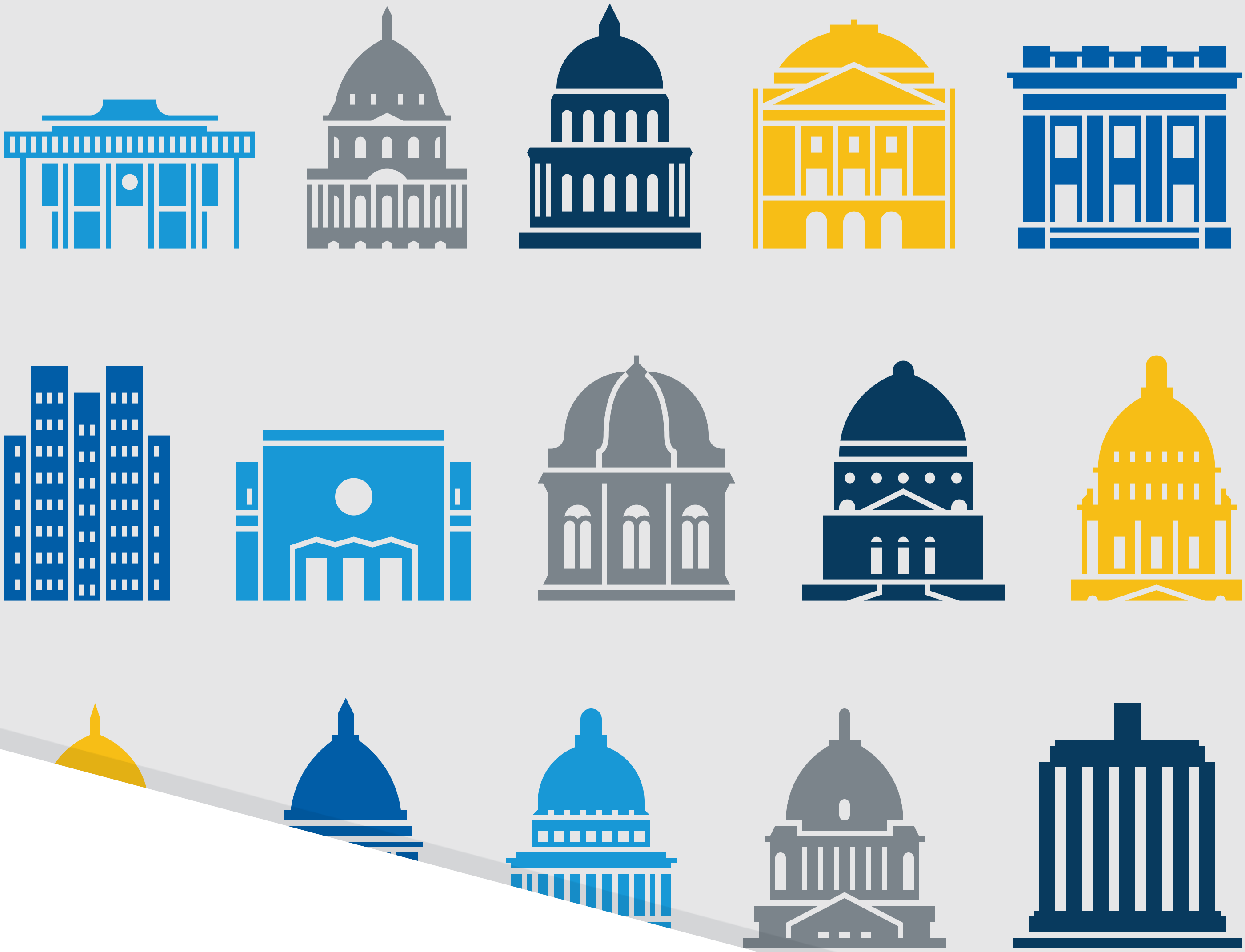

Western Interstate Commission for Higher Education

WICHE INSIGHTS

Tuition and Fees, Appropriations, and Financial Aid in the West, AY 2024-25: Trends and Implications

Colleen Falkenstern | May 2025

Western Interstate Commission for Higher Education

About WICHE

The Western Interstate Commission for Higher Education (WICHE) is a regional interstate higher education compact of 15 Western states and the U.S. Pacific territories and freely associated states. Since 1953, WICHE has focused on its mission of expanding educational access and excellence for all residents of the West. By promoting innovation, cooperation, resource sharing, and sound public policy, WICHE strengthens higher education's contributions to the region's social, economic, and civic life.

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Introduction

The data discussed in this edition of *WICHE Insights* presents an overall positive view of state higher education finance in the West over the past several years. For another consecutive year, tuition and fees rose at a rate below inflation, state appropriations increased in nearly every state, and state financial aid awarded to undergraduates continued to grow. However, many states in the region are facing budget challenges for the upcoming fiscal year, which could mean that state higher education finance conditions will be less positive for the coming years. Additionally, changing federal economic and political dynamics have led to uncertainty for institutions and states. These compounding challenges come at a time when many states in the West are projected to start seeing a reduction in the number of high school graduates, which could make it more difficult to make progress on continued efforts to increase degree and credential attainment to meet workforce demands.

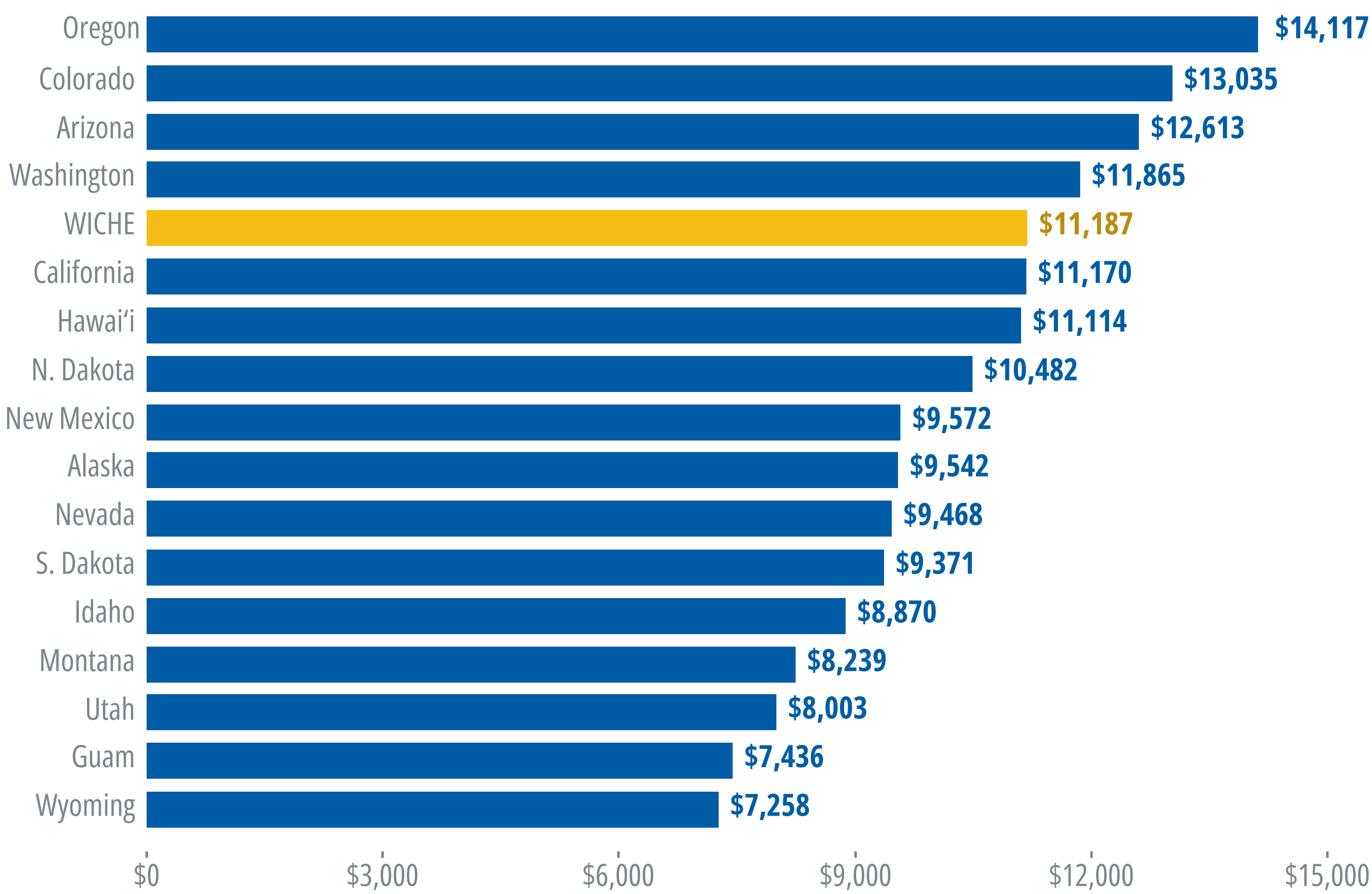
TUITION AND FEES IN THE WEST

WICHE's annual survey of tuition and fees collects data on resident and nonresident tuition and fees at public two- and four-year institutions in the WICHE region for undergraduate and graduate students. WICHE administered the most recent survey to state higher education executive offices, system offices, and institutions in each of the WICHE states, territories, and freely associated states in Summer 2024.[1] Complete data from the survey is available on WICHE's online dashboard and enable comparisons of rates over time and across states, territories, and freely associated states. Unless otherwise indicated, tuition and fees rates are in current U.S. dollars, and average rates at the state and regional levels are weighted by full-time equivalent (FTE) enrollment.[2] This *WICHE Insights* summarizes recent tuition and fees for undergraduates at public institutions in the West. Data in the November 2024 *Tuition and Fees in Public Higher Education in the West, 2024-25: Detailed Data Tables* provide both weighted and unweighted averages as well as tuition rates for graduate students in the region.[3]

Tuition and Fees at Public Four-Year Institutions

The regional average tuition and fees for resident undergraduates at public four-year institutions was $11,187 in academic year (AY) 2024-25, an increase of $419 (3.9%) from AY 2023-24. When adjusted for inflation, the regional average tuition and fees remained about the same (0.3% increase) from the past year.[4] The AY 2024-25 regional average tuition and fees was about 3.6% lower than the national average of $11,610, but increased at a higher rate than the national average compared to the past year.[5] Tuition and fees for nonresidents in the region averaged $31,442 in AY 2024-25, an increase of $1,251 (4.1%) from AY 2023-24, but when adjusted for inflation, increased by just $166 (0.5%).

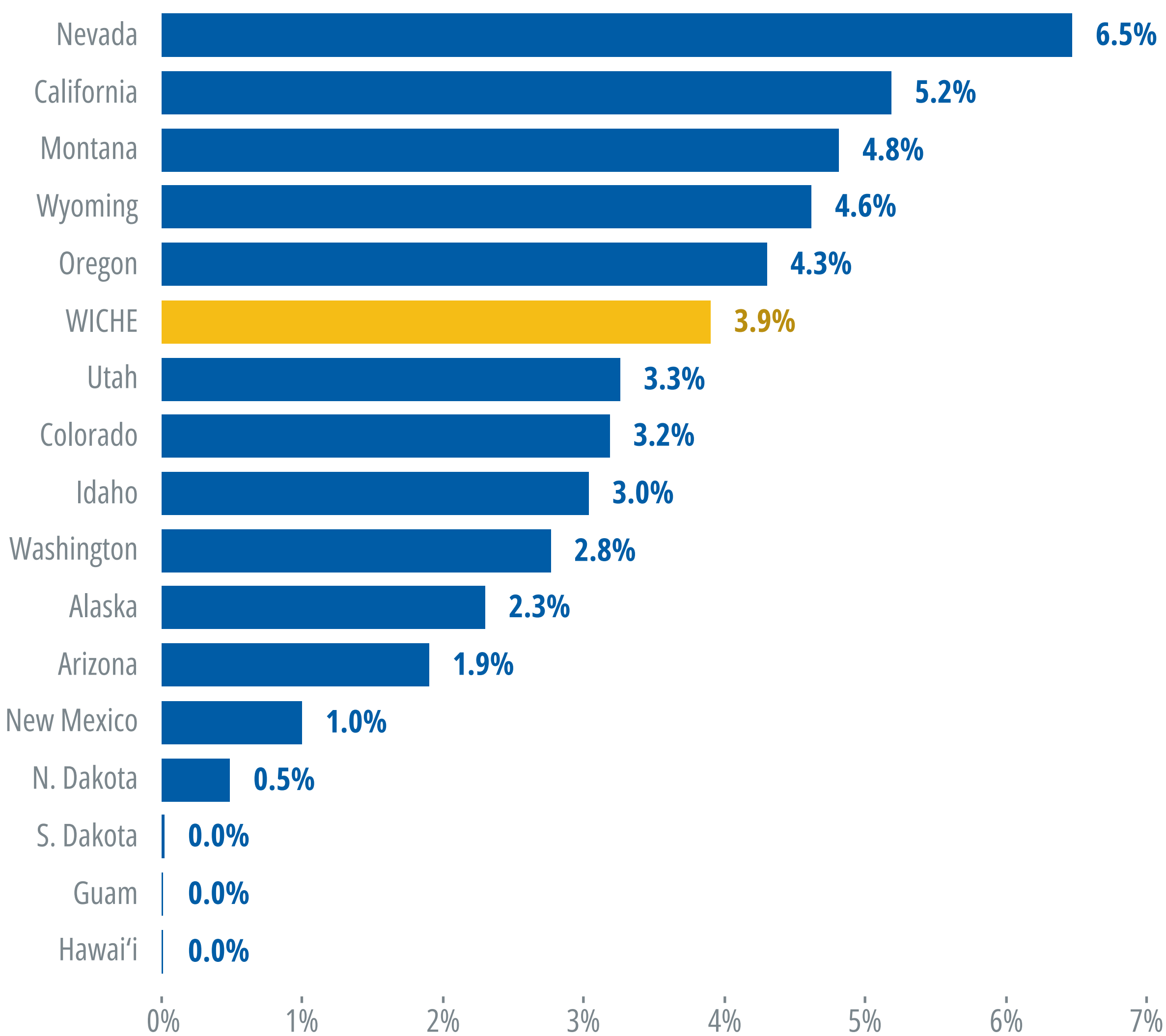
Figure 1. Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2024-25



State Variation in Tuition and Fees Trends

The regional average masks the wide variation in tuition and fees across the West, both in terms of the published charges and the rate of change over time. As shown in Figure 1, state average tuition and fees for resident undergraduates ranged from $7,258 in Wyoming to $14,117 in Oregon.[6] Between AY 2023-24 and AY 2024-25, state average tuition and fees increased in 13 states, with wide variation in the reported increases (Figure 2). Five states reported increases greater than 4% with two states reporting a one-year increase greater than 5%. Notably, South Dakota, Guam, and Hawai'i all reported no change in tuition and fees rates in the past year.

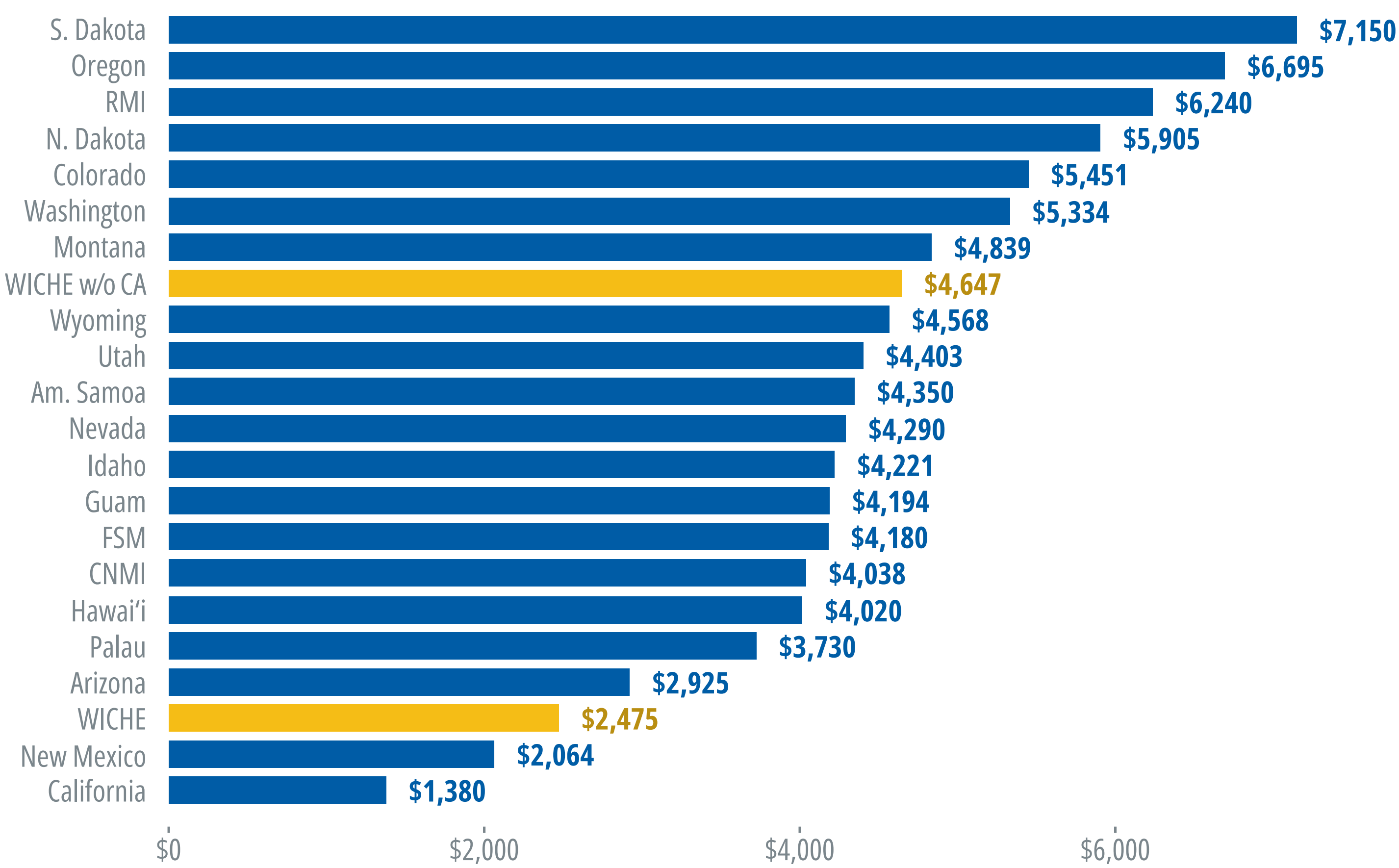
Figure 2. Percent Change, Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2023-24 to AY 2024-25



Tuition and Fees at Public Two-Year Institutions

The regional average tuition and fees for in-district undergraduates at public two-year institutions was $2,475 in AY 2024-25, an increase of $57 (2.3%) from AY 2023-24. This was well below the national average of $4,050 in AY 2024-25. However, the regional average is heavily impacted by the California community colleges, which enroll 67% of the region's two-year enrollment, and has historically charged in-district students $46 per credit, well below the regional average. When excluding California, the WICHE regional average was $4,647 in AY 2024-25, an increase of $153 (3.4%) from AY 2023-24. When adjusting for inflation, the one-year change in tuition and fees at public two-year institutions decreased by 1.2% and by 0.2% when excluding California.

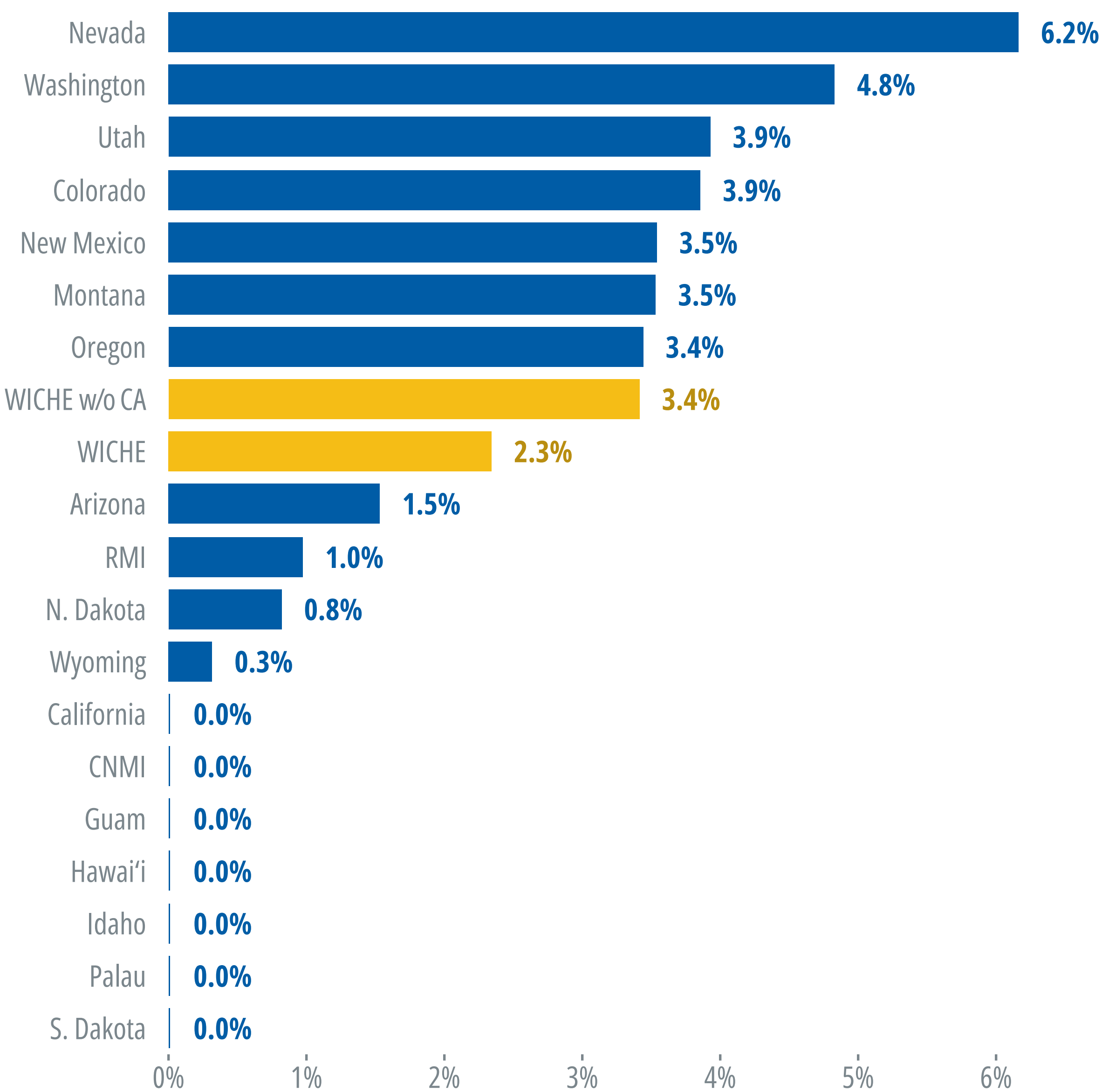
Figure 3. Resident Undergraduate Tuition and Fees at Public Two-Year Institutions, AY 2024-25



State Variation in Tuition and Fees Trends

In AY 2024-25, average tuition and fees for public two-year institutions ranged from $1,380 in California to $7,150 in South Dakota (Figure 3). Between AY 2023-24 and AY 2024-25, seven states, territories, and freely associated states reported no change in tuition and fees rates at two-year institutions (Figure 4). Among the states and freely associated states that reported an increase, most were between 2% and 5%. Just one state (Nevada) reported an average increase greater than 5% between AY 2023-24 and AY 2024-25.

Figure 4. Percent Change, Resident Tuition and Fees at Public Two-Year Institutions, AY 2023-24 to AY 2024-25



Note: American Samoa and Federated States of Micronesia are excluded from this chart because tuition and fees data were not available for AY 2023-24.

Tuition and Fees Trends Over Time

Over the past decade, average tuition and fees at public four-year institutions in the West have declined by 1.9% when adjusting for inflation. Underlying this slight decrease in tuition and fee rates is a wide variation in state- and institution-level trends over the past decade. As shown in Table 1, some of the largest decreases in average tuition and fees at public four-year institutions occurred in some of the states with the largest enrollments in the region — California, Washington, and Arizona — which influences regional averages. In other states — Alaska, Oregon, New Mexico, and Wyoming — tuition and fees at public four-year institutions increased by more than 15% since AY 2014-15 (constant 2024 U.S. dollars).

Even more states in the WICHE region reported decreases in average tuition and fees in the past five years. Compared to AY 2019-20, the last year before to the COVID-19 pandemic, only four states in the region reported increases in average tuition and fees. Over the past five years, as many institutions and systems faced enrollment challenges and received increased federal COVID-19 relief funds, there have been minimal tuition rate increases across the region. The states and territory with the largest decrease in tuition and fees — Guam, Hawai‘i, and South Dakota — all enacted tuition freezes over the past several years.

Compared to the region’s four-year institutions, tuition and fees at public two-year institutions decreased at an even greater rate over the past decade (10%; constant U.S. 2024 dollars). When excluding California community colleges, which have not increased resident enrollment fees since AY 2012-13, the rate of change for the region jumps to a 3.2% increase (constant U.S. 2024 dollars) in tuition and fees over the past decade. Eight states and freely associated states reported an increase in tuition and fees in the past decade, ranging from a 3.6% increase to a 32.7% increase (Table 1).

Between AY 2019-20 and AY 2024-25, the regional average tuition and fees at public two-year institutions decreased by 6.9% and when excluding California, decreased by 2.8% (Table 1). California, the Commonwealth of the Northern Mariana Islands (CNMI), Guam, and Hawai‘i all reported nearly the same tuition and fees rates in AY 2024-25 as five years prior, resulting in a 15.8% decrease when accounting for inflation. Two states and one freely associated state reported an increase in tuition and fee rates in the past five years, although in both of these states – Montana and Nevada – the increase was less than 2%.

Table 1. Percent Change, Resident Undergraduate Tuition and Fees, AY 2014-15 to AY 2024-25 and AY 2019-20 to AY 2024-25 (Constant 2024 U.S. Dollars)

	Public 4-Year		Public 2-Year	
	% Change, AY14-15 to AY24-25	**% Change, AY19-20 to AY24-25**	**% Change, AY14-15 to AY24-25**	**% Change, AY19-20 to AY24-25**
Alaska	17.2%	-1.4%	n/a	n/a
Arizona	-6.9%	-8.4%	-9.6%	-6.7%
California	-5.9%	-3.7%	-23.9%	-15.8%
CNMI	n/a	n/a	-9.4%	-15.8%
Colorado	8.0%	-2.5%	3.6%	-3.9%
Guam	-9.3%	-11.4%	-23.9%	-15.8%
Hawai'i	-12.3%	-14.3%	-12.4%	-15.8%
Idaho	2.3%	-6.6%	-9.4%	-14.9%
Montana	0.3%	-2.1%	8.4%	0.1%
Nevada	10.7%	0.3%	20.9%	2.0%
New Mexico	17.6%	8.5%	8.0%	-2.8%
North Dakota	6.2%	-5.2%	6.6%	-0.5%
Oregon	21.7%	6.2%	12.3%	0.0%
Palau	n/a	n/a	-12.7%	-13.0%
RMI	n/a	n/a	10.5%	18.6%
South Dakota	-10.1%	-14.8%	-9.4%	-14.9%
Utah	-0.8%	-5.5%	-3.0%	-5.2%
Washington	-16.5%	-3.1%	-5.3%	-1.8%
Wyoming	18.8%	9.5%	32.7%	-8.0%
WICHE	**-1.9%**	**-3.6%**	**-10.0%**	**-6.9%**
WICHE w/o CA	**1.7%**	**-3.5%**	**3.2%**	**-2.8%**

Note: American Samoa and the Federated States of Micronesia are excluded from this table because tuition and fees data were not available prior to AY 2024-25.

STATE FISCAL SUPPORT: APPROPRIATIONS

Appropriations represent the largest state fiscal resource provided to higher education systems and institutions, and in most states in the region, appropriations remain the main source of higher education revenue. This *WICHE Insights* discusses the latest fiscal year (FY) 2025 data from the annual the [*Grapevine* survey of higher education funding] collected and released by the State Higher Education Executive Officers Association (SHEEO).[7] These data are not available for the U.S. Pacific territories and freely associated states in the WICHE region. In addition to state appropriations, these data include federal COVID-19 relief dollars allocated to higher education by states over the past five fiscal years.[8] These data reflect total dollars appropriated to higher education and are not adjusted for inflation.

FY 2025 State Appropriations

State fiscal support for higher education topped $129 billion nationally in FY 2025, an increase of 4.3% compared to FY 2024.[9] **The WICHE region, which accounts for about 29% of the nation's higher education fiscal support, collectively reported over $37.8 billion in state support in FY 2025, an increase of 8.1% from FY 2024.** The 8.1% increase in state support is about the same as what was reported between FY 2023 and FY 2024 and is nearly twice the rate of increase compared to the national average. State support in the West increased at a higher rate in the past year than in the Midwest (5.2%), Northeast (3.7%), and South (1.6%) regions (Table 2).

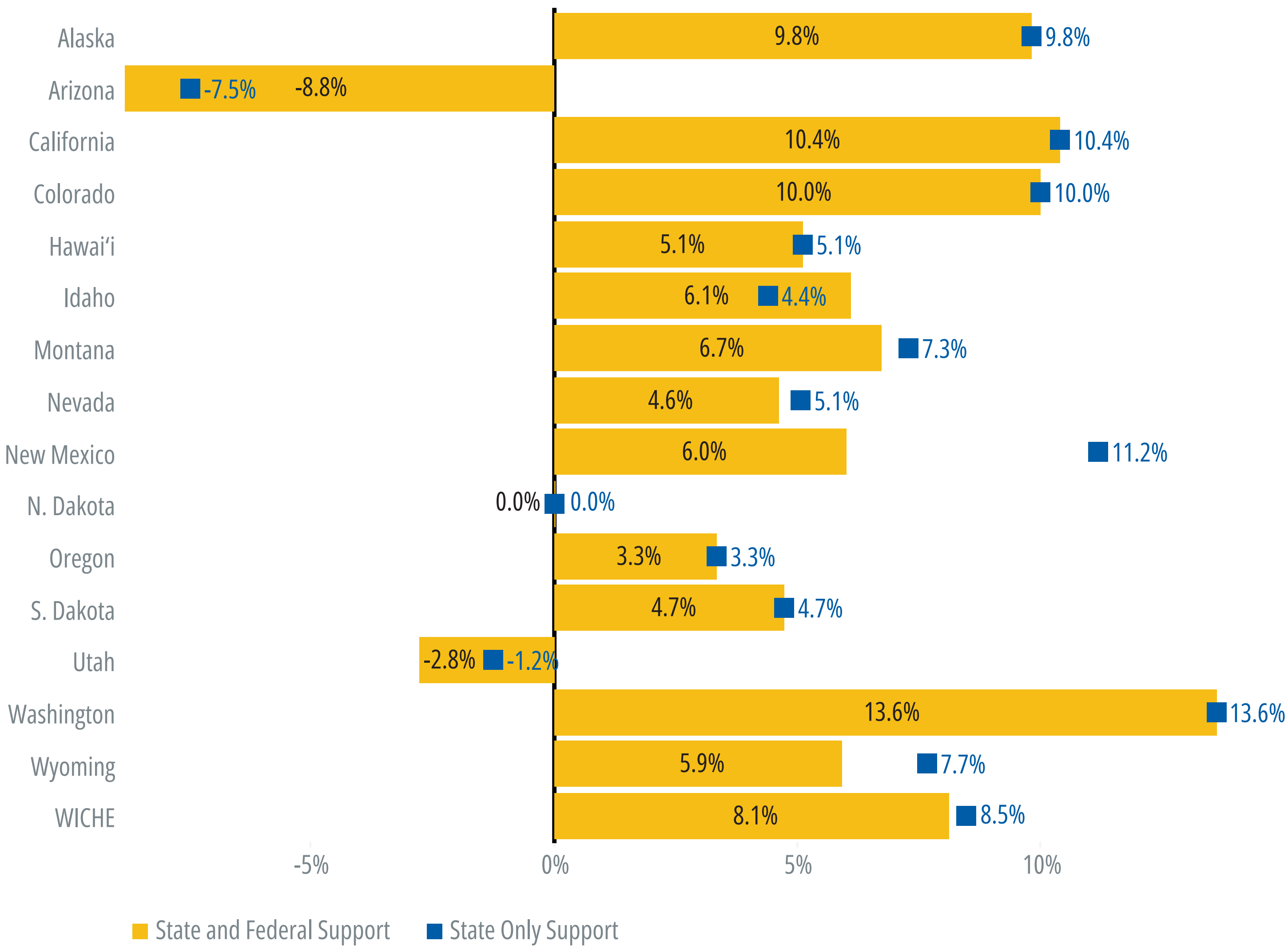
Table 2. State Support by Region and Nation, FY 2024 and FY 2025

Region/Nation	FY 2024 Total	FY 2025 Total	1-Year % Change
WICHE	$35.0B	$37.8B	8.1%
Midwest	$21.3B	$22.4B	5.2%
Northeast	$17.4B	$18.0B	3.7%
South	$50.8B	$51.6B	1.6%
U.S.	$124.4B	$129.8B	4.3%

Source: State Higher Education Executive Officers Association (SHEEO).[10]

The increase in state fiscal support in the region is the result of nearly every state in the region increasing state appropriations between FY 2024 and FY 2025. As shown in Figure 5, all but three states in the region increased state support in FY 2025 compared to the previous year. Increases in state funding ranged from 3.3% to 13.6%, with three states — California, Colorado, and Washington — all reporting increases greater than 10%. On the other hand, two states reported a one-year decrease, with Arizona reporting a decrease of nearly 9%.

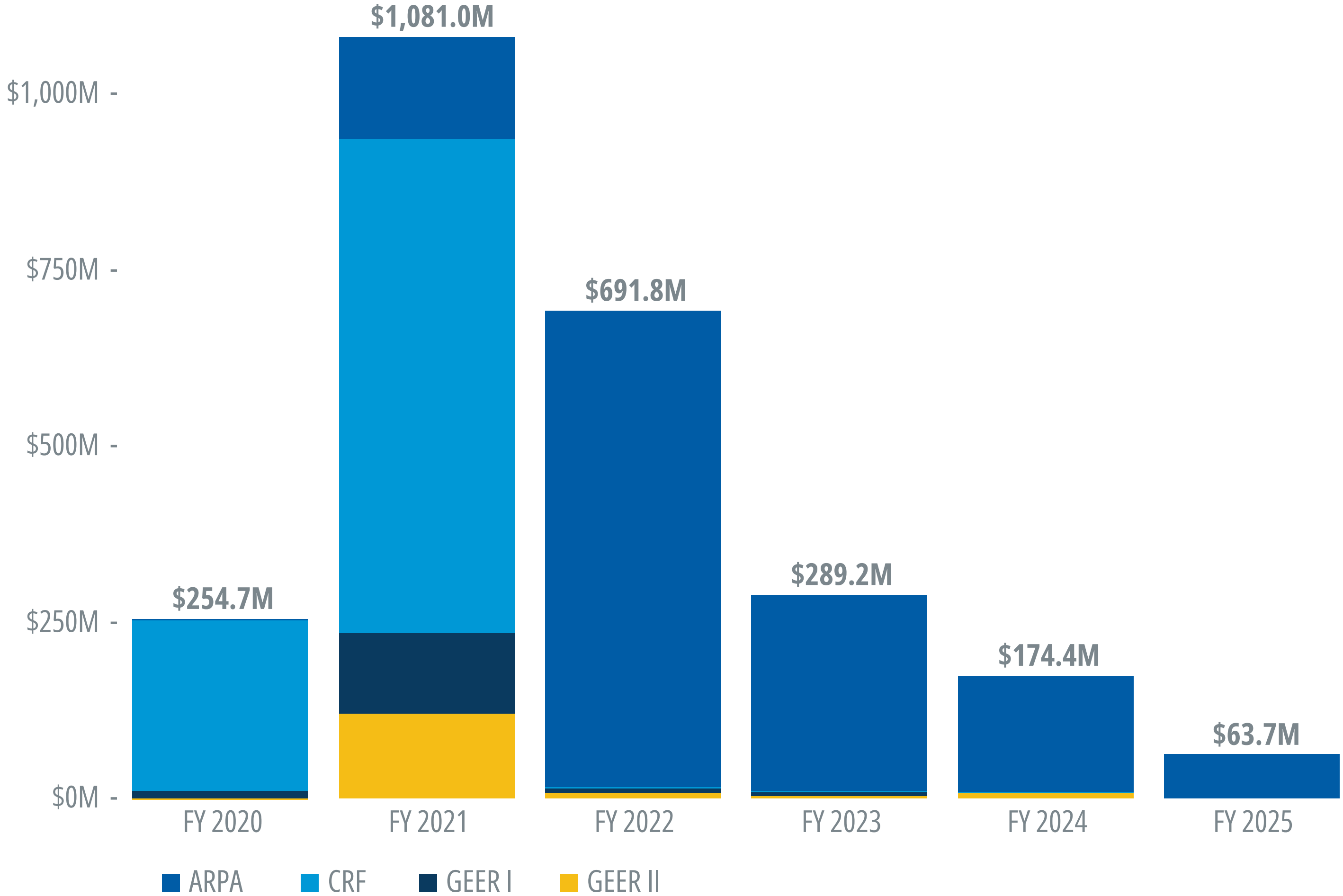
Figure 5. Percent Change, State Appropriations and Federal Funding, FY 2024 to FY 2025



Source: State Higher Education Executive Officers Association (SHEEO).[11]

It is important to note that some of these trends are still reflecting the impact of federal COVID-19 relief funding allocated to higher education through states. For example, both Arizona and Utah reported a one-year decrease in total state support to higher education in FY 2025. However, when excluding federal funds, the one-year percent change in state support was smaller in both of these states. This is due to one-time use of federal funds in FY 2024 but not in FY 2025. In the region overall, about $63.7 million federal dollars were allocated to higher education through states in FY 2025. This is considerably lower than FY 2024 and by far the lowest amount appropriated since FY 2020 (Figure 6).

Figure 6. Distribution of Federal Funding by Source, WICHE Region, FY 2020 to FY 2025



Source: State Higher Education Executive Officers Association (SHEEO).[12]
Note: These data include federal dollars used for capital projects. These data do not include the U.S. Pacific Territories and Freely Associated States.

Since FY 2020, nearly $2.3 billion federal COVID-19 response funds have been allocated to higher education through states in the WICHE region (Table 3).[13] This amounts to about 7.7% of all state support in the past six fiscal years. As shown in Table 3, there is wide variation in the amount of federal dollars appropriated to higher education since FY 2020. For example, federal pandemic response funds were less than 2% of state support to higher education in California, North Dakota, and Oregon, while Colorado, New Mexico, and Wyoming all reported over 30% of state support from federal COVID-19 funds since FY 2020.

Table 3. Total Federal COVID-19 Relief Funds and Federal COVID-19 Relief Funds as a Share of All State Support, FY 2020 to FY 2025

	Total Federal Funds	Federal Funds as a Share of All State Support
Alaska	$20,632,201	6.5%
Arizona	$186,751,200	16.8%
California	$303,975,000	1.6%
Colorado	$650,242,140	55.1%
Hawai'i	$106,859,110	12.5%
Idaho	$155,341,615	24.6%
Montana	$39,946,417	13.1%
Nevada	$115,463,104	14.4%
New Mexico	$395,989,509	30.5%
North Dakota	$4,443,787	1.2%
Oregon	$17,658,700	1.7%
South Dakota	$16,249,040	6.0%
Utah	$70,134,228	4.5%
Washington	$61,769,263	2.4%
Wyoming	$150,380,632	31.6%
WICHE	**$2,295,835,946**	**7.7%**

Source: State Higher Education Executive Officers Association (SHEEO).[14]
Note: These data include federal dollars used for capital projects.

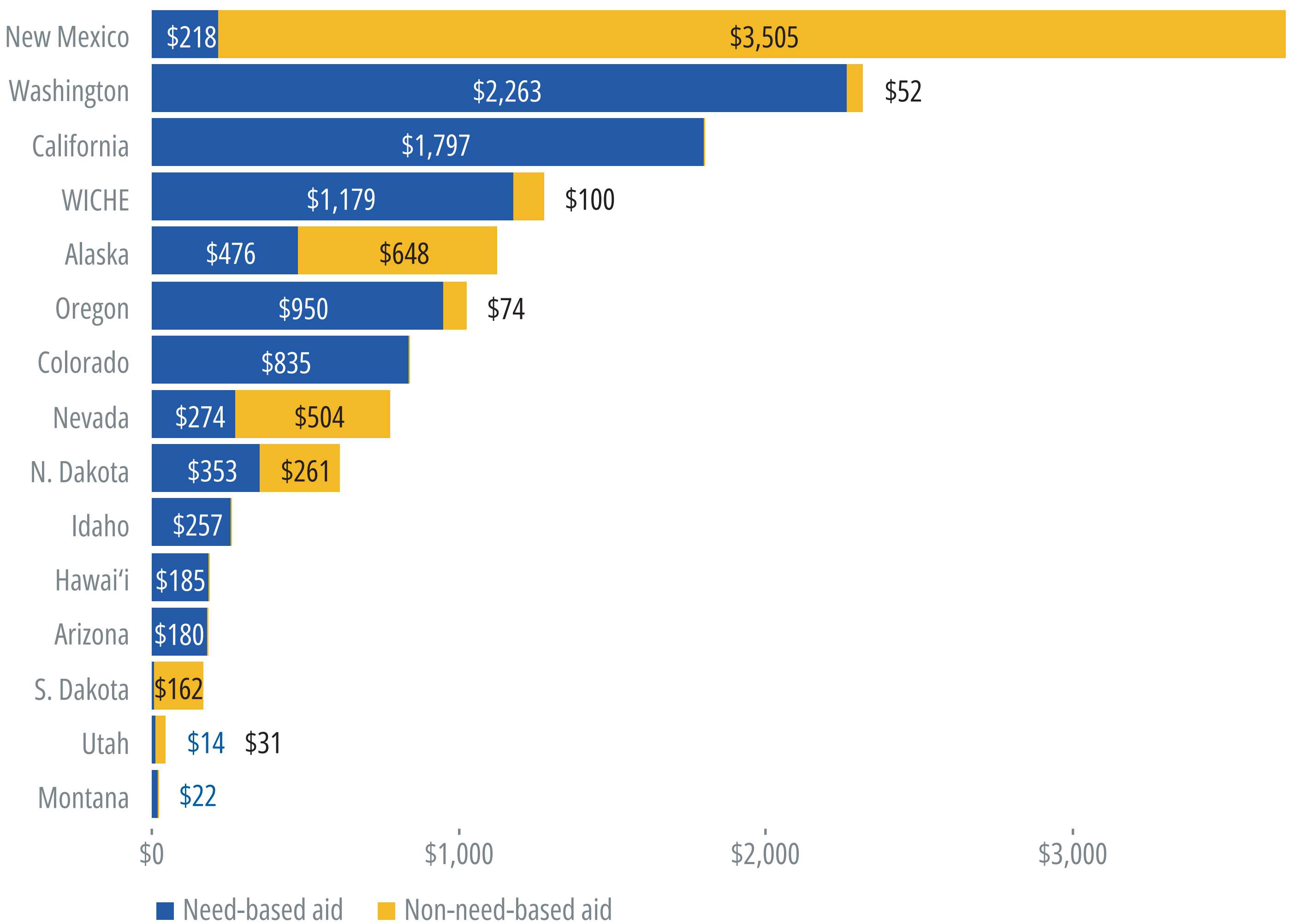
The $2.3 billion in federal relief funds allocated to higher education in the past six fiscal years were used in a variety of ways. But it is also important to recognize that even in states where large amounts of federal dollars were not allocated to higher education, state budgets across the region benefited from an inflow of federal dollars since FY 2020. This positioned states to maintain or increase investment in higher education over the past several years. However, many states in the region are anticipating considerable budgetary challenges in the coming years, which could mean that states may not be as well-positioned to support higher education at the same rates as in recent fiscal years.

STATE FINANCIAL AID

State financial aid serves as a critical policy lever to support students' ability to access and afford postsecondary education and enhance states' ability to develop an educated workforce that will meet future demands. The National Association of State Student Grant and Aid Programs' (NASSGAP) annual survey of state financial aid programs provides a comprehensive review of state aid distribution, including details by student level and award eligibility and criteria.[15] These data are not available for the U.S. Pacific territories and freely associated states in the WICHE region and, due to reporting limitations, undergraduate state grant aid does not include Wyoming state financial aid.

According to the latest NASSGAP survey, total grant aid in the WICHE region averaged $1,279 per undergraduate student in AY 2022-23; about $100 more than the national average ($1,176).[16] However, average need-based aid awarded per student in the WICHE region ($1,179) was even higher compared to need-based aid at the national level ($865). About 92% of all undergraduate state aid in the West is awarded based on need, compared to 74% of the nation's total state aid. State grant aid varies widely in the region, with average aid per student ranging from $22 (Montana) to $3,728 (New Mexico). Across the region, just three states award grant aid per undergraduate at a higher level than the regional and national averages and six states award financial aid at a rate of less than $300 per undergraduate. The average grant aid per undergraduate in New Mexico ($3,728) was the highest average state aid per student in the country in AY 2022-23 and reflects the impact of the state's investment in the New Mexico Opportunity Scholarship.

Figure 7. State Financial Aid Per Undergraduate by Eligibility Criteria, AY 2022-23



Source: National Association of State Student Grant and Aid Programs (NASSGAP).[17]

In the decade between AY 2012-13 and AY 2022-23, **total undergraduate state grant aid in the WICHE region increased by nearly 50%** (constant 2022 U.S. dollars) above the national increase of 17% and other parts of the country during the same time period.[18] Almost all states in the region awarded more state grant aid dollars in AY 2022-23 compared to 10 years prior, with wide variation across the states (Table 4). Four states — Arizona, Colorado, Idaho, and New Mexico — more than doubled their total state grant aid awarded between AY 2012-13 and AY 2022-23. In addition to total state grant aid increases, most states in the region also reported increases in grant aid per undergraduate between AY 2012-13 and AY 2022-23 as well. In some cases, like Arizona, total grant aid has increased by large percentages in the past 10 years, however, the grant per undergraduate remains below the regional and national average.

Table 4. Total State Grant Aid Awarded to Undergraduates by Year and Change Over Time, AY 2012-13 to AY 2022-23 (Constant 2022 U.S. Dollars)

	2012-13	2022-23	Change, 2012-13 to 2022-23	% Change, 2012-13 to 2022-23
Alaska	$12,192,443	$13,513,990	$1,321,547	11%
Arizona	$27,213,994	$68,609,694	$41,395,700	152%
California	$1,929,410,829	$2,797,517,129	$868,106,300	45%
Colorado	$88,719,200	$190,205,220	$101,486,020	114%
Hawai‘i	$4,095,700	$6,799,977	$2,704,277	66%
Idaho	$6,765,677	$20,646,299	$13,880,622	205%
Montana	$7,000,182	$737,161	-$6,263,021	-89%
Nevada	$66,804,976	$60,525,747	-$6,279,229	-9%
New Mexico	$92,870,715	$239,129,836	$146,259,121	157%
North Dakota	$20,483,872	$21,329,374	$845,502	4%
Oregon	$66,209,880	$131,095,923	$64,886,043	98%
South Dakota	$5,507,046	$5,742,116	$235,070	4%
Utah	$11,261,104	$12,786,930	$1,525,826	14%
Washington	$439,012,710	$520,531,467	$81,518,757	19%
WICHE	**$2,777,548,329**	**$4,089,170,863**	**$1,311,622,534**	**47%**

Source: National Association of State Student Grant and Aid Programs (NASSGAP).[19]

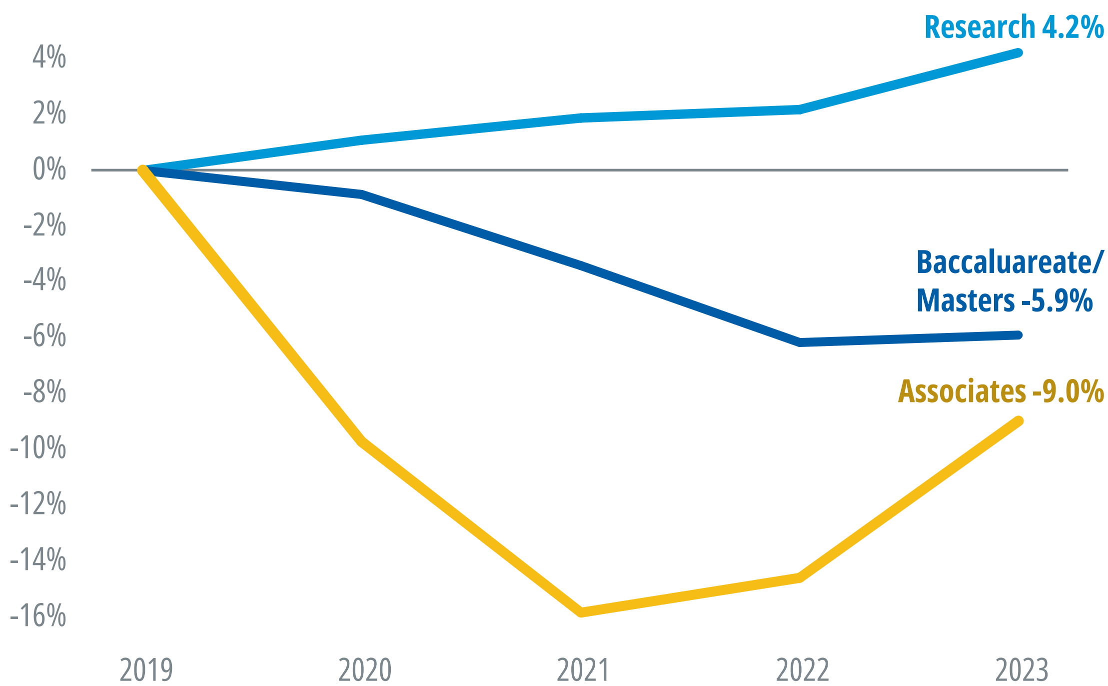
DISCUSSION

For the past five years, fiscal trends across the West have been relatively positive despite the disruption and changes that have occurred across higher education. Tuition rates have remained flat and state appropriations and financial aid have increased. As stated previously, both institutions and states have benefited from federal funds in the past six fiscal years. These funds helped institutional budgets mitigate enrollment declines during COVID-19 while bolstering state budgets. However, when looking ahead, institutions and states are facing considerable challenges, including a wavering public perception of higher education, a projected decline in the youth population and number of high school graduates, and growing uncertainty in the political and economic landscape. These challenges and uncertainty could present complex challenges for institutions and states in the short- and longer-term.

Enrollment Trends

Between Fall 2019 and Fall 2023, undergraduate enrollment in the West decreased by about 5%. However, as shown in Figure 8, recent enrollment trends have varied widely by institution type.[20] Research universities in the region increased enrollment between Fall 2019 and Fall 2023, while public baccalaureate/master's and associate institutions both saw declines greater than 5%. It is important to note that increases in enrollments in dual enrollment programs offset some of the declines in enrollment, particularly at public two-year institutions. When removing enrollments of students under the age of 18 (the best proxy for dual enrollment), the decline in enrollment at public two-year institutions was 13% between Fall 2019 and Fall 2023.[21] Also highlighted in Figure 8 is the impact of COVID-19 on postsecondary enrollments, as the most significant declines occurred between 2019 and 2021.[22] There have been some rebounds in enrollment since Fall 2021 and more recent data from the National Student Clearinghouse shows an increase in Fall 2024, but many institutions still have enrollments lower than pre-pandemic levels.[23]

Figure 8. Percent Change, Undergraduate Enrollment in the WICHE Region, Fall 2019 to Fall 2023



Source: Integrated Postsecondary Education Data System (IPEDS), Fall Enrollment.[24]

On average, 32% of all revenue per student at public institutions in the West comes from tuition, which means any enrollment decline will impact institutional budgets.[25] Tuition revenue per student in the region has decreased since FY 2018 as enrollments have been declining. Federal COVID-19 relief funds have allowed many institutions to mitigate the worst of the impacts of decreased enrollments and tuition revenue in the past several years. As federal funds have nearly all been expended and state budgets appear less positive, institutions are facing a different economic outlook than in the past five years. Many institutions are already feeling the impacts of budget constraints and looking at cost-cutting measures, including reductions in faculty and staff positions.[26]

Looking ahead, at least in the short term, there are some data that suggest college enrollments could increase again in Fall 2025. Recent data from the National College Access Network shows that Free Application for Federal Student Aid (FAFSA) completions for the high school Class of 2025 are higher than where they were at this point in the cycle for the Class of 2024, though the technical difficulties associated with last year's process make drawing firm conclusions difficult.[27] Additionally, data from the Common App show that the number of college applicants is also higher than last year. It is still too early to tell if these trends will lead to more students enrolling in college in Fall 2025.[28]

An expected increase in undergraduate enrollment in Fall 2025 should come as no surprise, as the Class of 2025 is projected to be the largest high school graduating class in history. However, the data suggests that following the Class of 2025, the annual number of high school graduates is projected to decrease, leading to smaller graduating classes each year for the next 10 to 15 years.[29] This presents a challenge for institutions, many of which have not returned to pre-pandemic enrollment levels, to maintain or increase enrollment in the coming years.

Uncertain Federal Impacts

The rapidly changing landscape at the federal level presents several challenges for higher education in the near and long-term. In the first few months of the current presidential administration, cuts and proposed cuts in research grants and contracts have impacted institutional budgets and decision-making. For some institutions in the West, particularly research universities, federal grants and contracts can represent a significant portion of institutional budgets. In FY 2024, federal grants and contracts were, on average, nearly 20% of all operating revenue at public research universities in the West.[30] As one state example, a recent analysis from the Kem C. Gardner Policy Institute highlights the varied federal funding sources for research and development at Utah universities and the important role these funds provide in advancing innovation across a range of disciplines.[31] The changing federal context has also made short- and long-term planning more difficult. As a result of this uncertainty, some institutions have enacted hiring freezes, while other institutions have already reduced staffing levels.[32] With more expected cuts across federal agencies, along with reductions in allowable overhead charges on federal grants, it is uncertain what research funding will look like in the years to come.[33]

In addition to impacts on research grants and contracts, the Federal Pell Grant program is projected to run out of reserves in 2025 and is expected to face a shortfall of $111 billion in the next decade.[34] In order to address the short-term funding shortfall, U.S. Congress would need to take action by September 30, 2025, to address the funding gap prior to the start of FY 2026.[35] The projected shortfall comes at a time when the U.S. Congress is looking to significantly reduce federal spending as part of the budget reconciliation process. The reconciliation process is complex and as of this writing, there is not yet agreement between the House and the Senate on the full scope of potential spending cuts across the health, education, and labor sectors, but both chambers are expected to enact substantial reductions to federal education appropriations. Further, although the Secretary of Education appears likely to attempt to follow through on the Executive Order directing her to facilitate the elimination of the Department of Education by moving core activities to other agencies, every indication is that federal grant aid and student loans will continue in some form. However, recent staffing cuts at the agency could impact FAFSA processing and students' ability to access aid dollars along with other key functions for higher education institutions and state agencies.[36]

Additionally, one long-discussed proposal that could be included in the reconciliation legislation or elsewhere would establish a “risk sharing” model under which institutions would be responsible for repaying some portion of student loans that are not repaid by borrowers. Estimates are that this could generate $18 billion in revenue over 10 years, but that money would come from postsecondary institutions.[37]

In addition to direct reductions to federal education spending, reductions to other programs could also present significant challenges to state budgets.[38] Proposed reductions in federal Medicaid spending would put many states in the position of expanding state support for Medicaid at the expense of other budget categories. As one example, a recent analysis from Colorado projects that the different proposed Medicaid cuts from the federal government could result in a fiscal impact of anywhere from $900 million to $1.3 billion on the state budget.[39] Nearly every state is required to have a balanced operating budget, which means that as a discretionary funding source higher education could be reduced to adjust for larger Medicaid expenditures. Higher education has often been referred to as the “balance wheel” of state budgets because as a discretionary funding source it can be reduced in periods of economic downturns to balance state budgets.[40] In addition to being discretionary, higher education is also different than other budget categories, such as corrections, because of its ability to generate revenue outside of state funding through tuition.

State Budget Impacts

Even prior to any cuts at the federal level, many states across the region were already anticipating or experiencing significant budget challenges in the upcoming fiscal years. An analysis from the government relations firm MultiState shows that while many states across the region and country are facing positive state budgets, seven states are facing significant budgetary challenges during the 2025 legislative session.[41] Across these states, broad policy approaches may be taken to balance state budgets, including cuts to education spending. The budget shortfall in the state of Washington, as one example, is projected to be nearly $15 billion over the next four years.[42] The Colorado General Assembly had to close a $1.2 billion shortfall to pass a balanced FY 2026 budget, which avoided deep education cuts but was below what was requested for the upcoming year.[43] The South Dakota Board of Regents did not request any increases to the base budget after the governor proposed a nearly $11 million cut to the board’s budget for the upcoming fiscal year.[44] Over the past three years, as the state has had a positive budget outlook, South Dakota public four-year institutions have had a tuition freeze, but as the budget outlook changed in the state, tuition rates will increase for AY 2025-26.[45]

These budget constraints present a different financial outlook than in the past several years. As previously mentioned, state budgets benefited greatly from federal COVID-19 relief funds over the past six fiscal years, positioning states to make critical investments in higher education. With these funds, states were able to expand grant aid dollars, increase state appropriations, and invest in evidence-based practices such open education resources, dual credit, and other policy areas that broaden access and increase student success.

Upholding Value and Investing in Strategies to Support Students

As the total number of undergraduates decreased in the past decade, so has the percentage of young adults enrolled in college. Between 2012 and 2022 the share of 18- to 24-year-olds enrolled in college nationally decreased from 41% to 39%.[46] Although this is not a particularly large decrease in the college enrollment rate, it occurred during a period in which the number of high school graduates was increasing and signals that more young adults are choosing not to enroll in higher education. As most states in the region are expected to begin seeing smaller youth populations, there is a critical need for states and higher education institutions and systems to expand access to postsecondary opportunities, increase student success, and reinforce the value of higher education for students, families, and society.

The past decade has also seen a shift in public perception of higher education. According to a recent Gallup and Lumina Foundation poll, there have been recent decreases in the perceived value of higher education among U.S. adults without a college degree.[47] According to the survey, 70% of adults in 2024 stated that a bachelor's degree was valuable, and 55% stated that an associate degree was valuable, which was a five percentage point decrease for both sectors compared to the 2023 survey. Although most adults without a degree believe a postsecondary degree is valuable, most adults also stated that four-year institutions do not charge a fair price.[48] These findings highlight a key issue for higher education institutions and systems: the public sees the value of a degree but believes the cost of accessing and obtaining a degree remains too high.

The Gallup and Lumina survey as well as other surveys of current students highlight an important factor of postsecondary value and affordability: students expect to see a return on their educational investments through good paying jobs. Research confirms that there are economic benefits of a degree, such as higher lifetimes earnings, lower unemployment rates, and a lower need for public assistance. However, if cost remains a barrier to entry and completion for many individuals, then there will continue to be a smaller share of young adults enrolled in or completing college and those individuals may not reap the long-term benefits and value of a postsecondary degree or credential.

A critical component of advancing higher education outcomes is investments that expand access to higher education. Idaho, South Dakota, and Utah have invested in strategies like direct admissions to remove barriers to the complex college admissions process and promote higher education opportunities within their state. In addition to direct admissions, Idaho's statewide common application, Idaho Campus Choice, removes college application fees for students and families.

Other states have invested in dual and concurrent enrollment opportunities, which has expanded these enrollments considerably over the past decade. In 2025, the Nevada State Assembly introduced AB 139, which would invest $15 million into dual credit programming across the state if enacted.[49] The Montana legislature appropriated additional funding for the upcoming biennium to grow the state's dual enrollment program.[50]

Removing barriers and expanding access to higher education is essential for getting more students enrolled in postsecondary education and on a path to a degree or credential. However, policies and strategies that increase college completion are vital for upholding the value of a degree for students and communities. On average, 63% of students who start at public four-year institutions and 29% of those who start at public two-year institutions graduate within 150% of the time expected to complete their degrees.[51] These data highlight that there is still work to do to ensure students are obtaining a degree and experiencing its benefits. Increasing college completion is also essential, as most states in the region are expected to see declines in the number of high school graduates in coming years. Identifying and investing in policies and strategies to increase student success are necessary to meet future workforce needs and lead students into high-demand jobs that provide a return on their education investment.

To increase retention and completion in Montana, the state piloted Montana 10, a suite of evidence-based academic, social, and financial supports for low-income students. Initial data from the program is promising, showing significant increases in retention and completion rates for the first cohort of students.[52] In 2025, the Montana Legislature appropriated additional funds to grow the program in the upcoming biennium.[53] In 2025, the Oregon State Legislature introduced SB 604, which would establish the Strong Start Program, to provide comprehensive services to first-year and underrepresented students in the state.[54]

Recent research and surveys demonstrate that there is a significant need to expand student access to basic needs. An analysis of federal data reports that more than 20% of undergraduates face food insecurity and undergraduate students face higher rates of food insecurity compared to all U.S. households.[55] The same analysis found that 8% of undergraduates face homelessness.[56] Relying on the premise that supporting student access to basic needs is essential for student wellbeing and success, several states have invested in initiatives aimed at enhancing access to these programs. In 2025, the Hawaiʻi State Legislature introduced HB 91, which would establish a homeless student stability program, a homeless student resource program, and a staffed benefits navigator at each institution.[57] Additionally, Oregon introduced HB 3182, which would fund basic needs programming for students.[58] Much work has been done in recent years to expand student access to federal benefits, such as the Supplemental Nutrition Assistance Program (SNAP). States like Oregon and Washington have invested in benefits navigators at their institutions to help eligible students. It is important to note that any disinvestment in these benefits at the federal level could impact the most vulnerable college students.

Investing in alignment of higher education and the workforce is a critical part of upholding the value of higher education. At the personal level, students are seeking a degree that leads to career advancement, higher earnings, personal development, and more. At the societal level, states invest in postsecondary education to develop and sustain a workforce that will advance the economic, social, and civic vitality of their communities. In the 2025 session, the Utah State Legislature made significant changes to the funding of higher education to align higher education programming and workforce needs. Utah HB 265 established the strategic reinvestment fund, which reallocates 10% of the state's base instruction budget to be reinvested into institutions based on board criteria across metrics such as enrollment, completions, economic outcomes, and workforce needs.[59] Finally, the Hawai'i State Legislature introduced a bill to direct performance-based funding to programs based on completion and employment outcomes. Although it does not appear that this legislation will pass during this session, it highlights that there is a growing desire to link state dollars to education program outcomes.

Conclusion

There is growing uncertainty facing institutions, systems, and states and it is unclear at this time exactly what the implications will be for students and families. With that said, it is important to recognize that states have long held the primary responsibility for the funding of public higher education and while the shifts at the federal level will impact states, there will continue to be a need for state investment into expanding access and success for students. With varied budget outlooks across the region, it could mean that states may not be as well positioned to maintain the fiscal investments made over the past several years. However, it is critical in times of economic uncertainty and when fiscal resources are limited that states are aligning tuition, financial aid, and state appropriations in a manner that upholds the value of higher education for individuals and communities alike.

ENDNOTES

1 The WICHE membership includes Alaska, Arizona, California, Colorado, Hawai'i , Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, and the U.S. Pacific territories and freely associated states. The U.S. Pacific territories and freely associated states consist of American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, Guam, the Republic of the Marshall Islands, and the Republic of Palau. When available, average tuition and fees are calculated for each territory and freely associated state separately in this report. Other data sources included in this brief, *Grapevine* and *NASSGAP*, do not cover any member of the U.S. Pacific Territories and Freely Associated States membership of WICHE region.

2 The AY 2023-24 and AY 2024-25 tuition and fees rates provided in this brief are weighted by FTE enrollment from the Integrated Postsecondary Education Data System's Fall 2022 enrollment survey.

3 Weighted averages provide a truer estimate of the published price a typical student incurs, reflecting overall enrollment levels. However, weighting does not reflect patterns for in-state and out-of-state enrollments.

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