforce development in the state. As part of the Workforce Education Investment Act, the state's Need Grant Program will be replaced by the Washington College Grant Program beginning in academic year 2020-21.[37] The new grant aid program is intended to expand access to in-state students by reducing costs for students and families in obtaining a postsecondary degree or credential. And a proposal in California would provide "last dollar" state aid to supplement the state's Cal Grants in order to cover total cost of attendance, including living expenses.[38] This proposal has potential to impact the state's community college students who, although they are charged lower tuition rates, often receive lower state aid amounts and struggle to afford living expenses while enrolled.

Adjustments to financial aid are one policy lever for addressing affordability, while other states have looked to adjust tuition-setting policies. The Nevada Board of Regents approved a Predictable Pricing Program, which provides a sense of predictability for tuition costs for students by basing registration fees and non-resident tuition rates for a four-year period on the Higher Education Price Index.[39] State funding for the Montana University System over the next two years included $24 million for a tuition freeze for in-state students, and a proposal in the Oregon legislature would provide a short-term tuition freeze in Oregon as well, if adopted.[40] And while tuition freezes offer a brief reprieve for students and families, historically these temporary holds on tuition rates do not necessarily result in a long-term affordability solution.[41]

Although as of May 2019 it remained unclear if the proposals in California and Oregon will become law, not to mention how adopted policies and programs will be implemented and ultimately impact students, addressing affordability is apparently among the top priorities for policymakers in the West. It is important to note, however, that in order to meet state priorities, there must be alignment of all three components of state finance policy— tuition, appropriations, and financial aid—and adjustments to one component should be done in conjunction with the other two.[42]

The general trend in the region over the past few years has been one of modest tuition increases and stable state support, but there are several states that are facing constraining state budgets that could impact higher education.[43] This makes the need for aligned state finance policy even more necessary, as tuition is often relied upon as a mechanism for maintaining revenue during times of decreased state support. This can result in barriers for students to access postsecondary education, particularly those from low-income households, and ultimately hinder a state's progress in increasing attainment and developing an educated workforce.

Conclusion

The last decade was one of economic uncertainty, rising costs, and increased demand for higher education. Recent trends in tuition and fees and state support suggests that higher education is experiencing a period of stability, but affordability remains a top concern for students and families, as well as policymakers. Recent proposals across the states demonstrate that affordability is at the forefront of higher education issues affecting the region, although it is still unclear on how or if proposed efforts from the legislative sessions will be implemented and impact students in the West.

Endnotes

[1] The WICHE membership of the U.S. Pacific Territories and Freely Associated States is currently represented jointly by the Commonwealth of the Northern Mariana Islands (CNMI) and Guam. Average tuition and fees are calculated for each territory separately in this report. WICHE average tuition and fees includes the CNMI and Guam. Other data sources included in this brief—Grapevine, SHEF, and NASSGAP—do not cover these territories.

[2] Weighted averages provide a truer estimate of the published price a typical student faces, reflecting overall enrollment levels (although this weighting does not reflect patterns for in-state and out-of-state enrollments).

[3] Tuition and Fees inflation adjustments used the Higher Education Cost Adjustment (HECA), calculated by the State Higher Education Executive Officers (SHEEO). When using the Consumer Price Index (CPI) to adjust to 2018 dollars, WICHE average tuition and fees for resident undergraduates at public four-year institutions increased 4.6 percent since 2013-14 and decreased 0.4 percent since 2017-18. On average, between 2008 and 2018 HECA had an annual inflation rate of 2.0 percent compared to an average inflation rate of 1.7 percent for CPI. For more details on the difference between HECA and CPI, please see the SHEF 2018: SHEF Methodological and Technical Information at https://sheeo.org/wp-content/uploads/2019/04/SHEEO_SHEF_FY18_TechPaper.pdf.

[4] College Board, Trends in College Pricing (Washington D.C.: College Board, 2018), Table 4, accessed March 15, 2019, at collegeboard.org. U.S. figures adjusted to 2018 dollars using HECA for consistency with WICHE averages. Weighted averages are used to be consistent with WICHE averages.

[5] The Commonwealth of the Northern Mariana Islands' one public postsecondary institution, Northern Marianas College (NMC), is categorized as a public two-year institution for the purpose of this report at the request of the institution, although NMC confers a limited number of baccalaureate degrees per year.

[6] WICHE asks respondents to estimate mandatory fees that a majority of lower-division full-time students are required to pay in addition to tuition, not including costs for books and supplies. The 2018-19 Tuition and Fees in Public Higher Education in the West report and this brief do not include fees for graduate students due to wide variability in fees across graduate programs.

[7] The decrease in fees in South Dakota is the result of 2016 legislation that rolled the University Support Fee into the tuition rate. Beginning in AY 2009-10, University of California (UC) institutions began reporting the Educational Fee as tuition. Prior to AY 2009-10, all student charges at UC institutions were reported as fees.

[8] Ibid, College Board. U.S. averages adjusted to 2018 dollars using HECA for consistency with WICHE averages.

[9] The average for two-year institutions excludes California and Alaska institutions. Including California, with its historically high enrollment and low rates, reduces the average weighted tuition and fees for in-district/county undergraduates to $2,224 in 2018-19. Since 2014-15, Alaska has had no separately accredited two-year campuses and all community campuses are under the University of Alaska umbrella. Associate-degree-seeking students can be found at all campuses and are charged the same lower-division per-credit rate as bachelor's-degree-seeking students. For 2018-19, an unweighted average tuition rate was calculated based on a $204/credit rate at Prince William Sound College and Kodiak College and the $212/credit rate at all other university and community campuses.

[10] Ibid, College Board.

[11] See endnote 9.

[12] See endnote 8.

[13] State Higher Education Executive Officers (SHEEO), State Higher Education Finance FY 2018, (Boulder, Colo.: State Higher Education Executive Officers, 2019) accessed April 9, 2019, at https://sheeo.org/wp-content/uploads/2019/04/SHEEO_SHEF_FY18_Report.pdf. Figures are adjusted for inflation using Higher Education Cost Adjustment (HECA), enrollment mix index (EMI), and cost-of-living index (COLI) differences among states. Total appropriations and appropriations per FTE calculated from SHEF results are for public higher education. SHEF data do not cover the CNMI or Guam.

[14] Ibid, SHEEO.

[15] Ibid, SHEEO.

[16] Ibid, SHEEO.

[17] Illinois State University for the Study of Education Policy and State Higher Education Executive Officers, Grapevine, An Annual Compilation of Data on State Fiscal Support for Higher Education: Fiscal Year 2018-19, (Normal, Ill.: Illinois State University, 2019) accessed March 15, 2019, at https://education.illinoisstate.edu/grapevine/. All year-over-year change in Grapevine is in current dollars.

[18] Ibid, Grapevine.

[19] National Association of State Student Grant and Aid Programs, "48th Annual Survey Report on State-Sponsored Student Financial Aid, 2016-17," accessed on March 15, 2019, at www.nassgap.org. Note: NASSGAP survey results report aid that has any need eligibility as being "need-based aid," even if need-eligibility is used only after merit requirements have been met. For example, Wyoming's primary aid program, the Hathaway Scholarship, only provides need aid for eligible students after their receiving the scholarship based on merit. For the 2016-17 year, Wyoming reported all aid dollars to NASSGAP as uncategorized and are not included in the WICHE region total aid per FTE calculation.

[20] Ibid, NASSGAP.

[21] American Association of State Colleges and Universities, "Top 10 Higher Education State Policy Issues for 2019," Policy Matters, (Washington, D.C.: American Association of State Colleges and Universities) accessed March 27, 2019, at http://www.aascu.org/policy/publications/policy-matters/Top102019.pdf.

[22] College Board, Trends in College Pricing (Washington D.C.: College Board, 2017), Table 4, accessed March 15, 2019, at collegeboard.org. Tuition and fees rates are weighted and adjusted to 2017 dollars using the Consumer Price Index.

[23] United States Census Bureau, Table 5. Race and Hispanic Origin of Householder – Households by Median and Mean Income: 1967-2017, accessed March 15, 2019, at https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html. Dollar figures adjusted to 2017 dollars using the Consumer Price Index. Race and Hispanic origin is based on head of household. Hispanic is for all households with a Hispanic head of household, regardless of race. All racial categories are race alone.

[24] Peace Bransberger and Demarée K. Michelau, "Knocking at the College Door: Projections of High School Graduates," (Boulder, Colo.: Western Interstate Commission for Higher Education, 2016) accessed March 28, 2019, at www.wiche.knocking.edu.

[25] Young Invincibles, "Today's Student: Housing Insecure Students in California" (Washington, D.C.: Young Invincibles, 2019), accessed March 28, 2019, at https://younginvincibles.org/wp-content/uploads/2018/11/LuminaFactsheets_California_HousingInsecure.pdf. Young Invincibles, "Today's Student: Housing Insecure Students in Colorado" (Washington, D.C.: Young Invincibles, 2019), accessed March 28, 2019 at https://younginvincibles.org/wp-content/uploads/2018/11/LuminaFactsheets_Colorado_HousingInsecure.pdf. Lumina Foundation, "A Benchmark for Making College Affordable" (Indianapolis, IN: Lumina Foundation, 2017), accessed March

28, 2019, at https://www.luminafoundation.org/files/resources/affordability-benchmark-2.pdf.

[26] Board of Governors of the Federal Reserve System, "Consumer Credit Outstanding," accessed March 28, 2019, at https://www.federalreserve.gov/releases/g19/HIST/cc_hist_memo_levels.html.

[27] U.S. Department of Education, "Federal Student Aid Data Center," accessed March 27, 2019, at https://studentaid.ed.gov/sa/data-center.

[28] Ibid, U.S. Department of Education

[29] Ibid, College Board

[30] Ibid, College Board

[31] The Institute for College Access and Success, "13th Annual Report, Student Debt and the Class of 2017" (Oakland, Calif: The Institute for College Access and Success, 2018), accessed March 29, 2019, at https://ticas.org/sites/default/files/pub_files/classof2017.pdf.

[32] Ibid, The Institute for College Access and Success

[33] Ibid, College Board

[34] Board of Governors of the Federal Reserve System, "Report on the Economic Well-Being of U.S. Households in 2017" (Washington, D.C.: Board of Governors of the Federal Reserve System, 2018), accessed March 28, 2019, at https://www.federalreserve.gov/publications/2018-economic-well-being-of-us-households-in-2017-student-loans.htm.

[35] HB 260, 2019 General Session (Utah, 2019)

[36] Marjorie Cortez, "Bill to Help needy Utah college students with tuition, fees reaches final passage in House" (Salt Lake City, Deseret News, 2019), accessed March 27, 2019, at https://www.deseretnews.com/article/900060196/bill-to-help-needy-utah-college-students-with-tuition-fees-reaches-final-passage-in-house.html.

[37] HB 2158, 2019-20 biennium, (State of Washington, 2019).

[38] SB 291, 2019-2020 Regular Session, (California, 2019) and Mikhail Zinshteyn, "California's community colleges back new effort to cover college costs, including living expenses" (Oakland, Calif.: EdSource, 2019), accessed March 27, 2019, at https://edsource.org/2019/new-effort-by-california-community-college-to-cover-students-college-costs/608651.

[39] Nevada System of Higher Education, "Regents Approve Predictable Pricing Program for College Tuition" (Carson City, Nev.: Nevada System of Higher Education, 2019), accessed March 28, 2019, at https://nshe.nevada.edu/2019/03/regents-approve-predictable-pricing-program-for-college-tuition/. Nevada resident tuition consists solely of "registration fees."

[40] HB, 2019-2021 biennium, (Montana, 2019) and HB 3381, 2019 Regular Session (Oregon, 2019).

[41] National Conference of State Legislatures, "Tuition Policy" (Denver, Colo.: National Conference of State Legislatures, 2015), accessed April 12, 2019, at http://www.ncsl.org/research/education/tuition-policy635767146.aspx.

[42] Dennis Jones, "Financing in Sync: Aligning Fiscal Policy with State Objectives," Policies in Sync: Appropriations, Tuition, and Financial Aid for Higher Education (Boulder, Colo.: Western Interstate Commission for Higher Education, 2003), accessed March 29, 2019, at https://www.wiche.edu/Policy/PolicyInsights/PoliciesInSync/JonesInsight.pdf.

[43] Greg Toppo, "Proposed Cuts Imperil 1,300 University Jobs" (Washington, D.C.: Inside Higher Ed, 2019), accessed March 28, 2019, at https://www.insidehighered.com/news/2019/02/18/alaska-governor-proposes-41-percent-cut-higher-ed. Associated Press, "University of Hawai'i warns budget cuts would eliminate jobs" (Honolulu, Hi.: Associated Press, 2019), accessed March 28, 2019, at https://www.apnews.com/ae19165a4efc4fc3bed4c62e17b161c5.

3035 Center Green Drive, Suite 200, Boulder, CO 80301-2204
Publication Number 2A6001F
Demarée K. Michelau, President
Tel: 303.541.0200
E-mail: policy@wiche.edu
Visit wiche.edu for our full series of WICHE Insights and other research publications.