WICHE
Western Interstate Commission for Higher Education

WICHE INSIGHTS

Tuition and Fees, Appropriations, and Financial Aid in the West, AY 2025-26: Trends and Implications

Sophia Harris | May 2026

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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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TUITION AND FEES, APPROPRIATIONS, AND FINANCIAL AID IN THE WEST

WICHE has been collecting tuition and fee data since the 1980s and provides the West with a broad understanding of tuition and fees. This annual edition of *WICHE Insights* looks not only at tuition and fee data for the West but also at recent trends in appropriations and financial aid, as all three of these policy levers should be viewed in alignment with one another rather than as independent approaches to state higher education finance policy. Additionally, all three components are affected by enrollment trends: demand can influence tuition rates, enrollment growth can limit the extent of appropriation gains, and changes in enrollment can affect the amount of financial aid available to students. The data discussed in this edition of *WICHE Insights* present a nuanced, but ultimately encouraging, picture of state higher education finance in the West. While tuition and fees rose modestly in the past year, even after adjusting for inflation, the longer trend tells a more positive story. Over the last 10 years, tuition and fees in the West have decreased in real terms, for both two- and four-year institutions, a meaningful signal of the region's sustained commitment to affordability. However, these encouraging trends are set against a more uncertain near-term outlook as states contend with continued federal uncertainty and tight finances.

Key Findings

- Tuition and fees rose modestly last year even after adjusting for inflation. Over the last 10 years, however, resident undergraduate tuition and fees decreased for both two- (-12.9%) and four-year (-0.6%) institutions.
- This year marks the final year of COVID-19 relief spending in the WICHE region, with roughly $105 million remaining American Rescue Plan funds being spent down ahead of the December 2026 deadline.
- Undergraduate enrollment at public institutions in the West increased slightly last year, an encouraging sign after recent years of decline. However, in several states, enrollment increases outpaced state appropriation increases in FY 2025, and per-student appropriations decreased between FY 2024 and FY 2025.
- The challenge for the coming years will be preserving the affordability gains of the past decade in the face of evolving student demand and pressures on state budgets.

TUITION AND FEES IN THE WEST

Annually, WICHE collects and reports resident and nonresident tuition and fees at public two- and four-year institutions in the WICHE region for undergraduate and graduate students. The most recent survey was administered in the summer of 2025. WICHE's online data dashboard has complete data from the survey, enabling comparisons of rates over time and across states, territories, and freely associated states. Unless otherwise indicated, tuition and fees are in current U.S. dollars, and average rates at the state and regional levels are weighted by full-time equivalent (FTE) enrollment. This WICHE Insights summarizes recent tuition and fees for undergraduates at public institutions in the West and considers the deeper implications for postsecondary education. The data in the November 2025 *Tuition and Fees in Public Higher Education in the West, 2025-26: Detailed Data Tables* provide both weighted and unweighted averages as well as tuition rates for graduate students in the region.

Tuition and Fees at Public Four-Year Institutions

In AY 2025-26, regional tuition and fees for resident undergraduates average $11,693, an increase of $466 (4.2%) compared to AY 2024-25. However, when adjusted for inflation, regional average tuition and fees increased by $105 (0.9%) in the past year. When adjusted for inflation, tuition and fees in the West have decreased for both two- and four-year institutions over the past decade. The AY 2025-26 regional average tuition and fees was about 2.2% lower than the national average of $11,950, but increased faster at 4.2% compared to the national average change of 2.9%.[1] Tuition and fees for nonresident undergraduates averaged $32,815 in AY 2025-26, which is an increase of 5.1% over the past year and a steeper increase than that for resident tuition and fees.

State Variation in Tuition and Fees Trends

Regional average tuition and fees provide a benchmark for trends in price for students and families in the region, but it is important to note that state tuition and fee trends for both average rates and changes in reported charges vary significantly. As Figure 1 demonstrates, state averages for resident tuition and fees at four-year institutions range from $14,799 in Oregon to just $7,436 in Guam. It is notable that four states reported increases of more than 5% between AY 2024-25 and AY 2025-26, with two of those states increasing by more than 6% (Figure 2). Guam again reported no change in tuition and fees in the past year, as the University of Guam has not raised tuition and fees since AY 2019-20. For this year, Guam was also the only state or territory not to report an increase in tuition and fees.

Figure 1. Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2025-26

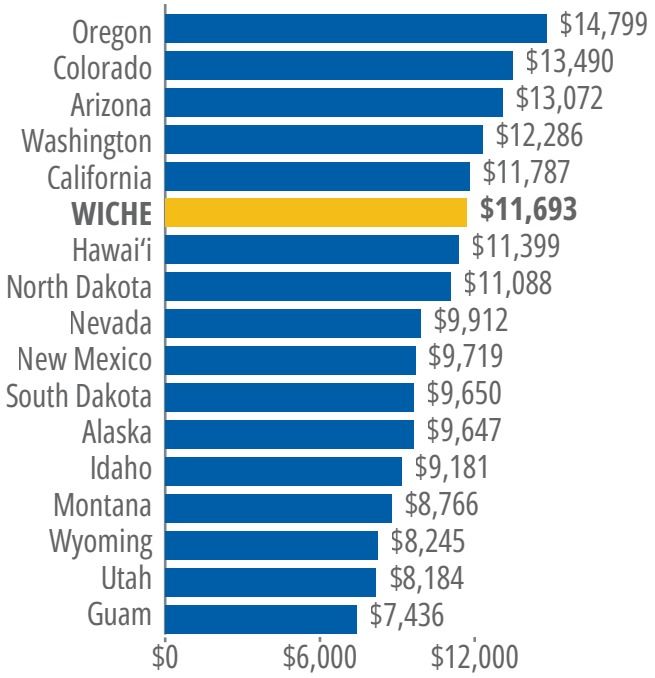
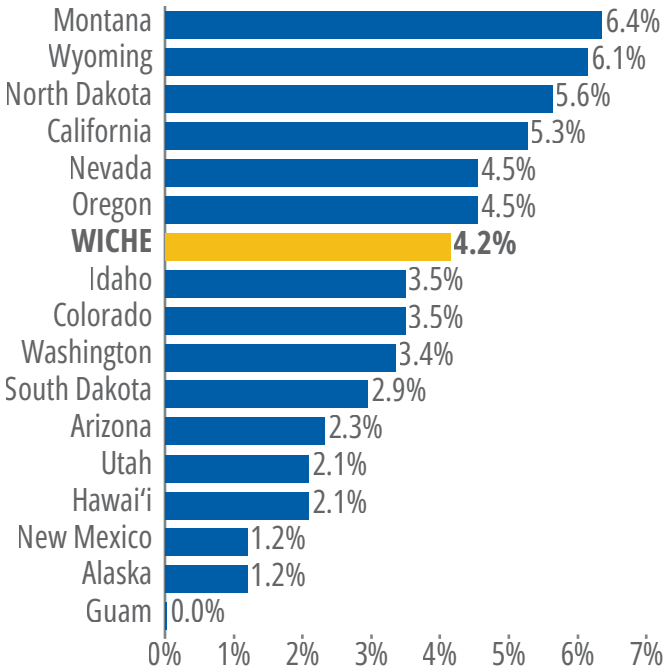


Figure 2. Percent Change, Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2024-25 to AY 2025-26



Tuition and Fees at Public Two-Year Institutions

The regional average tuition and fees for resident students at public two-year institutions in the West are $2,451 in AY 2025-26, an increase of $48 (2.0%) compared to AY 2024-25. When adjusting for inflation, regional average resident tuition and fees decreased by 1.2% over a one-year period. An examination of longer-term trends shows that after adjusting for inflation, tuition and fees have decreased substantially in the West in the last 10 years. When adjusting for inflation, regional average resident tuition and fees decreased by 12.9% in the past decade. Regional averages for tuition and fees are displayed with and without California, to account for the oversize impact of California's community colleges, which enroll more than half of the region's two-year students and charge a historically low enrollment fee. Average tuition and fees for resident students at public two-year institutions in the WICHE region (excluding California and Alaska) are $4,775 in AY 2025-26, and when adjusted for inflation, the AY 2025-26 resident rate increased by $3 (0.1%) compared to the previous year.[2]

State Variation in Tuition and Fees Trends

In AY 2025-26, average tuition and fees at public two-year institutions ranged from $1,380 in California to $7,507 in South Dakota (Figure 3). Between AY 2024-25 and AY 2025-26, eight states, territories, and freely associated states reported no change in tuition and fees at two-year institutions. Notably, as Figure 4 shows, two states

Figure 3. Resident Undergraduate Tuition and Fees at Public Two-Year Institutions, AY 2025-26

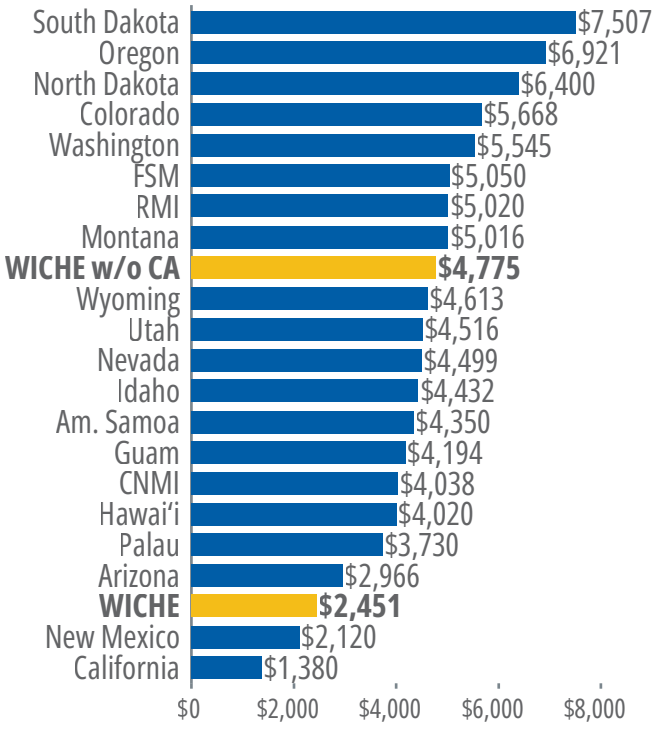
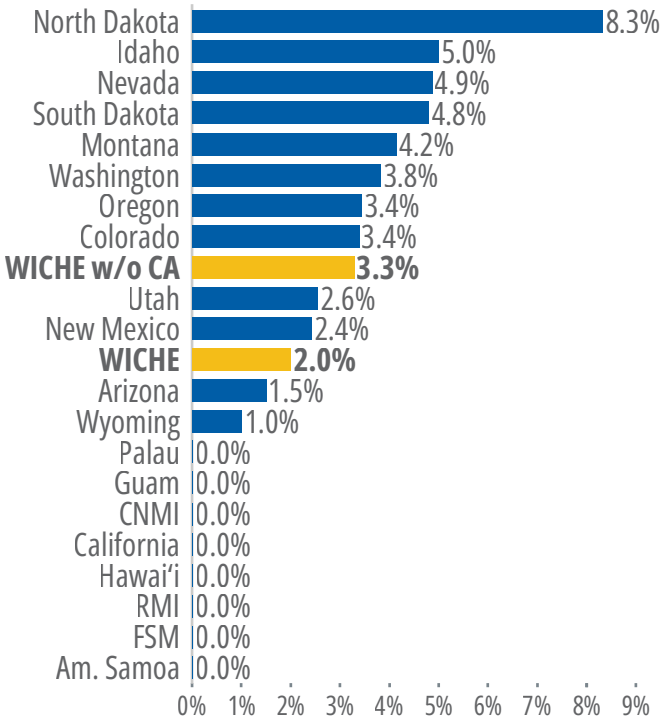


Figure 4. Percent Change, Resident Tuition and Fees at Public Two-Year Institutions, AY 2024-25 to AY 2025-26



(North Dakota and Idaho) reported average increases of 5% or more between AY 2024-25 and AY 2025-26, with North Dakota at 8.3% and Idaho at 5.0%.

Tuition and Fees Trends Over Time

In the past five years, resident undergraduate tuition fees at public four-year institutions declined by 1.9% when adjusting for inflation and decreased by 0.6% since AY 2015-16. As Table 1 demonstrates, the largest average decreases (more than 10%) over a 10-year period are in Guam, Hawai'i, South Dakota, and Washington, while the largest increases (more than 10%) over the same period are in Nevada, New Mexico, and Oregon. It is also notable that in the WICHE region, just three states — Montana, Oregon, and Wyoming — reported an increase in average resident tuition and fees at public four-year institutions between AY 2020-21 and AY 2025-26. The changes from AY 2020-21 and AY 2025-26 ranged from a 16.9% decrease in Guam to a 7.7% increase in Wyoming.

Tuition and fees at public two-year institutions decreased 12.9% over the past decade. However, when not including California, this number jumps to a 1.5% increase. Public two-year institutions have an even wider range of changes over the 10-year period, from a decrease of 25.1% in California to a 24.4% increase in Wyoming. When adjusting for inflation, the regional average tuition and fees at public two-year institutions decreased by 9.9% between AY 2020-21 and AY 2025-26. When excluding California, this number is a 2.8% decrease over the same five-year period.

Table 1. Percent Change, Resident Undergraduate Tuition and Fees, AY 2015-16 to AY 2025-26 & AY 2020-21 to AY 2025-26 (Constant 2025 U.S. Dollars)

	Public 4-Year		Public 2-Year	
	5-Year Percent Change	10-Year Percent Change	5-Year Percent Change	10-Year Percent Change
Alaska	-8.6%	7.9%	n/a	n/a
Arizona	-6.7%	-4.6%	7.5%	-11.4%
California	-0.1%	-2.9%	-16.9%	-25.1%
CNMI	n/a	n/a	-16.9%	-10.7%
Colorado	-1.0%	5.9%	-4.4%	0.5%
Federated States of Micronesia	n/a	n/a	-11.3%	-20.3%
Guam	-16.9%	-14.8%	-16.9%	-25.1%
Hawai'i	-13.5%	-15.3%	-16.9%	-17.8%
Idaho	-4.6%	0.9%	-11.7%	-11.1%
Montana	2.1%	4.0%	0.9%	8.0%
Nevada	-0.3%	10.0%	0.5%	20.2%
New Mexico	-0.7%	13.4%	-3.1%	-3.1%
North Dakota	-5.2%	8.1%	-1.4%	9.1%
Oregon	3.6%	18.6%	-3.7%	10.8%
Palau	n/a	n/a	-14.2%	-14.0%
Republic of the Marshall Islands	n/a	n/a	-6.1%	-15.1%
South Dakota	-13.4%	-13.9%	-11.8%	-13.8%
Utah	-5.9%	-3.1%	-5.6%	-4.7%
Washington	-4.0%	-11.7%	-0.8%	-0.5%
Wyoming	7.7%	26.3%	-10.0%	24.4%
WICHE	**-1.9%**	**-0.6%**	**-9.9%**	**-12.9%**
WICHE w/o CA	**-3.4%**	**1.3%**	**-2.8%**	**1.5%**

Note: American Samoa is excluded from this chart 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. In many states in the region, appropriations remain the primary source of higher education revenue. This *WICHE Insights* discusses the latest FY 2026 data from the annual *Grapevine* survey of higher education funding collected and released by the State Higher Education Executive Officers Association (SHEEO).[3] 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. These data reflect total dollars appropriated to higher education and are not adjusted for inflation.

FY 2026 State Appropriations

Nationwide, state fiscal support for higher education reached $133 billion in FY 2026, a 0.9% increase compared to FY 2025.[4] State fiscal support in the WICHE region grew at a slightly higher rate than the national average, reaching $38 billion in FY 2026, which was a 1.1% change from FY 2025. State appropriations in the WICHE region still increased at a greater rate than the South and Northeast, but experienced the same increase as the Midwest. The annual growth in state fiscal support is slower than reported in recent years and reflects a changing fiscal environment for public higher education. These increases show a marked contrast to FY 2024 to FY 2025, when the nation saw a 4.3% increase and the WICHE region saw the highest increase of all regions at 8.1%. It is important to note that these data are not adjusted for inflation, and with current inflation rates exceeding 2%, these annual increases are not keeping pace with rising costs for institutions.[5]

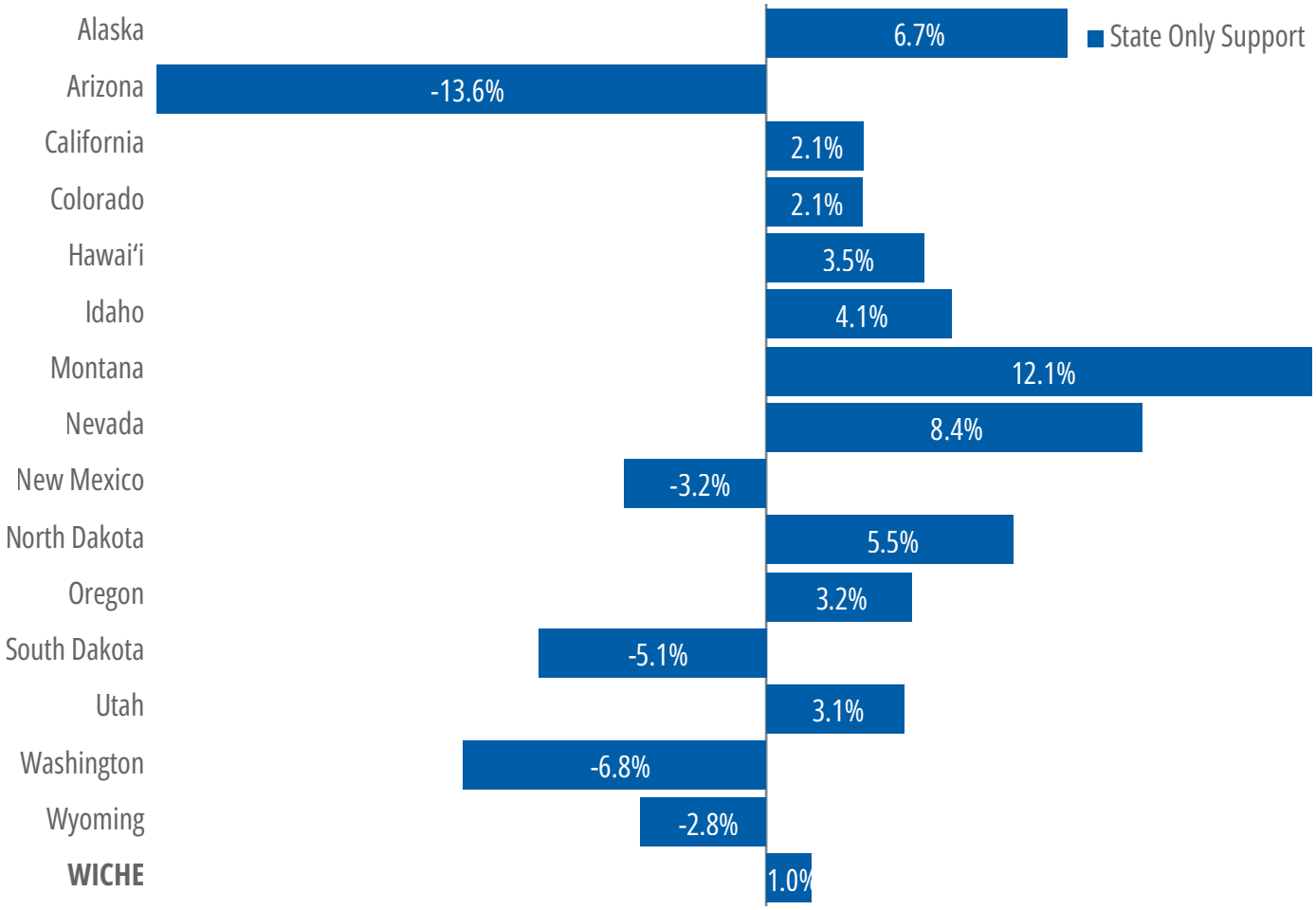
Table 2. State Support by Region and Nation, FY 2025 and FY 2026

Region/ Nation	FY 2025 Total	FY 2026 Total	1-Year % Change
West	$37.6 B	$38.0 B	1.1%
Midwest	$22.5 B	$22.7 B	1.1%
Northeast	$18.3 B	$18.4B	0.2%
South	$54.1 B	$54.4 B	0.6%
U.S.	$131.8 B	$133.0 B	0.9%

Source: State Higher Education Executive Officers Association (SHEEO).[6]

Last year, only two states saw decreases in their state appropriation. This year, five states reported decreases, with three declining by more than 5%. The largest decrease, 13.6%, was in Arizona, between FY 2025 and FY 2026. Montana saw the largest increase in state appropriations at 12.1%, followed by Nevada at 8.4% and Alaska at 6.7%.[7]

Figure 5. Percent Change, State Appropriations, FY 2025 to FY 2026

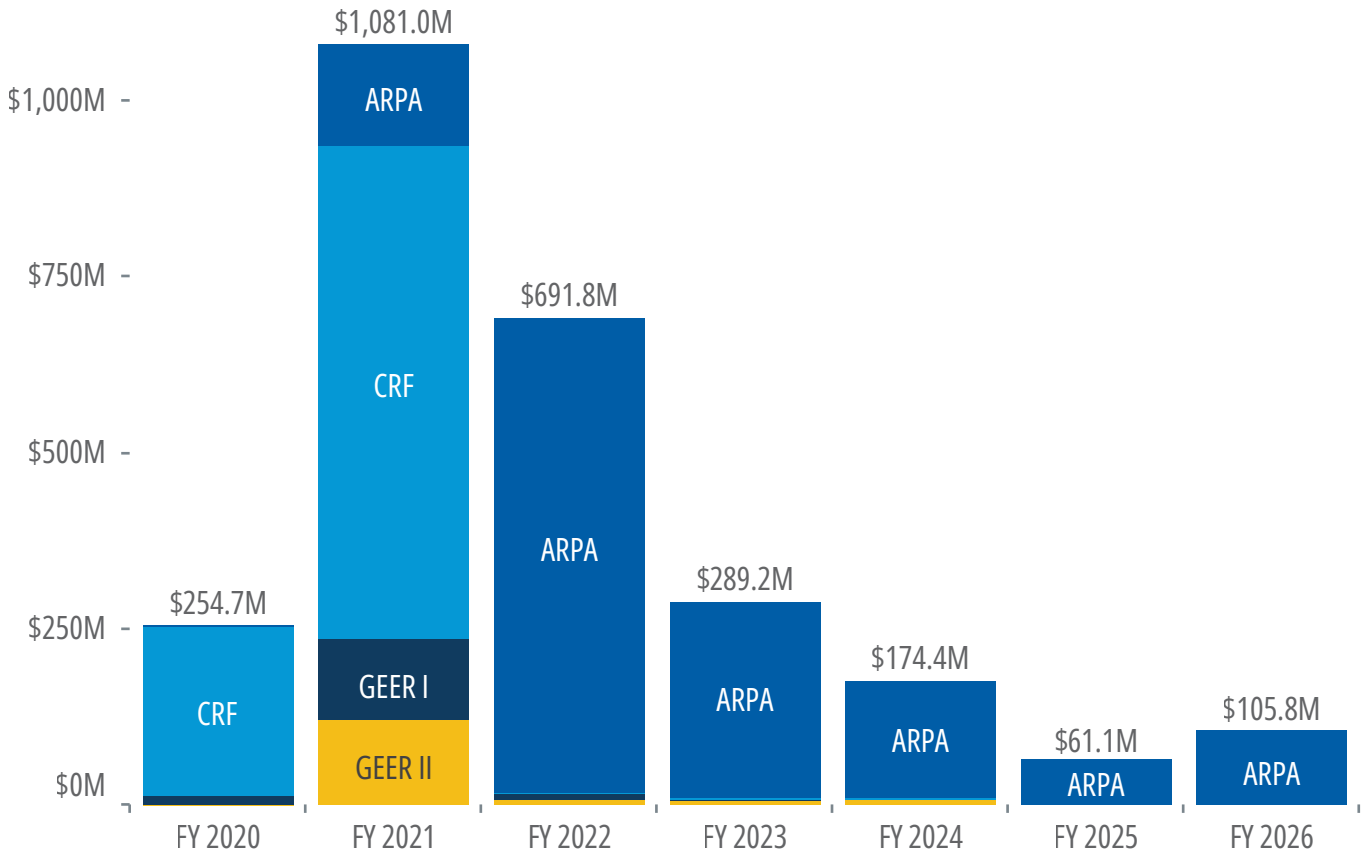


Source: State Higher Education Executive Officers Association (SHEEO).[8]

FY 2026 State-Allocated Federal COVID-19 Relief Funds

More than $2.5 billion of federal COVID-19 response funds have been allocated to support higher education in the WICHE region since FY 2020. For the past two years, this support has come exclusively from the remaining funds earmarked by the American Rescue Plan Act of 2021 (ARPA); with a little more than $61 million allocated in FY 2025 and about $105 million allocated in FY 2026 (Figure 6). All recipients of these funds face a December 2026 deadline to spend their obligated funds, after which no further disbursements will occur.[9] It should be noted that while Arizona had a 13.6% decrease in state appropriations, that decrease falls to 7.4% when including federal funds. In addition to Arizona, both Idaho and Wyoming are still spending down small amounts of federal dollars.

Figure 6. Distribution of Federal Funding by Source, WICHE Region, FY 2020 to FY 2026

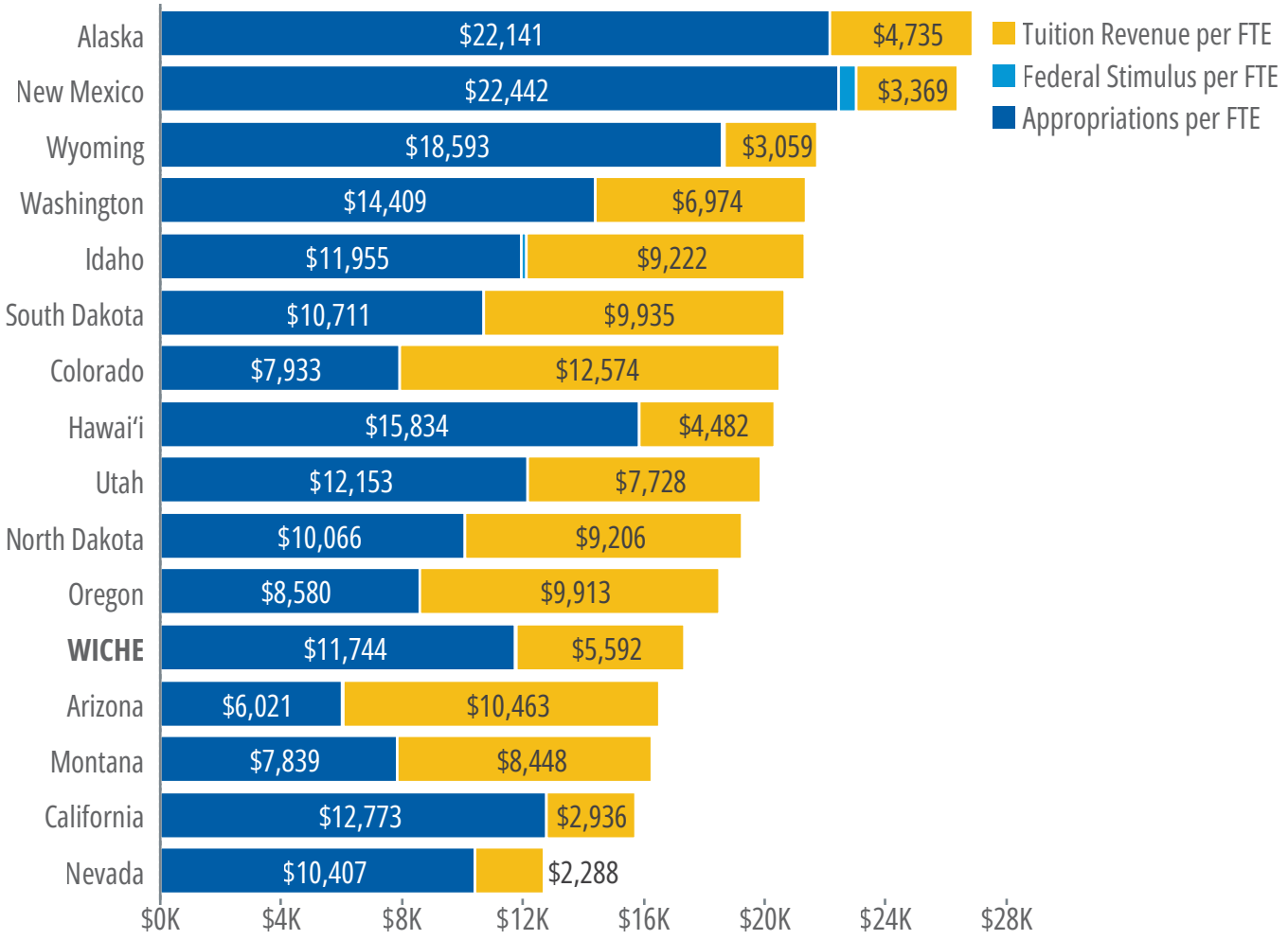


Source: State Higher Education Executive Officers Association (SHEEO).[10]
Note: These data include federal dollars used for capital projects. These data do not include the U.S. Pacific Territories and Freely Associated States.

State Higher Education Finance (SHEF): FY 2025 Survey Results

According to the recently released SHEF report, FY 2025 state appropriations per student in the WICHE region averaged $11,744, an increase of 0.5% from the previous year.[11] When including federal funding appropriated by states, total per-student appropriations were $11,767 in FY 2025, a 0.4% increase from FY 2024. Although the total amount is slightly lower than the national average, as FY 2025 state appropriations per student in the nation averaged $12,082, the national average actually decreased by 1.0%, which marks the first per-student funding decrease since FY 2012. Although funding increased to a total of $130.7 billion in FY 2025, it could not keep pace with enrollment growth at public colleges, leading to a decline in per-student funding. As Figure 7 shows, appropriations per student, including federal and state support, ranged from a high of $23,020 in New Mexico to a low of $6,064 in Arizona.[12]

Figure 7. Higher Education Appropriations and Tuition Revenue per Student, FY 2025



Source: State Higher Education Executive Officers Association. State higher education finance: FY 2025.[13]

On a one-year basis, total appropriations grew in most states, with Washington posting the largest increase at 9.1%, followed by South Dakota at 6.5% and Alaska at 6.5%.[14] Arizona and Utah saw the steepest declines in total appropriations, falling 5.5% and 5.8%, respectively.

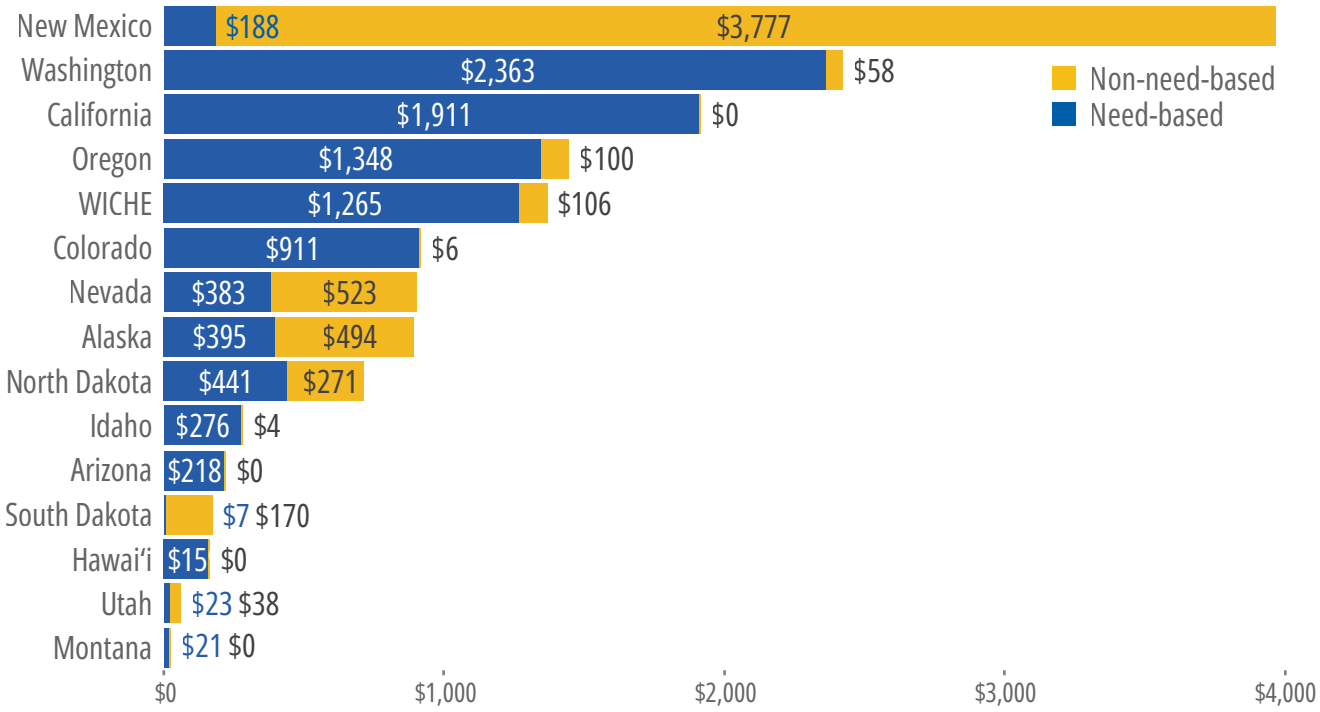
Changes in appropriations per student tell a more nuanced story, as enrollment growth in some states offset funding gains. Wyoming experienced the sharpest decline in appropriations per student at 15.4%, driven by a 15.4% surge in enrollment, the largest increase in the region, despite a modest decrease in total appropriations.[15] Arizona similarly saw a pronounced per-student drop of 11.8%, and Utah declined 9.0%. On the other end of the spectrum, Washington recorded the largest gain in per-student appropriations at 7.3%, buoyed by its 0.1% increase in total funding alongside comparatively modest enrollment growth of 1.7%.

STATE FINANCIAL AID

State financial aid serves as a critical policy lever to support students' ability to access and afford postsecondary education and to enhance states' ability to develop an educated workforce to meet future demands. The National Association of State Student Grant and Aid Programs (NASSGAP) conducts an annual survey of state financial aid programs that provides a comprehensive review of state aid distribution, including details by student level and award eligibility and criteria.[16] These data are not available for the U.S. Pacific Territories and Freely Associated States in the WICHE region and due to reporting differences, Wyoming is also excluded from these data.

The most recent NASSGAP survey found that in AY 2023-24, total grant aid in the WICHE region averaged $1,371 per undergraduate student.[17] Of this, $1,265 was need-based aid, and just $106 was non-need-based aid (Figure 8). At $3,965 per undergraduate student, New Mexico is an outlier of these regional trends, with the highest level of grant aid. Most of New Mexico's grant aid is from the New Mexico Opportunity Scholarship, which covers up to 100% of tuition and fees for all New Mexico residents. This grant is classified as non-need-based aid by NASSGAP, as it is eligible to all New Mexico residents regardless of income. Montana has the lowest reported grant aid at just $21 per undergraduate.

Figure 8. State Financial Aid Per Undergraduate by Eligibility Criteria, AY 2023-24



Source: National Association of State Student Grant and Aid Programs (NASSGAP).[18]

Between AY 2013-14 and AY 2023-24, **total undergraduate state grant aid in the WICHE region increased by 47%** (constant 2023 dollars) from $3.1 billion to $4.6 billion (Table 3). Notably, five states — Arizona, Colorado, Idaho, New Mexico, and Oregon — doubled total grant aid in this decade. Two states — Arizona and Idaho — increased grant aid by more than 200%. Only three states saw a decrease over this same time period, with Alaska decreasing by 15.2%, Montana decreasing by 88.8%, and finally, South Dakota decreasing by just 2.6%. Over the last 10 years, this increase of 47% is more than double the increase for total undergraduate state grant aid nationwide (22.2%).

Table 3. Total State Grant Aid Awarded to Undergraduates by Year and Change Over Time, AY 2013-14 to AY 2023-24 (Constant 2023 U.S. Dollars)

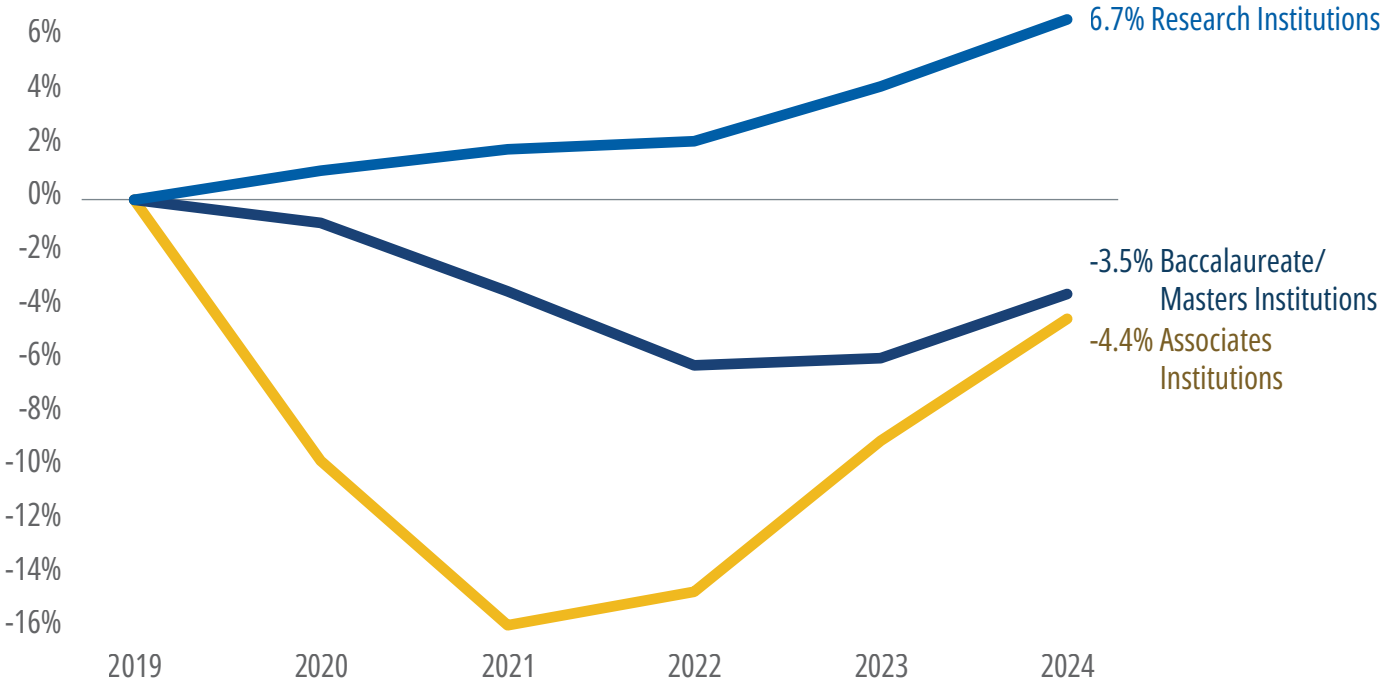
	2013-14	2023-24	Change, 2023-14 to 2023-24	% Change, 2013-14 to 2023-24
Alaska	$15,345,637	$13,006,338	-$2,339,299	-15.2%
Arizona	$27,964,482	$87,383,733	$59,419,251	212.5%
California	$2,193,360,710	$3,101,010,887	$907,650,177	41.4%
Colorado	$96,982,773	$213,772,224	$116,789,451	120.4%
Hawai'i	$4,954,934	$5,902,104	$947,170	19.1%
Idaho	$6,523,098	$22,751,174	$16,228,076	248.8%
Montana	$6,607,675	$737,160	-$5,870,515	-88.8%
New Mexico	$121,593,603	$261,532,313	$139,938,710	115.1%
Nevada	$44,055,865	$72,204,320	$28,148,455	63.9%
North Dakota	$21,566,699	$24,817,911	$ 3,251,212	15.1%
Oregon	$72,539,855	$189,676,654	$117,136,799	161.5%
South Dakota	$6,167,738	$6,007,292	-$160,446	-2.6%
Utah	$11,603,970	$19,434,454	$7,830,484	67.5%
Washington	$464,756,620	$558,747,146	$93,990,526	20.2%
WICHE	**$3,113,869,578**	**$4,576,983,710**	**$1,463,114,132**	**47.0%**

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

ENROLLMENT TRENDS

All three components of state higher education financing are impacted by and should be discussed within the context of postsecondary enrollment trends. Total postsecondary enrollment in the United States grew 1% in fall 2025 compared to fall 2024, driven by gains in undergraduate enrollment at both community colleges and public four-year programs.[20] This uptick is notable given the longer arc: undergraduate enrollment peaked around 2010 and declined steadily for nearly a decade thereafter, with the COVID-19 pandemic accelerating losses before a gradual recovery began in fall 2023.[21] As shown in Figure 9, recent undergraduate enrollment trends in the West vary by sector. Among four-year institutions, enrollment at research institutions increased throughout COVID-19, while enrollment at baccalaureate/master's institutions has seen a slight uptick in recent years, but enrollment in 2024 was still 3.5% below pre-COVID-19 levels. Enrollment in the two-year sector is more nuanced. Even prior to COVID-19, enrollment at two-year institutions was declining, and this decline accelerated between 2019 and 2020, followed by increases in recent years. However, when looking more closely at the two-year sector, much of the growth has resulted from strong increases in dual credit enrollment.[22]

Figure 9. Cumulative Enrollment Change from 2019 to 2024



Source: Integrated Postsecondary Education Data System (IPEDS), Fall Enrollment.[23]

DISCUSSION

The recent trends in tuition and fees, state appropriations, and financial aid present a conflicting picture of state higher education finance in the West. Increases in tuition and fees, although modest, outpaced inflation, and although state appropriations increased in the last year, the amount was below the rate of inflation and suggests potential equivocation in state support compared to the past five years. These trends are set upon a political and economic backdrop that includes ongoing debates on the value of higher education, shifting federal priorities and pressures, and, in many states, a constrained fiscal environment. The relationship between federal and state funding is also complex. It is important to recognize that federal spending reductions in areas unrelated to postsecondary education — particularly in Medicaid — may also impact state higher education budgets in coming years.

The Value of Higher Education

Policy discourse increasingly focuses on graduate earnings, workforce alignment, and return on investment as dominant metrics, framing the public justification of higher education in predominantly economic terms. This is for good reason, as the financial case for degree completion remains substantial. U.S. Census Bureau data released in 2025 shows that between 2004 and 2024, earnings for bachelor's degree holders grew at twice the rate of those for high school graduates. By 2024, the median income for households headed by a degree holder was 2.3 times greater than those headed by someone with only a high school diploma.[24] At the same time, the income advantage of a degree is not a static metric. Research from the Federal Reserve Banks of San Francisco and Minneapolis finds that while the college wage premium remains high in absolute terms, it has plateaued over the last two decades and in 2023 sat slightly below its 2000 value.[25]

The aggregate premium, however, obscures meaningful variation. Median earnings for prime-age workers vary significantly by field of study, and even within broad fields. Variation across specific majors can be substantial.[26] The return on investment for education also depends heavily on students finishing their degrees. Research shows that those who leave before completing a degree often find themselves worse off than had they not enrolled at all, as they incur the upfront costs of attendance without capturing the wage premium that comes with a credential.[27] As of 2022, an estimated 42 million American adults had enrolled in college but never finished, representing a large pool of unrealized educational investment.[28]

While these financial considerations are real and meaningful, an exclusive focus on economic returns obscures a much broader set of demonstrated benefits that higher education provides to individuals and to society as a whole. Research details

outcomes from higher education that extend well beyond labor market returns. Among them, higher education correlates strongly with increased community involvement: college graduates are 2.3 times more likely to volunteer than their peers without degrees, contributing an average of $1,665 work of volunteer labor annually, compared to $410 for high school graduates.[29] Graduates are also more likely to vote, participate in civic organizations, and engage in community life in ways that strengthen democratic institutions and social cohesion.[30]

The well-being dimensions of higher education deserve equal attention. Gallup-Lumina research has found that graduates report higher levels of purpose, social connection, financial security, and overall life satisfaction than those who did not complete postsecondary credentials.[31] These findings demonstrate how education shapes how people engage with their communities, manage their health, raise their families, and navigate uncertainty — all dimensions of human flourishing that wage data alone cannot capture.

Public confidence in higher education has faced notable headwinds over the past decade, though recent survey data suggest a more nuanced picture. A 2025 Lumina Foundation-Gallup survey found that 42% of Americans expressed "a great deal" or "quite a lot" of confidence in higher education, an increase from 36% in both 2023 and 2024. This is the first positive upward shift in public opinion on higher education the survey has recorded in more than a decade.[32] More research from 2024 found that nine in 10 adults report that they believe at least one kind of credential beyond a high school diploma is valuable.[33] Conversely, those who lack confidence in higher education most frequently cite concerns about political agendas, institutions not preparing students well for the workforce, and the cost of college.[34] In this context, institutions are beginning to make a more collective case for higher education's value. Where marketing budgets once flowed almost exclusively toward institution-specific branding efforts, there is growing recognition that the sector must come together to articulate a shared rationale for its public purpose. Coalitions of colleges and universities are investing in campaigns and research that communicate higher education's value beyond its economic returns.[35] This shift reflects a broader strategic reckoning. Defending the worth of a degree requires telling a fuller story, in which workforce outcomes are just one important piece of the lasting value of higher education, not the sole significant result.

Recent enrollment data offer important context for these debates, as the data presented earlier put higher education in a confusing, but incredibly serious position. Enrollment challenges during a period of growth in the number of recent high school graduates, coupled with data about attitudes toward higher education, are cause for concern. Declining college-going rates and eroding public confidence, coincident with constrained tuition revenue, compounds the fiscal and reputational

pressures that institutions cannot address through any single lever. And yet, the value proposition for those who complete a degree remains demonstrably strong, suggesting the sector's challenge is less about outcomes than about perception, access, and trust.

Addressing those gaps will require institutions and policymakers to act on several fronts: communicating more effectively about the broader benefits of higher education to individuals, states, and communities; working to contain costs and strengthen completion, particularly for students at greatest risk of stopping out; and doing all of this while navigating a near-term financial environment that, in many Western states, will only grow more constrained as the supply of recent high school graduates begins to shrink. The path forward is neither simple nor certain, but higher education in the West has demonstrated resilience through prior periods of strain, and the region's colleges and universities remain among its most powerful tools for expanding opportunity, strengthening economies, and building the informed, engaged communities that states depend on.

Federal Policy and Implications

Federal policy increasingly reflects the debate on the value of postsecondary education playing out in public discourse. The federal government's approach to higher education policy has become more explicitly filtered through a workforce and earnings lens, prioritizing credential programs with direct labor market alignment over broader educational investments. This is not a mere rhetorical shift; accountability-focused changes to the nation's financial aid programs have codified these attitudes toward the perceived value of higher education.

One expression of this orientation is the establishment of Workforce Pell, created as a part of the One Big Beautiful Bill Act passed by Congress in July 2025. For the first time, need-based Pell Grants will support non-degree, short-term pathways at accredited institutions, with implementation set for July 1, 2026. Programs between 150 and 599 clock hours, which can be completed in as little as eight to 15 weeks, will be eligible for Workforce Pell Grants.[36] The U.S. Department of Labor has been directly involved in shaping implementation, with DOL officials partnering with the Department of Education to ensure the program develops and supports the nation's workforce.[37] Programs seeking eligibility for the new Workforce Pell structure have been explicitly tied to the opening of new rounds of Strengthening Community College Training Grant funding.[38]

The tension in this policy moment is that federal investment in Workforce Pell is being pursued against a backdrop of fiscal strain on the Pell program. In February 2026, the Congressional Budget office released new projections showing that absent congressional action, the Pell Grant program faces a funding gap of $5.4 billion for fiscal year 2026, growing to nearly $11.5

billion for FY 2027.[39] Additionally, Workforce Pell counts toward a student's 12-semester Pell Grant lifetime limit, meaning it reduces the amount of Pell funding available for future degree-seeking enrollment. This could create a real tradeoff for low-income learners, who may exhaust federal aid on short-term credentials before ever having the opportunity to pursue a degree. These implementation considerations should not, however, obscure the significance of the expansion itself; Workforce Pell represents a substantive policy advancement, extending need-based federal aid to working adults, career changers, and others who have historically been excluded from the traditional financial aid system.[40] In addition to expanding Pell eligibility to short-term programs, the One Big Beautiful Bill Act also introduced a new accountability framework that highlights the federal government's focus on aligning education programs with workforce outcomes. The framework establishes an earnings premium measure for all programs that participate in Title IV financial aid, and failure to meet it in two out of three years could result in a program losing federal loan eligibility. This new measure represents a significant shift in overall accountability from the federal government and will affect institutional programming across all degree levels.[41]

State Budget Cuts and Tuition and Fee Increases

Public colleges and universities face fiscal challenges from multiple sources as higher education funding has long functioned as the "balance wheel" of state budgets, frequently oscillating between cuts during difficult state fiscal periods and restoration when conditions improve.[42]

In Washington state, the state legislature dealt a 1.5% cut to all public four-year higher education institutions as part of an effort to close a $16 billion budget shortfall over the next four years, with a further reduction to the state's share of employee compensation at higher education institutions.[43] This shifted the funding at some institutions and resulted in a total higher education reduction of more than $400 million across the state operating budget.[44] In Idaho, the entire higher education system is facing a 4% budget cut in the current fiscal year and a 5% cut in the next, after institutions have already absorbed a 3% ongoing budget reduction through staff reductions, hiring freezes, fewer course sections, and delayed capital upgrades. These cuts come at a time when Idaho's public colleges are seeing record enrollment, with attendance increasing more than 4% from fall 2024 to fall 2025.[45]

Other Western states entered their 2026 sessions facing steep proposed reductions but ultimately secured funding largely intact, albeit with new legislative requirements attached. The University of Wyoming entered the 2026 budget session facing nearly $61 million in proposed cuts, including $40 million (almost 11%) of the school's block grant, driven in part by legislative dissatisfaction with the university's administrative growth and academic programming.[46] The final biennial

budget fully restored the governor's recommended funding levels for the university, and the legislature approved $27.7 million for employee compensation raises in the coming biennium.[47] However, the university emerged from the session with a state mandate to review its academic programs and staffing for potential reductions and submit a comprehensive report to lawmakers by December 1.[48]

For the third consecutive year, the Utah Legislature has moved to reduce higher education funding, with a $20 million reduction in 2024 and a 10% strategic reinvestment to institutional instruction budgets which was developed from H.B. 265, amounting to $60 million, in 2025.[49] Under the 2025 legislation, each of Utah's eight degree-granting institutions was required to develop a plan to reallocate the 10% cut over three years to programs that result in the highest value to students and align with state workforce and economic needs. The Utah Board of Higher Education approved plans for all eight institutions in the first year and reallocated one year of funds back to the institutions in alignment with strategic reinvestment plans.[50] Heading into the 2026 session, institutions faced a proposed additional $94 million reduction.[51] Rather than that cut materializing, however, the final appropriations acts from the 2026 session provided more than $86 million in new ongoing general and income tax dollars to the Utah System of Higher Education, including $67.7 million for compensation, $16.7 million in new performance funding, and $7 million for technical college capacity, alongside $50 million set aside under HB 373 for a university research grant program focused on industry needs and economic development.[52]

The trend of diminished and conditional state fiscal support for higher education is not unique to the West. During the 2025 legislative sessions, lawmakers in at least 15 states proposed or enacted broad or targeted cuts to public university and college funding.[53] Even in states that avoided outright cuts, flat funding or small increases effectively translated into reductions for many institutions, after accounting for inflation and rising operating expenses.[54] The pressure is poised to intensify. Because higher education functions as the "balance wheel" of state budgets, major reductions in federal Medicaid spending are likely to impact state higher education appropriations.[55] With reduced federal Medicaid spending, states face a constrained set of choices: restrict coverage, raise new revenues, or divert funds from other spending categories. Reductions in federal funding that were part of the One Big Beautiful Bill Act may compel some states to cut funding to community colleges and public universities.[56]

When state appropriations decline, public institutions may look to some combination of reducing programs and personnel, drawing down reserves, identifying efficiencies, and passing costs on to students through tuition and fee increases.

Tuition increases alone are an insufficient response, and are potentially counterproductive to access, if not accompanied by commensurate

increases in need-based financial aid. Appropriations, tuition, and financial aid function as an integrated financing system: if appropriations are constrained and tuition rises to offset lost revenues, need-based financial aid must increase concurrently to maintain broad access to higher education.[57] When these three policy levers are treated as discrete decisions by different actors rather than as interdependent components of a coherent state finance strategy, economically vulnerable students face the brunt of tighter budgets.[58]

The tuition and fees data for AY 2025-26 discussed in this report reflect a broader shift underway across the region: after a sustained period of relative stability, public institutions are once again turning to tuition increases to offset declining state appropriations and federal funding uncertainty. Several states and institutions, including Nevada, Wyoming, and California, have already approved or are actively considering increases starting as soon as fall 2026.[59]

CONCLUSION

The West's decade-long record of improving affordability of higher education reflects deliberate choices by states, systems, and institutions to keep their doors of higher education open to students from a wide range of economic backgrounds. The modest enrollment uptick in public institutions last year offers a tentative but welcome counterpoint to recent declines, suggesting that the value proposition of higher education continues to resonate with students and families even amid broader debates about the sector's purpose and direction.

Yet these encouraging signals exist in tension with mounting near-term pressures. The wind-down of COVID-19 funds, slight declines in per-student funding, and the broader landscape of constrained state budgets all point to a financial environment in which the gains of the past decade cannot be taken for granted. Navigating this moment will require more than budgetary discipline alone. It will require a renewed and more expansive case for what higher education delivers. The earning premium associated with degree completion remains substantial, but the full value of higher education extends well beyond the labor market. For students, the value is both immediate and lifelong. Higher education expands earning potential, improves health outcomes, strengthens social networks, and cultivates a sense of purpose and belonging.[60]

For Western states, the path forward lies in protecting hard-won affordability gains and aligning financing structure with the realities of evolving student demand. None of this will be easy, and the financial outlook in many states may only grow more constrained in the years ahead. But the West's colleges and universities have weathered prior periods of strain, and they remain among the region's most consequential investments in opportunity, economic vitality, and the informed, engaged communities that states depend on. The work of the coming years is to ensure that those investments continue to pay off for students, for states, and for the West as a whole.

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