



WICHE INSIGHTS

Tuition and Fees, Appropriations, and Financial Aid in the West, 2022-23: Trends and Implications

Colleen Falkenstern, Senior Research Analyst, Policy Analysis and Research

EXECUTIVE SUMMARY

The most recent data on tuition, appropriations, and state grant aid present an economic outlook that appears favorable in the West. Tuition rates remained relatively flat for the past decade, total state funding to higher education increased across the region in the past year, and state grant aid continued to increase since 2010-11. Despite these promising trends, higher education institutions and systems face considerable challenges such as declining enrollment, concerns about the value of a degree, rising costs for students and institutions, and a need to address critical workforce gaps. With potential for an economic slowdown in the near future, higher education leaders and policymakers must strategically align fiscal policy levers to address state priorities and concerns on the affordability and value of a postsecondary degree.

Key Takeaways

- ▶ Regional average tuition and fees for resident undergraduates at public four-year institutions were \$10,309 in academic year (AY) 2022-23, an increase of 2.8% from AY 2021-22.
- ▶ Regional average in-district tuition and fees at public two-year institutions, excluding California, were \$4,303 in AY 2022-23 and increased 2.0% from the year prior.
- ▶ Every state in the region increased or maintained state fiscal support in FY 2023 compared to FY 2022.
- ▶ Total state financial aid dollars in the West have increased substantially in the past decade with more aid being awarded based on need than the national average.
- ▶ Although tuition, appropriations, and financial aid trends indicate a positive economic situation in recent years, institutions and systems face considerable challenges in declining enrollment and rising costs.



TUITION AND FEES

AY 2022-23

\$10,309

Tuition and fees at public four-year institutions

\$2,328

Tuition and fees at public two-year institutions



STATE APPROPRIATIONS

States in the West appropriated over

\$35 billion

to higher education in FY 2023 an increase of

8%

compared to FY 2022



STATE GRANT AID

\$1,028

State grant aid per FTE in AY 2021-22

96%

Of all state grant awarded based on need

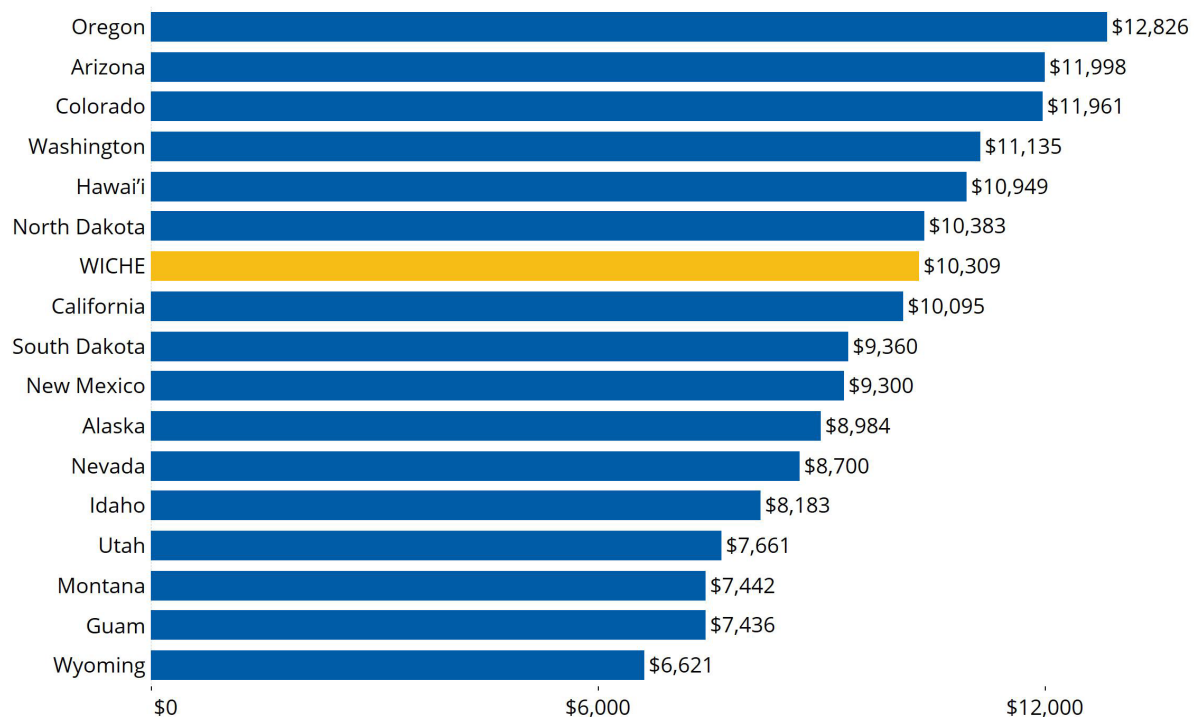
TUITION AND FEES IN THE WEST

WICHE's annual survey of tuition and fees collects the 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 and Pacific Island members in summer 2022.¹ Complete data from the survey are available on [WICHE's online dashboard](#) and enable comparisons of rates over time, across states and territories, and between Carnegie Classifications. Unless otherwise indicated, tuition and fee 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 Data on the website provide both weighted and unweighted averages.³

Tuition and Fees at Public Four-Year Institutions

Regional WICHE average tuition and fees for resident undergraduates at public four-year institutions were \$10,309 in AY 2022-23, an increase of \$278 (2.8%) from AY 2021-22. When adjusted for inflation, the regional average tuition and fees decreased by \$233 (2.2%) in the past year.⁴ The AY 2022-23 regional average tuition and fees were about 5.8% lower than the national average of \$10,940 but did increase at higher rate than the national average in the past year.⁵ Tuition and fees for nonresidents in the region averaged \$28,753 in AY 2022-23, an increase of \$794 (2.8%) from AY 2021-22, but, when adjusted for inflation, decreased by \$630 (1.5%).

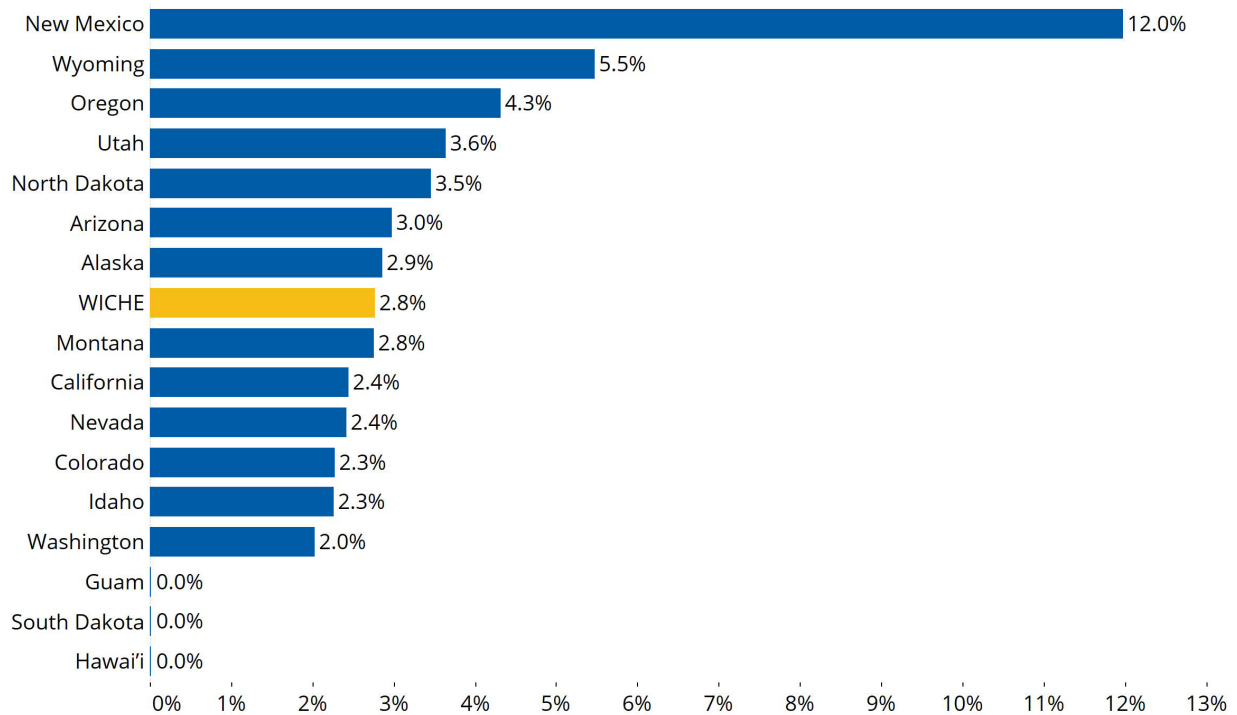
Figure 1.
Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2022-23



STATE VARIATION IN TUITION AND FEES TRENDS

The regional average masks the wide variation in tuition and fees across the region, 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 \$6,621 in Wyoming to \$12,826 in Oregon.⁶ Between AY 2021-22 and AY 2022-23, state average tuition and fees increased in 13 states or territories with wide variation in the reported increases (Figure 2). Most states in the region reported an increase between 2.0% and 3.0%, although five states reported increases higher than 3.5% (Figure 2). The outlier among these increases is New Mexico, which reported a 12.0% increase at public four-year institutions due in large part to a reporting difference at the University of New Mexico rather than an increase in published tuition and fee rates. Notably, South Dakota, Hawai'i, and Guam all reported no change in tuition and fee rates in the past year.

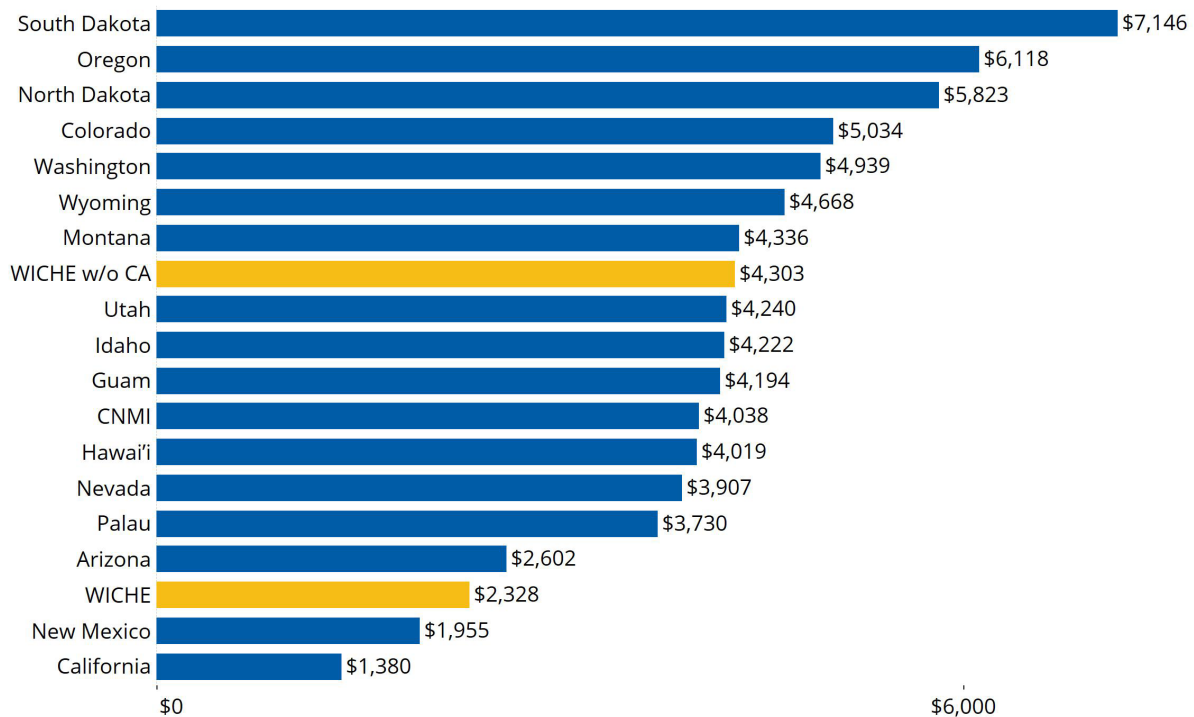
Figure 2.
Percent Change, Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2021-22 to AY 2022-23 (Current U.S. Dollars)



Tuition and Fees at Public Two-Year Institutions

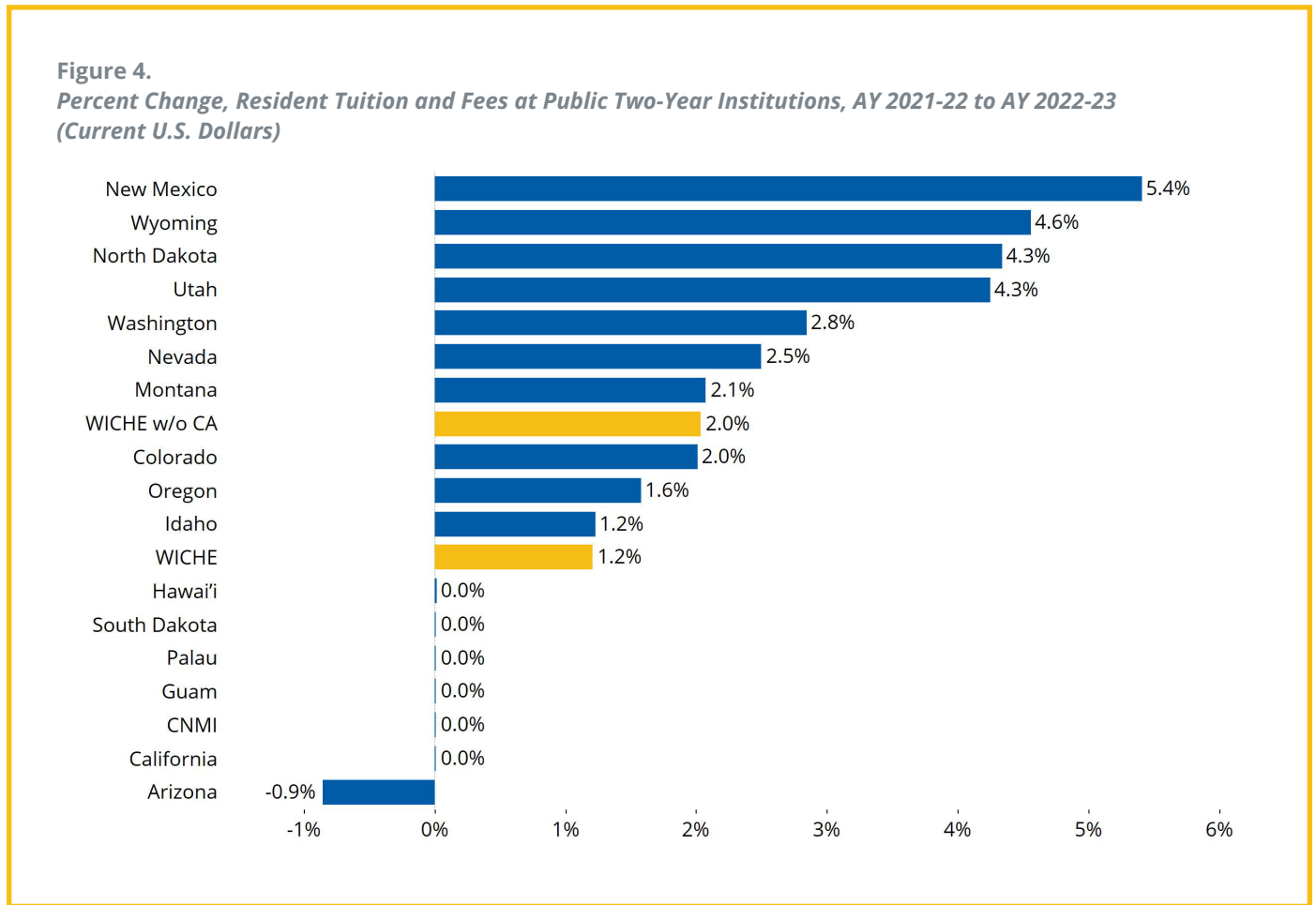
The WICHE region average tuition and fees for in-district undergraduates at public two-year institutions were \$2,328 in AY 2022-23, an increase of \$28 (1.2%) from AY 2021-22. This was well below the national average in AY 2022-23 (\$3,860). However, the regional average is heavily impacted by California community colleges, which enroll 67% of the region's two-year enrollment and historically has charged in-district students \$46/credit. When excluding California, the WICHE regional average was \$4,303 in AY 2022-23, an increase of \$64 (2.0%) from AY 2021-22.

Figure 3.
Resident Undergraduate Tuition and Fees at Public Two-Year Institutions, AY 2022-23



STATE VARIATION IN TUITION AND FEES TRENDS

In AY 2022-23, state average tuition and fees ranged from \$1,380 in California to \$7,146 at South Dakota technical colleges (Figure 3). Between AY 2021-22 and AY 2022-23, six WICHE members reported no change in tuition and fee rates at two-year institutions, and Arizona reported an average decrease of 0.9% in the past year (Figure 4). This decrease reflects a reduction in resident tuition by \$50 per credit at Central Arizona College. Four states reported an average increase of greater than 4.0%.



Tuition and Fees Trends Over Time

In the past 15 years, regional average tuition and fee rates increased by \$3,347 (48.1%; constant 2022 U.S. dollars) at public four-year institutions. It is important to note that this entire cumulative increase in tuition and fee rates occurred between AY 2007-08 and AY 2012-13. In the past decade, average tuition and fee rates decreased, when adjusted for inflation, by \$165 (1.6%). These regional trends mask the variation in changes in tuition and fee rates at the state- and institution-level. As shown in Table 1, the three states with the largest enrollments in the region - California, Arizona, and Washington- all reported decreases in tuition and fee rates between AY 2012-13 and AY 2022-23, which distorts the regional average. On the other end of the spectrum, Alaska, Oregon, New Mexico, and Wyoming all reported tuition and fee rate increases greater than 20% in the past decade.

In the past five years, only six WICHE members reported a tuition and fee rate increase when adjusting for inflation. Most states and territories in the region reported a decrease since AY 2017-18 with six states reporting an average decrease larger than the

regional average of 4.2%. In part this reflects a trend in recent years as institutions, systems, and states have been reluctant to increase tuition rates in light of the COVID-19 pandemic.

Similar to the region's four-year institutions, tuition and fees at public two-year institutions have remained relatively stable over the past several years and decreased by 10.6% (constant U.S. 2022 dollars) since AY 2012-13. When excluding the California community colleges, which have not increased their resident enrollment fees since AY 2012-13, the rate of change for the region jumps to a 6.1% (constant U.S. 2022 dollars) increase in tuition and fees over the past decade.

Between AY 2017-18 and AY 2022-23, the regional average tuition and fees at public two-year institutions decreased by 7.5% and when excluding California decreased by 1.1% (Table 1). Across the states and territories, Arizona, California, Commonwealth of the Northern Mariana Islands (CNMI), Guam, and South Dakota all reported a tuition and fees decrease of about 13% in the past five years, which is an impact of recent inflation as state and territory average tuition and fees in those states and territories were about the same in AY 2022-23 as they were five years prior.

Table 1.
Percent Change, Resident Undergraduate Tuition and Fees, AY 2012-13 to AY 2022-23 & AY 2017-18 to AY 2022-23 (Constant 2022 U.S. Dollars)

| PUBLIC FOUR-YEAR | | | PUBLIC TWO-YEAR | | |
|------------------|------------------------------------|------------------------------------|-----------------|------------------------------------|------------------------------------|
| WICHE MEMBER | % CHANGE, AY 2012-13 TO AY 2022-23 | % CHANGE, AY 2017-18 TO AY 2022-23 | WICHE MEMBER | % CHANGE, AY 2012-13 TO AY 2022-23 | % CHANGE, AY 2017-18 TO AY 2022-23 |
| Alaska | ▲ 22.7 | ▲ 4.9 | Arizona | ▼ 7.9 | ▼ 13.7 |
| Arizona | ▼ 2.6 | ▼ 5.6 | California | ▼ 21.1 | ▼ 13.2 |
| California | ▼ 10.4 | ▼ 8.7 | CNMI | ▼ 6 | ▼ 13.2 |
| Colorado | ▲ 18.1 | ▼ 2.2 | Colorado | ▲ 8.9 | ▼ 5.3 |
| Guam | ▼ 5.9 | ▼ 5.6 | Guam | ▼ 21.1 | ▼ 13.2 |
| Hawai'i | ▲ 1 | ▼ 10 | Hawai'i | ▲ 2.3 | ▼ 9.3 |
| Idaho | ▲ 7.9 | ▼ 2 | Idaho | ▲ 22.2 | ▼ 6.5 |
| Montana | ▼ 4.1 | ▼ 5.5 | Montana | ▲ 2.8 | ▼ 1.2 |
| Nevada | ▲ 6.1 | ▲ 2.1 | Nevada | ▲ 14.2 | ▲ 5.6 |
| New Mexico | ▲ 30.6 | ▲ 16.7 | New Mexico | ▲ 10.5 | ▼ 1.9 |
| North Dakota | ▲ 17.2 | ▲ 10.1 | North Dakota | ▲ 15.5 | ▲ 9.2 |
| Oregon | ▲ 22.3 | ▲ 8.8 | Oregon | ▲ 14.5 | ▲ 4.5 |
| South Dakota | ▼ 2.5 | ▼ 6.6 | Palau | ▼ 9.4 | ▼ 0.4 |
| Utah | ▲ 8 | ▼ 1.7 | South Dakota | ▲ 1.5 | ▼ 13.5 |
| Washington | ▼ 17.3 | ▲ 0.1 | Utah | ▲ 6.1 | ▼ 2.1 |
| WICHE | ▼ 1.6 | ▼ 4.2 | Washington | ▼ 8 | ▼ 0.4 |
| WICHE w/o CA | ▲ 6.4 | ▼ 0.1 | WICHE | ▼ 10.6 | ▼ 7.5 |
| Wyoming | ▲ 22.2 | ▲ 10.1 | WICHE w/o CA | ▲ 6.1 | ▼ 1.1 |
| | | | Wyoming | ▲ 53.9 | ▲ 26.3 |

STATE FISCAL SUPPORT: APPROPRIATIONS

State appropriations represent the largest fiscal resource provided to higher education systems and institutions, and, in many states in the region, appropriations remain the majority of higher education revenue. This brief discusses the latest fiscal year (FY 2023) data from the annual [Grapevine survey of higher education funding](#) collected and released as a collaboration between the State Higher Education Executive Officers Association (SHEEO) and the Illinois State University's Center for Education Policy.⁷ In addition to state appropriations, these data include federal COVID-19 relief dollars allocated to higher education through states over the past four fiscal years.⁸ These data reflect total dollars appropriated to higher education and are not adjusted for inflation.

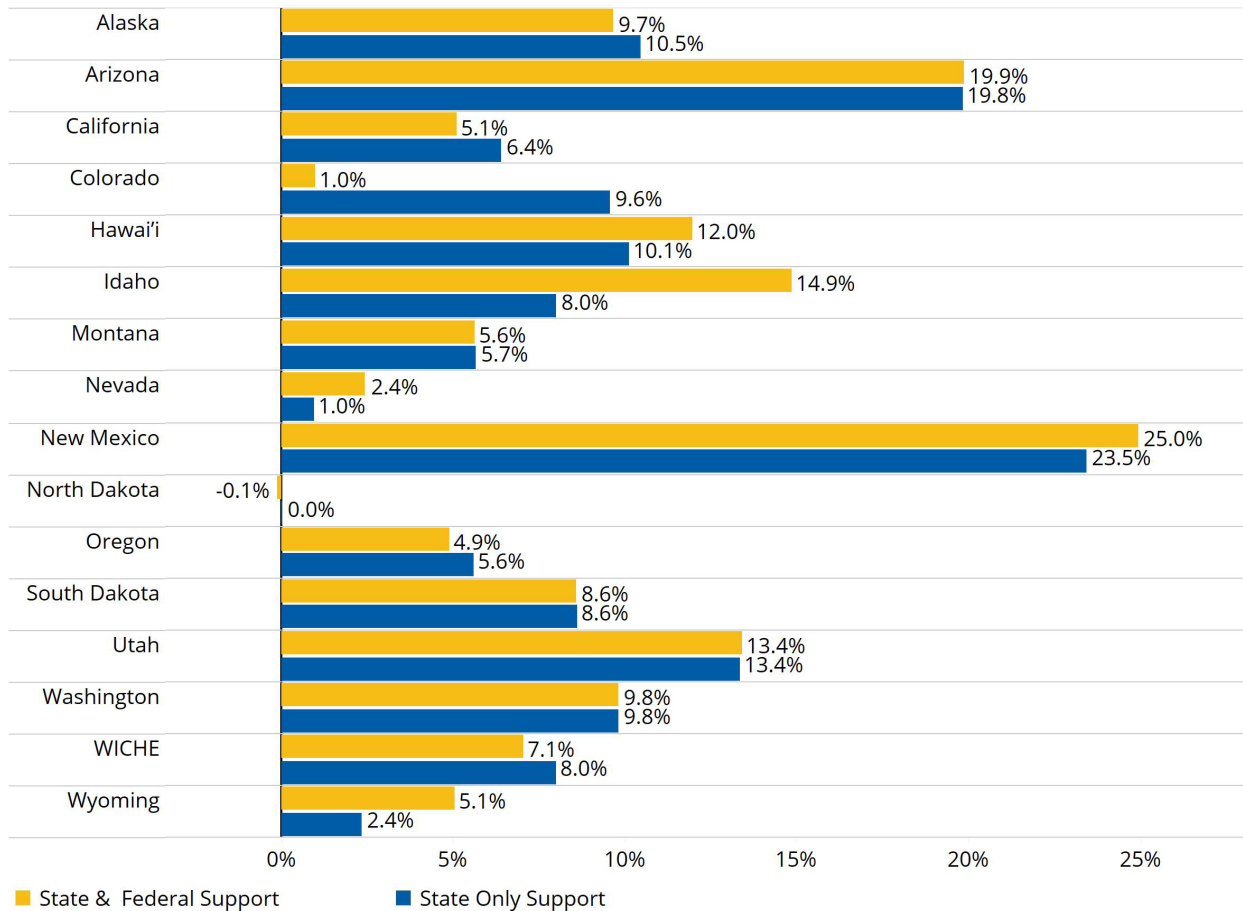
FY 2023 State Appropriations

State fiscal support for higher education topped \$112 billion nationally in FY 2023, an increase of 6.6% current U.S. dollars compared to FY 2022.⁹ The WICHE region, which accounts for about 31% of the nation's higher education fiscal support, reported over \$34 billion in state support in FY 2023, an increase of 8.0% current U.S. dollars from FY 2022.

The trends in fiscal support present an overall positive outlook for higher education support in the West as all states in the region appropriated the same amount or increased state-only funds between FY 2022 and FY 2023. Annual increases in state-only support ranged from 1.0% in Nevada to a 23.5% increase in New Mexico (Figure 5).

When taking into account federal stimulus funds, which totaled about \$196.5 million in the region in FY 2023 excluding those funds used for capital projects, total support to higher education increased 7.1% between FY 2022 and FY 2023. As has been the case for the past four fiscal years, states utilized federal funds in different ways, which impacts how trends are displayed in Figure 5. For example, total higher education fiscal support in Idaho increased by nearly 15% in the past year. This was the result of a significant increase in state funds in addition to over \$51.3 million in federal stimulus funds in FY 2023, which is well above the \$11.7 million in federal dollars allocated to higher education in FY 2022. On the other hand, North Dakota is the only state that reported a decrease in total state support to higher education despite reporting the same amount of state-only support in FY 2022 and FY 2023 as the state did not report any federal COVID-19 relief funds to higher education in FY 2023 compared to a reported \$475,000 allocated to higher education in FY 2022.

Figure 5.
Percent Change, State Appropriations and Federal Funding, FY 2022 to FY 2023 (Current U.S. Dollars)



Source: Illinois State University's Center for Education Policy and State Higher Education Executive Officers (SHEEO).¹⁰

Federal Support FY 2020 to FY 2023

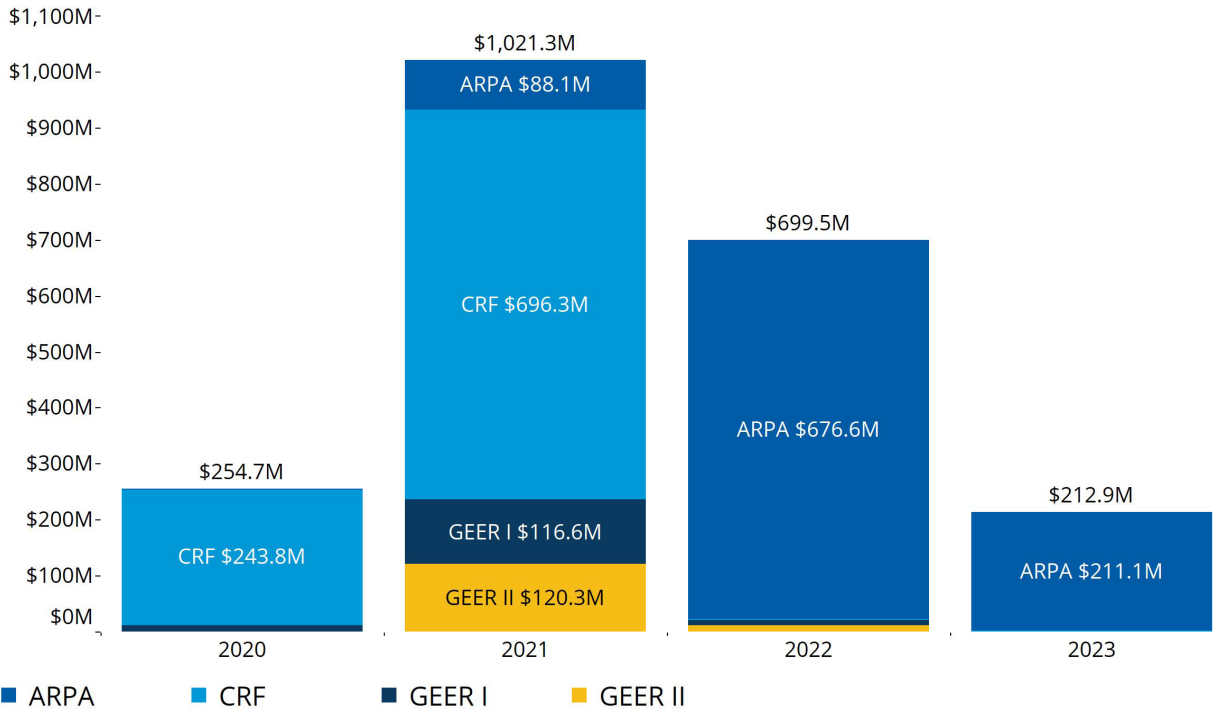
Since FY 2020 states in the West allocated nearly \$2.2 billion dollars of federal stimulus funds to higher education from through the [Coronavirus Relief Fund \(CRF\)](#), the [Governor's Emergency Education Relief \(GEER\) Fund](#), and funds authorized under the [American Rescue Plan Act \(ARPA\)](#) (see the [2022](#) and [2021](#) WICHE Insights for more about on these funding sources).¹¹ As shown in Figure 6, federal stimulus funds allocated to higher education Western states peaked in FY 2021, and it is anticipated that the upcoming fiscal year will include fewer federal stimulus dollars for two- and four-year institutions. It is important to note that these dollars only include federal funds distributed to higher education through states and do not include the over \$75 billion in [Higher Education Emergency Relief Funds](#) distributed directly to postsecondary institutions since March 2020.

While looking at the total amount of federal stimulus dollars demonstrates the scale of these funds, understanding the total impact of federal dollars over the past four years is a little more difficult. As shown in Figure 5, state funding in the West increased in every state in FY 2023, and many states reported the highest level of state fiscal support to higher education in the past 40

years. The COVID-19 stimulus funds provided state budgets with a much-needed relief in the earliest days of the pandemic when the economic outlook was weak. Throughout the pandemic, these dollars provided states direct investments into innovative strategies to support postsecondary attainment and workforce development. Even in states that allocated fewer federal stimulus funds for higher education, the influx of federal stimulus across state budgets positioned state governments to make continued investments in higher education over the course of the past four years.

It is important to note that federal stimulus dollars are one-time funding sources. Additionally, all sources were either already expected to be obligated or are required to be obligated by the end of 2024, which means that state budgets will soon revert to their pre-pandemic revenue sources and higher education systems, institutions, and policymakers must now focus on supporting sustainable programming and strategies that will extend beyond the availability of these short-term, expiring federal dollars.¹²

Figure 6.
Distribution of Federal Funding by Source, FY 2020 to FY 2023



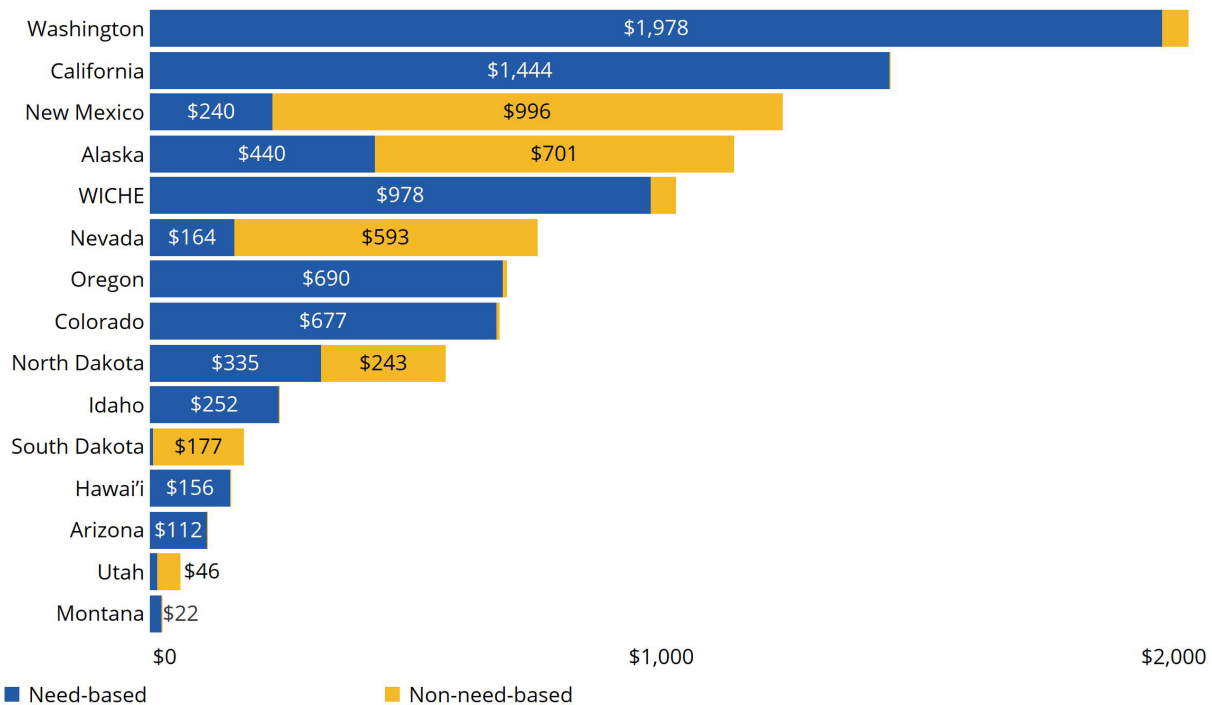
Source: Illinois State University's Center for Education Policy and State Higher Education Executive Officers (SHEEO)
Note: These data include federal dollars used for capital projects.¹³

STATE FINANCIAL AID

The third component of state finance – 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 provide a comprehensive review of state aid distribution, including details by student level and award eligibility and criteria.¹⁴

According to the latest NASSGAP survey, total grant aid in the WICHE region averaged \$1,028 per undergraduate in AY 2020-21, which aligned closely with the national average (\$1,024).¹⁵ However, the average need-based aid awarded per student in the WICHE region (\$978) was much higher compared to need-based aid the national level (\$744); nearly 95% of all undergraduate state aid in the West is awarded based on need compared to 73% of the nation’s total state aid. State grant aid varies widely in the region with average aid per student ranging from \$2,029 in Washington to \$22 in Montana. It is also important to note that only four states award aid per student at a level higher than the regional and national averages, and five states award financial aid at a rate of less than \$200 per undergraduate.

Figure 7.
State Financial Aid Per Undergraduate by Eligibility Criteria, AY 2020-21



Source. National Association of State Student Grant and Aid Programs (NASSGAP).¹⁶

Between AY 2010-11 and AY 2020-21, total grant aid in the WICHE region increased by 58% (constant 2020 U.S. dollars), which is well above the national increase of 17% and other parts of the country during the same time period.¹⁷ Almost all states in the region awarded more state grant aid dollars in AY 2020-21 compared to 10 years prior, with wide variation across the states (Table 2). For example, 86% of the region's cumulative increase in state grant aid between AY 2010-11 and AY 2020-21 were from two of the largest states in the region, California and Washington, which reported increases in state grant aid of \$849 million and \$221 million, respectively. On the other hand, two states in the region decreased total state grant aid between AY 2010-11 and AY 2020-21.

Table 2.
Total State Grant Aid Awarded to Undergraduates by Year and Change Over Time, AY 2010-11 to AY 2020-22
(Constant 2020 U.S. Dollars)

| STATE | AY 2010-11 | AY 2020-21 | CHANGE, AY 2010-11 TO AY 2020-21 | % CHANGE, AY 2010-11 TO AY 2020-21 |
|--------------|-----------------|-----------------|----------------------------------|------------------------------------|
| Alaska | \$1,796,601 | \$15,124,000 | \$13,327,399 | 742% |
| Arizona | \$23,656,752 | \$41,097,000 | \$17,440,248 | 74% |
| California | \$1,507,266,001 | \$2,356,875,000 | \$849,608,999 | 56% |
| Colorado | \$84,234,405 | \$157,541,000 | \$73,306,595 | 87% |
| Hawaii | \$3,962,881 | \$5,933,000 | \$1,970,119 | 50% |
| Idaho | \$6,010,511 | \$20,356,000 | \$14,345,489 | 239% |
| Montana | \$6,975,105 | \$737,000 | -\$6,238,105 | -89% |
| Nevada | \$56,779,025 | \$59,420,000 | \$2,640,975 | 5% |
| New Mexico | \$105,935,577 | \$80,670,000 | -\$25,265,577 | -24% |
| North Dakota | \$14,478,340 | \$20,395,000 | \$5,916,660 | 41% |
| Oregon | \$22,891,384 | \$92,749,000 | \$69,857,616 | 305% |
| South Dakota | \$5,243,609 | \$6,383,000 | \$1,139,391 | 22% |
| Utah | \$11,482,675 | \$16,848,000 | \$5,365,325 | 47% |
| Washington | \$278,017,939 | \$499,262,000 | \$221,244,061 | 80% |
| WICHE | \$2,128,929,261 | \$3,373,390,000 | \$1,244,460,739 | 58% |

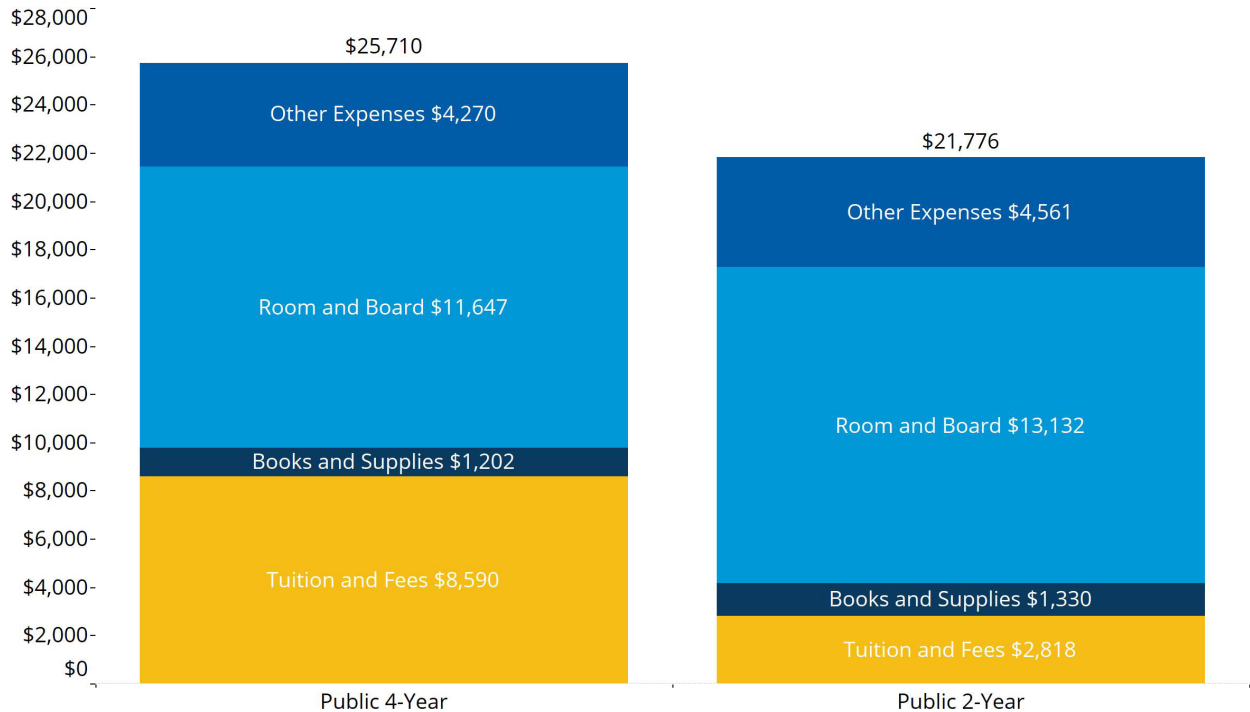
Source. National Association of State Student Grant and Aid Programs (NASSGAP).¹⁸

DISCUSSION

To summarize the previous sections, while tuition has remained relatively flat in the past decade, state fiscal support is at an all-time high for the region and several states, and state financial aid has increased by over 50% in the last 10 years. Collectively, these data points suggest that the most recent fiscal years have been a period of promising financial support and investment into higher education. However, the fiscal environment is but one aspect of the broader higher education landscape that has faced significant challenges in the past couple of years in terms of declining enrollments, pressure for a more educated workforce to meet critical workforce shortages, and rising costs for both students and institutions all amidst a backdrop of a growing discourse questioning the value of a postsecondary degree. Looking ahead, as state budgets appear more uncertain and state revenues slow, higher education institutions and systems may also face limited resources and therefore must be prudent with how the policy levers of tuition, appropriations, and financial aid are used in an aligned manner to address enrollment and cost challenges while meeting impending education and workforce needs.¹⁹

A key challenge in articulating and demonstrating the value of a postsecondary degree is the difficulty in defining the cost of a degree for students and families. The WICHE survey and this brief focus on tuition and fees, which in reality are less than a third of student expenses at public institutions.²⁰ So, while tuition and fees have held steady in the past decade, it is important to also understand these rates within the context the full cost of a postsecondary education. As shown in Figure 8, cost of attendance, as reported by the Integrated Postsecondary Education Data System (IPEDS), includes tuition, fees, books and supplies, room and board, and other expenses.²¹

Figure 8.
Unweighted Average Cost of Attendance by Category, Public Institutions in the WICHE Region, AY 2021-22



Source: Integrated Postsecondary Education Data System (IPEDS), Institution Characteristics Survey, 2021.²²

Significant limitations arise when analyzing these data. For example, costs in the “other expenses” category are reported by institutions as a broad estimate of student expenses for needs like transportation, laundry, etc. and are not student-reported expenditures. Additionally, these data are more general in nature and do not accurately depict the unique circumstances for students and how education is funded. In the absence of more accurate data on the “other expenses,” it is hard to draw definite conclusions on what the true costs of a postsecondary degree are and how it has changed over time. Given the impact of rising costs and inflation over the past two years, it is safe to assume students and families are feeling pressure on their budgets beyond tuition prices. For example, between 2021 and 2023 food prices increased 18%, rent prices increased 13%, and gas prices increased 35%, which means that is more expensive for students to eat, commute to and from campus, and rent housing – many necessities that are not often covered by traditional financial aid sources.²³

Another missing piece of key information is determining students’ opportunity costs of pursuing a degree. These data are especially important given the recent trend of declining enrollments as more students appear to be opting out of college.²⁴ There is no single reason behind the declining enrollments, but the combination of concerns on student costs, skepticism of the value of degree, and a strong labor market with higher wages for low-skilled jobs presents students with the alternative option to enter the workforce rather than seek a degree or credential.²⁵ Research shows the long-term benefits of a degree – higher lifetime earnings, lower unemployment, and lower rates of poverty – but there remain valid concerns on postsecondary costs for current and prospective students.²⁶ Some states, like Colorado, are working to address this gap in understanding of the value of degree by centering the state’s latest strategic plan on the value of higher education.²⁷ The plan presents a series of steps for the state to take to develop an education ecosystem that uses data-informed decision-making to support public policies that enhance the value of higher education to the state’s economy while also providing current and prospective students with more robust data that demonstrates the value of a postsecondary degree or credential.²⁸

Of course, the lack clarity on the value of postsecondary degree and credential are not the only factor that is driving enrollment declines, but it is an important issue for higher education leaders and state policymakers to be thinking about when developing policies and programs to support students and advance state priorities.

Aligning Fiscal Policy to Advance State Priorities

At the state level, there are fiscal policy levers – tuition, appropriations, and financial aid – that should be utilized in alignment with one another to address affordability for students, support higher education institutions in meeting community and state needs, and develop a skilled workforce that advances the economic priorities of the states. These policy levers also have the opportunity to be used in a manner that addresses student and family concerns about the cost and value of a postsecondary degree and strengthens the role that higher education institutions add to the long-term vitality of their states and the region.

TUITION

As previously stated, costs remain a key concern for students and families. Although tuition remained relatively flat over the past decade, rates still remain well above rates from before the Great Recession of 2008. Some states in the region have looked to enacting tuition freezes to curb tuition rate increases for students and families in the upcoming academic years. North Dakota and South Dakota passed state budgets that would support statewide tuition freezes.²⁹ The University of Hawai’i Board of Regents extended the system’s tuition freeze through AY 2024-25.³⁰ Utah’s Governor Spencer Cox called for a tuition freeze for AY 2023-24 late last year, and the legislature passed a spending bill that increased the state’s cost-sharing support by over 12% to help support institutions’ tuition freeze for the upcoming year.³¹ Tuition freezes are also expected outside of the WICHE region as institutions in Virginia and universities in Texas are expected to freeze tuition for the upcoming academic year.³²

Tuition freezes can provide an immediate relief to students and families as tuition costs is a key driver in postsecondary affordability, however, it is important that tuition setting is done in alignment with state fiscal support through appropriations and financial aid. This is especially true in the current economic climate as institutions face rising costs in goods and services, personnel, and capital projects. In the past, institutions of higher education could address budgetary challenges by increasing tuition to generate revenue and supplant waning state resources because they benefitted from increasing enrollments and strong demand for a postsecondary degree. As a result, tuition costs outpaced inflation over time, and tuition revenue became a larger share of institution revenue. Given the current enrollment declines, it appears that higher education does not have the market position to increase tuition in light of economic challenges. It is important that while addressing affordability and the costs

of an education for students and families, that states are not putting higher education institutions and systems in a position that could potentially result in larger tuition increases down the road.

STATE FINANCIAL AID

State financial aid is another policy lever that states can utilize to address affordability and reduce costs for students. Several states have developed or expanded new state grant aid programs in recent years. In the first year of the New Mexico Opportunity Scholarship, which provides a state grant to cover tuition and fees for all New Mexico residents seeking a credit-bearing career training certificate, associate, or bachelor's degree, state institutions reported enrollment increases for the first time in years.³³ The FY 2024 budget also includes ongoing investment into the scholarship to continue to support New Mexico students.³⁴ The Hawai'i legislature passed a spending bill that includes \$22.7 million to expand the state's Hawai'i Promise Program to the University of Hawai'i system four-year universities.³⁵ In 2022, Wyoming passed legislation to create the Wyoming's Tomorrow Scholarship Program, a state aid program for adults aged 24 and older without a bachelor's degree.³⁶ It is important to note that grant aid sources can be restricted by eligibility (i.e., age of students, credits enrolled, etc.) or what funds can cover (i.e., tuition only), which can create enrollment barriers. This has implications as students experience an increased cost of living and encounter significant gaps in expenses that are not covered by traditional aid sources.

STATE APPROPRIATIONS

In the first half of the past decade the state policy discussion for higher education centered on increasing postsecondary degree attainment. Over the past few years that conversation has evolved beyond just increasing attainment but rather a specific focus on increasing attainment in high-need industries and fields. This is a critical focus in state policy as individuals seek clearer articulation of credentials to career pathways to ensure value in a degree that will translate to employment opportunities. Additionally, states are looking for more aligned workforce pathways that expand education and training opportunities and support economic and workforce development in the states.³⁷

As state budgets have benefited from a positive economic environment and an influx of federal dollars, many states in the West have made strategic investments in aligning higher education offerings and workforce development in a way that spurs economic activity and diversification. Some examples of such advancements by WICHE members include:

- ▶ Future Ready Oregon is a comprehensive \$200 million state investment into supporting the education and training of Oregonians. The funds support existing programming as well investing in innovative strategies, which includes workforce readiness, career pathway training, workforce navigators, industry partnerships, and apprenticeships.³⁸
- ▶ In 2023, the North Dakota legislature introduced H.B. 1379, which could create the economic diversification research fund to spur economic activity in the state through innovation of new technology and promotion of job creation and wage growth. H.B. 1379 also would develop the workforce development and enrichment fund which would support strategic workforce development, technical education, and workforce diversification initiatives across the state (H.B. 1379 is still under consideration at the time of publication).³⁹
- ▶ The Wyoming Innovation Partnership is a collaborative effort among the community colleges and University of Wyoming to align higher education and workforce development to support the state's economic growth and diversification.⁴⁰
- ▶ The Washington Student Achievement Council's (WSAC) Regional Challenge Grants seek to advance statewide postsecondary attainment through the expansion of community and regional partnerships focused on developing inventive strategies to support student pathways from education to career.⁴¹

These statewide collaborative efforts highlight the importance of the collaboration of workforce development and higher education to advance state priorities and economic growth. Other states have looked to make investments into specific industries and occupations that states have identified as critical from an existing or projected workforce gap. Many of these programs offer individual benefits and value through either scholarships or loan repayment, and the states benefit by developing high need industries and occupations. Some examples include:

- ▶ Hawai'i invested \$1.75 million of state funds to address critical nursing shortages by expanding training capacity across the University of Hawai'i system.⁴² The Hawai'i legislature also passed two companion pieces of legislation to expand loan forgiveness for healthcare professionals.⁴³

- ▶ Montana and New Mexico both also looked to expand loan forgiveness to support the recruitment and retention of the state's teachers.⁴⁴
- ▶ The Colorado legislature introduced two bills in the 2023 legislative session to support career pathways to in-demand fields in the state. If passed, H.B. 1246 would build on 2022 legislation that developed Care Forward Colorado by providing financial assistance to students seeking credentials in high-demand fields (H.B. 1246 is still under consideration at the time of publication).⁴⁵

Some states may not be positioned to make these types of investments in the near future, but it is still important for states to fund higher education in a manner that reflects the value that these institutions bring to their communities and states. For example, community college funding is often tied to degree-seeking student enrollment in credit-bearing courses, which has seen significant decreases over the past decade and even more so since the onset of COVID-19. Community colleges serve as a key touchpoint or even the backbone of workforce development and training for many communities across the region. As there is a need to skill, upskill, or re-skill workers to meet industry needs, it is important to recognize how postsecondary funding does not always support ways for institutions to adapt quickly to changing industry needs and address funding gaps in a way that supports the expansion of efforts to meet state economic goals. As states prepare for potentially leaner budgets in the years to come, it is important to not lose sight of the unique functionality across our higher education systems and institutions and leverage opportunities to address critical workforce gaps and spur individual and statewide economic growth.

CONCLUSION

The past several years brought considerable challenges to higher education despite a seemingly positive state budget outlook. Looking ahead, it appears that these challenges will continue but state resources – as well as institutional tuition revenue – may be limited. And while past economic downturns coincided with increasing demand for higher education and increasing tuition revenue there is no definitive evidence that would be the case should an economic downturn happen in the next few years. This means that higher education leaders and policymakers must be thinking about not only about making strategic investments into policies and programs that advance state priorities but also thinking about policies that will be sustainable in the face of economic uncertainty.

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 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), Guam, Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. The Republic of the Marshall Islands and the Federated States of Micronesia are not included in this year's report. When available, average tuition and fees are calculated for each territory separately in this report. Other data sources included in this brief, Grapevine and NASSGAP, do not cover the U.S. Pacific Territories and Freely Associated States.
- ² The 2021-22 and 2022-23 tuition and fee rates provided in this brief are weighted by FTE enrollment from the Integrated Postsecondary Education Data System's fall 2020 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.
- ⁴ Tuition and fees are adjusted for inflation using the Higher Education Cost Adjustment (HECA), calculated by the State Higher Education Executive Officers Association (SHEEO).
- ⁵ College Board. (2022, October 21). Trends in College Pricing. <https://research.collegeboard.org/trends/college-pricing>.
- ⁶ Although The Commonwealth of the Northern Mariana Islands' one public postsecondary institution, Northern Marianas College (NMC), confers a limited number of baccalaureate degrees per year, it is categorized as a public two-year institution for the purpose of this report at NMC's request.
- ⁷ Illinois State University Center for the Study of Education Policy & State Higher Education Executive Officers Association. (2023, February). Grapevine, An Annual Compilation of Data on State Fiscal Support for Higher Education: Fiscal Year 2022-23. <https://shef.sheeo.org/grapevine/>.
- ⁸ These data do not include federal stimulus dollars that were allocated directly to institutions through the Higher Education Emergency Relief Fund.
- ⁹ All year-over-year change in Grapevine is in current U.S. dollars. Federal dollars included in Grapevine do not include money distributed directly to higher education institutions and only reflect federal stimulus funds that were distributed to states and then used for higher education. Illinois State University Center for the Study of Education Policy & State Higher Education Executive Officers Association. (2023, February). Grapevine, An Annual Compilation of Data on State Fiscal Support for Higher Education: Fiscal Year 2022-23. <https://shef.sheeo.org/grapevine/>.
- ¹⁰ Illinois State University Center for the Study of Education Policy & State Higher Education Executive Officers Association. (2023, February). Grapevine, An Annual Compilation of Data on State Fiscal Support for Higher Education: Fiscal Year 2022-23. <https://shef.sheeo.org/grapevine/>.
- ¹¹ These data include federal stimulus funds used for capital projects. Illinois State University Center for the Study of Education Policy & State Higher Education Executive Officers Association. (2023, February). Grapevine, An Annual Compilation of Data on State Fiscal Support for Higher Education: Fiscal Year 2022-23. <https://shef.sheeo.org/grapevine/>.
- ¹² Coronavirus Relief Funds and GEER I funds were to be obligated by the September 30 end of federal fiscal year 2022, and GEER II funds are to be obligated by the September 30 end of federal fiscal year 2023, ARPA funds are to be obligated by December 31, 2024.
- ¹³ Illinois State University Center for the Study of Education Policy & State Higher Education Executive Officers Association. (2023, February). Grapevine, An Annual Compilation of Data on State Fiscal Support for Higher Education: Fiscal Year 2022-23. <https://shef.sheeo.org/grapevine/>.
- ¹⁴ National Association of State Student Grant and Aid Programs. (2022, October). 52nd Annual Survey Report on State-Sponsored Student Financial Aid, 2020-21 Academic Year. <https://www.nassgapsurvey.com/>.
- ¹⁵ 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. Wyoming state grant aid is reported as "uncategorized" and unable to reflect aid restricted to undergraduates. National Association of State Student Grant and Aid Programs. (2022, October). 52nd Annual Survey Report on State-Sponsored Student Financial Aid, 2020-21 Academic Year. <https://www.nassgapsurvey.com/>.
- ¹⁶ National Association of State Student Grant and Aid Programs. (2022, October). 52nd Annual Survey Report on State-Sponsored Student Financial Aid, 2020-21 Academic Year. <https://www.nassgapsurvey.com/>.
- ¹⁷ National Association of State Student Grant and Aid Programs. (2022, October). 52nd Annual Survey Report on State-Sponsored Student Financial Aid, 2020-21 Academic Year. <https://www.nassgapsurvey.com/>.
- ¹⁸ National Association of State Student Grant and Aid Programs. (2022, October). 52nd Annual Survey Report on State-Sponsored Student Financial Aid, 2020-21 Academic Year. <https://www.nassgapsurvey.com/>.
- ¹⁹ Tharpe, W. (2023, January 18). States should protect or raise revenue as uncertainty looms. Center on Budget and Policy Priorities. <https://www.cbpp.org/blog/states-should-protect-or-raise-revenue-as-uncertainty-looms>.
- ²⁰ College Board. (2022, October 21). Trends in College Pricing. <https://research.collegeboard.org/trends/college-pricing>.
- ²¹ Integrated Postsecondary Education Data Survey. (n.d.). Institution Characteristics Survey, 2021 [Data set]. U.S. Department of Education, Institute of Education Statistics. <https://nces.ed.gov/ipeds/use-the-data/>.
- ²² Integrated Postsecondary Education Data Survey. (n.d.). Institution Characteristics Survey, 2021 [Data set]. U.S. Department of Education, Institute of Education Statistics. <https://nces.ed.gov/ipeds/use-the-data/>.
- ²³ Reflects change in prices between February 2021 and February 2023. U.S. Bureau of Labor Statistics. (2023.). All Urban Consumers (Current Series) [Data set]. U.S. Department of Labor, Bureau of Labor Statistics. <https://www.bls.gov/cpi/data.htm>.
- ²⁴ Edge Research and HCM Strategists. (2022, September 28). Where are the students? New research into college enrollment declines. Gates Foundation. <https://usprogram.gatesfoundation.org/news-and-insights/articles/gates-foundation-probes-college-enrollment-decline>.

- ²⁵ Edge Research and HCM Strategists. (2022, September 28). Where are the students? New research into college enrollment declines. Gates Foundation. <https://usprogram.gatesfoundation.org/news-and-insights/articles/gates-foundation-probes-college-enrollment-decline>.
- ²⁶ U.S. Bureau of Labor Statistics. (2020, May). Learn more, earn more: Education leads to higher wages, lower unemployment. U.S. Bureau of Labor Statistics. <https://www.bls.gov/careeroutlook/2020/data-on-display/education-pays.htm>. Daugherty, L. (2022, February). The Value of Education and Training After High School. Rand Corporation. https://www.rand.org/content/dam/rand/pubs/perspectives/PEA1100/PEA1141-9/RAND_PEA1141-9.pdf.
- ²⁷ Colorado Commission on Higher Education. (2023, January). Colorado's Strategic Plan for Higher Education: Building Skills for an Evolving Economy. Colorado Commission on Higher Education. <https://highered.colorado.gov/Publications/Reports/StrategicPlan/cdhe-strategic-plan-2023.pdf>.
- ²⁸ Gonzales, J. (2023, February 2). In new strategic plan, Colorado wants residents to find the value in higher education. Chalkbeat Colorado. <https://co.chalkbeat.org/2023/2/2/23583421/colorado-higher-education-strategic-plan-value-higher-earnings-jobs-students>.
- ²⁹ Huebner, R. (2023, February 21). North Dakota House passes higher ed bill featuring tuition freeze, \$374 million for campus projects. Inforum. <https://www.inforum.com/news/north-dakota/north-dakota-house-passes-higher-ed-bill-featuring-tuition-freeze-374m-for-campus-projects>. Mercer, B. (2023, March 10). South Dakota legislature sets 2024 budget. Sioux Land Proud. <https://www.siouxlandproud.com/news/south-dakota-news/south-dakota-legislature-sets-2024-budget/>.
- ³⁰ UH News. (2023, January 19). UH regents approve tuition freeze followed by modest increases at 4-year schools [Press release]. University of Hawai'i. <https://www.hawaii.edu/news/2023/01/19/tuition-freeze-followed-by-modest-increases/>.
- ³¹ Utah System of Higher Education (2023, March 3). Final 2023 legislative update: week 7 [Press release]. Utah System of Higher Education. <https://ushe.edu/final-2023-legislative-update-week-7/>.
- ³² Jaschik, S. (2023, January 11). Texas universities offer to freeze tuition for \$1 billion. Inside Higher Ed. <https://www.insidehighered.com/quicktakes/2023/01/11/texas-universities-offer-freeze-tuition-1-billion>. Anderson, K. (2023, February 27). The big freeze. Virginia Business. <https://www.virginiabusiness.com/article/the-big-freeze/>.
- ³³ Office of the Governor Michelle Lujan Grisham. (2023, March 10). New Mexico breaks enrollment record thanks to the Opportunity Scholarship [Press release]. <https://www.governor.state.nm.us/2023/03/10/new-mexico-breaks-another-enrollment-record-thanks-to-the-opportunity-scholarship-spring-college-university-enrollment-up-6-percent-over-last-year/>.
- ³⁴ Santa Fe New Mexican. (2023, March 16). House sends budget bill to governor. NM Political Report. <https://nmpoliticalreport.com/2023/03/16/ouse-sends-budget-bill-to-governor/>.
- ³⁵ Dayton, K. (2023, March 8). Hawaii lawmakers are wary of revenue shortfall as they roll out a proposed 2-year spending plan. Honolulu Civil Beat. <https://www.civilbeat.org/2023/03/hawaii-lawmakers-are-wary-of-revenue-shortfalls-as-they-roll-out-a-proposed-2-year-spending-plan/>.
- ³⁶ H.B. 0031, 2022 Budget Sess. (Wyo. 2022) <https://www.wyoleg.gov/Legislation/2022/HB0031>.
- ³⁷ Jamieson, C. & Perez, Z. (2023, March). Governors' Top Priorities in 2023 State of the State Addresses. Education Commission of the States and National Governors Association <https://www.ecs.org/wp-content/uploads/Governors-Top-Education-Priorities-in-2023-State-of-the-State-Addresses.pdf>.
- ³⁸ Higher Education Coordinating Commission. (n.d.) Future Ready Oregon: Workforce Training and Education Investment Package. State of Oregon. <https://www.oregon.gov/highered/policy-collaboration/Pages/Future-Ready.aspx>.
- ³⁹ H.B. 1379, 2023 Reg. Sess. (N.D. 2023) <https://ndlegis.gov/assembly/68-2023/regular/documents/23-0695-02000.pdf>.
- ⁴⁰ Office of the Governor. (2021). Wyoming Innovation Partnership. State of Wyoming. <https://wip.wyo.gov/>.
- ⁴¹ Washington Student Achievement Council. (2023.) Regional Challenge Grants. Washington Student Achievement Council. <https://wsac.wa.gov/challenge-grants>.
- ⁴² Ordoniom C. (2022, October 13). Hawaii seeks to ease nursing shortage by expanding training capacity. Honolulu Civil Beat. <https://www.civilbeat.org/2022/10/hawaii-seeks-to-ease-nursing-shortage-by-expanding-training-capacity/>.
- ⁴³ Grindrod, C. (2023, February 23). Hawaii lawmakers move on physician student loan forgiveness. The Center Square. https://www.thecentersquare.com/hawaii/article_06fcc6e-ae38-11ed-bbfb-f741b1e97c26.html.
- ⁴⁴ S.B. 70, 2023 Reg. Sess. (Mont. 2023) <https://leg.mt.gov/bills/2023/billpdf/SB0070.pdf>. Clark, C.A. (2023, February 14). Legislation to expand New Mexico teacher loan repayment program passes first committee. Los Alamos Daily Post. <https://ladailypost.com/legislation-to-expand-new-mexico-teacher-loan-repayment-program-passes-first-committee/>.
- ⁴⁵ H.B. 23-1246, 2023 Reg. Sess. (Colo. 2023) https://leg.colorado.gov/sites/default/files/documents/2023A/bills/2023a_1246_01.pdf.

**Copyright © May 2023 by the
Western Interstate Commission for Higher Education
3035 Center Green Drive, Suite 200, Boulder, CO 80301-2205
Publication Number 6b2023LMF**

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.