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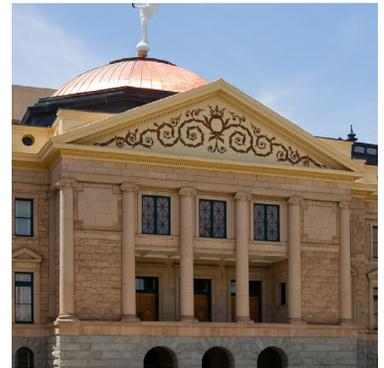


Western Interstate Commission
for Higher Education



WICHE INSIGHTS

TUITION AND FEES,
APPROPRIATIONS, AND
FINANCIAL AID IN THE WEST,
2021-22: TRENDS AND
IMPLICATIONS



TUITION AND FEES, APPROPRIATIONS, AND FINANCIAL AID IN THE WEST, 2021-22: TRENDS AND IMPLICATIONS

Introduction

The current trends in tuition, appropriations, and financial aid in the West present an overall positive outlook for all components of state higher education finance – tuition, appropriations, and financial aid – in the region. Tuition and fees have stabilized over the past decade and, in the most recent academic year, resident undergraduate tuition and fees at public four-year institutions reported the lowest annual rate of change. State fiscal support in the region increased significantly in fiscal year (FY) 2022, up 16% between FY 2021 and FY 2022.¹ In addition to state support, three COVID-19 relief bills have led to unprecedented federal funding for higher education, including nearly \$2 billion passing through states to support postsecondary institutions and systems in the past three fiscal years. The latest financial aid data shows that states in the West continue to invest in and expand their need-based aid offerings.

While the fiscal outlook in the West is encouraging, as more money creates new opportunities to support students, states and higher education institutions and systems still face considerable challenges in rising costs and declining enrollments. The positive news is that most states are positioned – at least right now – to make substantial investments to mitigate these challenges for both short- and long-term positive outcomes.

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. The most recent survey was administered in the summer of 2021 to state higher education executive offices, system offices, and institutions in each of the WICHE states and Pacific Island members.² Complete data from the survey are available at www.wiche.edu/policy-research-/data-resources/tuition-fees/ and enable comparisons in 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.³ Data on the website provide both weighted and unweighted averages.⁴

Key Takeaways

It is important to view the state finance policy environment as an integrated approach to meet state goals through the alignment of tuition, appropriations, and financial aid. This edition of *WICHE Insights* highlights the latest trends across state higher education finance, including tuition and fees, state appropriations, and financial aid as well as discussion of how state resources can be invested to support long-term solutions to issues of access and affordability. Key takeaways from the brief include:

- Regional average tuition and fees for resident undergraduates at public four-year institutions were \$10,028 in AY 2021-22, an increase of 1.2% from AY 2020-21.
- Regional average in-district tuition and fees at public two-year institutions increased 3.4% from AY 2020-21 to \$4,217 in AY 2021-22.
- State appropriations in the West reached an all time high in FY 2022, with over \$32 billion in state support going to higher education in the current fiscal year. In addition to state dollars, states used about \$924 million in COVID-19 relief dollars for higher education in FY 2022.
- State financial aid per undergraduate increased between AY 2018-19 and AY 2019-20 and was at about the same amount as the national average, although state grant aid continues to be more likely based on need in the West compared to the national average.
- Although most states are facing a positive fiscal outlook for the upcoming fiscal year, higher education institutions and systems are facing considerable challenges as the result of rising costs and declining enrollments.

Click [HERE](#) to view the latest tuition and fees, appropriations, and financial aid data on WICHE's interactive state finance dashboard.



TUITION AND FEES AT PUBLIC FOUR-YEAR INSTITUTIONS

Regional average tuition and fees for resident undergraduates at public four-year institutions were \$10,028 in academic year (AY) 2021-22, an increase of \$122 (1.2%) from AY 2020-21, which was the lowest annual rate of change in the past decade. When adjusting for inflation, the regional average tuition and fees decreased by \$142 (1.4%) in the past year.⁵ The AY 2021-22 regional average tuition and fees were about 6.6% lower than the national average (\$10,740) and increased at about the same rate as the nation (1.6%) in the past year.⁶ Tuition and fees for nonresidents in the region averaged \$27,914 in AY 2021-22, an increase of \$322 (1.2%) from AY 2020-21, and when adjusted for inflation decreased by \$414 (1.5%).

STATE VARIATION IN TUITION AND FEES TRENDS

While the regional average reflects a positive trend of minimal increases in tuition and fees, state averages vary significantly, both in the price students pay and the rate of change in the past year. As shown in Figure 1, state average tuition and fees for resident undergraduates ranged from \$6,097 in Wyoming to \$12,295 in Oregon.⁷ The regional average tuition and fees rate increased just 1.2% between AY 2020-21 and AY 2021-22, largely impacted by minimal increases in rates at institutions in California and Arizona, which together enroll nearly 60% of the region's four-year students. Across all the states and territories, nine reported an annual increase higher than the regional average, ranging from a 1.6% increase in Montana to a 5.3% increase in Wyoming (Figure 2). On the other hand, six states and Guam reported lower-than-average rates of change, ranging from a 1.1% increase in South Dakota to a 0.4% decrease in Alaska.

Figure 1. Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2021-22

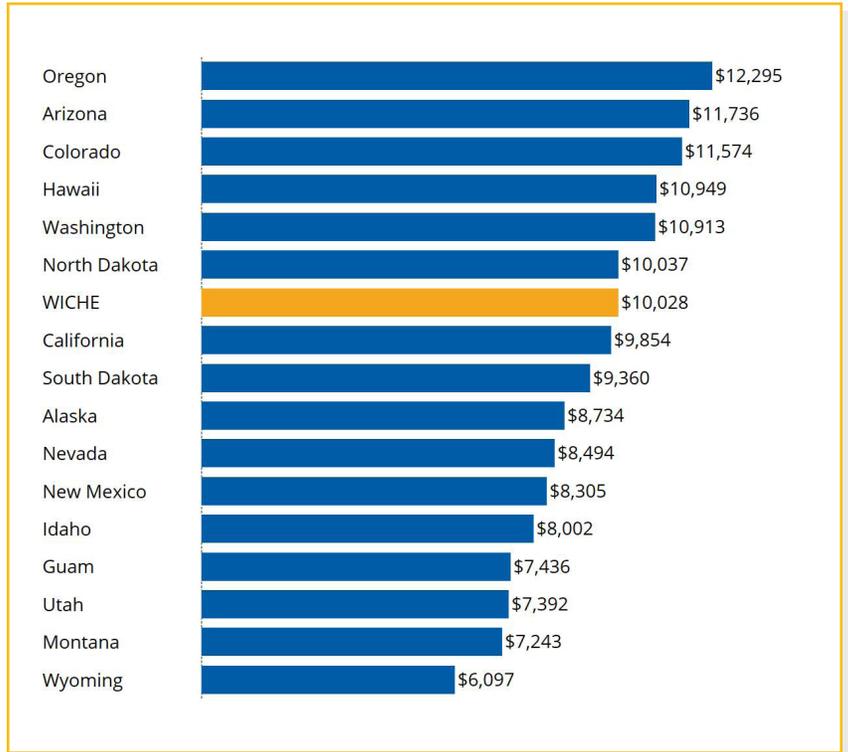
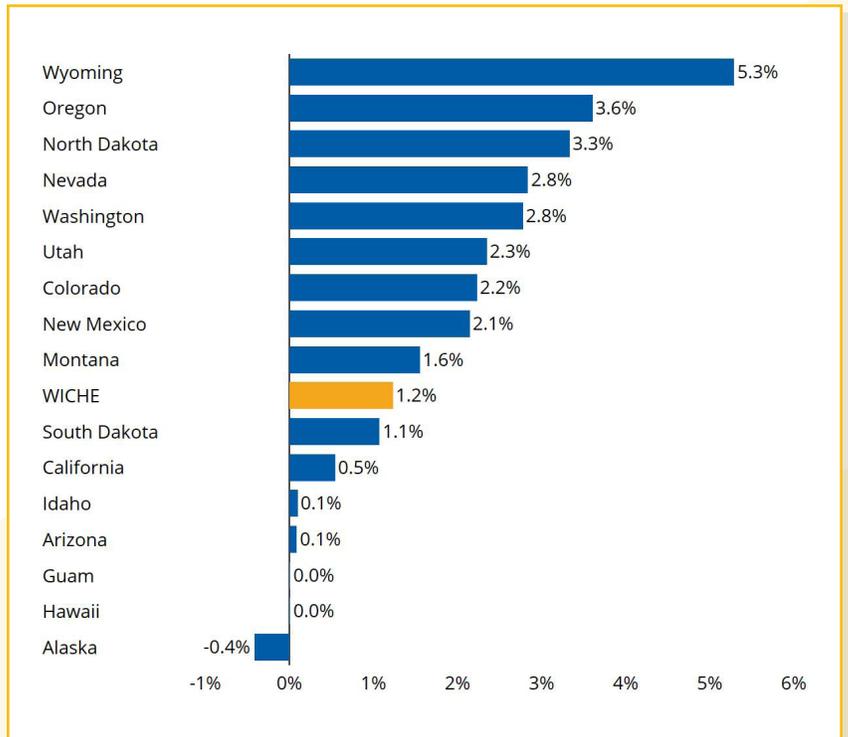


Figure 2. Percent Change, Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2020-21 to AY 2021-22



TUITION AND FEES AT PUBLIC TWO-YEAR INSTITUTIONS

Regional average tuition and fees for in-district undergraduates at public two-year institutions (excluding California) were \$4,217 in AY 2021-22, an increase of \$139 (3.4%) from AY 2020-21 (Figure 3).⁸ When including California, the regional average tuition and fees for in-district students was much lower (\$2,299) in AY 2021-22, as the historically low in-district enrollment fee and large enrollment significantly impacts the regional averages. Adjusted for inflation, average tuition and fees (excluding California) increased by \$30 (0.7%) between AY 2020-21 and AY 2021-22.⁹ In AY 2021-22 the national average tuition and fees was \$3,800, well above the regional average (\$2,299). However, the national average increased at a slightly lower rate (1.3%) in the past year.¹⁰

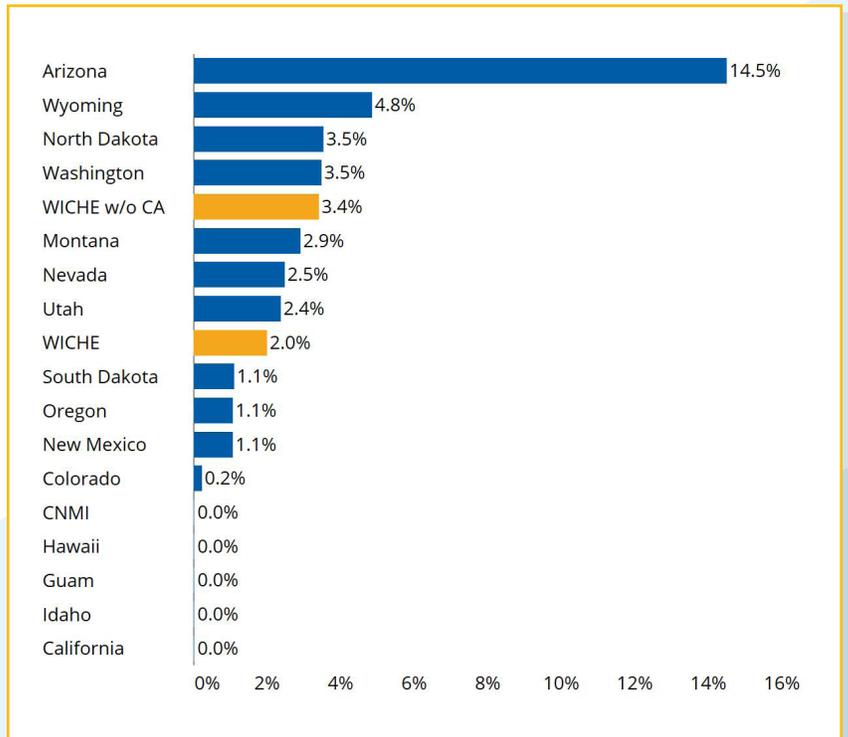
STATE VARIATION IN TUITION AND FEES TRENDS

In AY 2021-22, 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 2020-21, five states and territories in the region reported no change in tuition and fee rates at two-year institutions (Figure 4). Additionally, four states reported an increase greater than the regional average (3.4%). This includes a 14.5% increase at Arizona’s two-year colleges, which in large part reflects a return to pre-COVID tuition and fee rates at colleges in the state’s largest community college district, Maricopa Community College District.¹¹

Figure 3. Resident Undergraduate Tuition and Fees at Public Two-Year Institutions, AY 2021-22



Figure 4. Percent Change, Resident Undergraduate Tuition and Fees at Public Two-Year Institutions, AY 2020-21 to AY 2021-22



TUITION AND FEES TRENDS OVER TIME

In the past 10 years, the regional average tuition and fees at public four-year institutions remained relatively flat – increasing by about \$221 (2.3%; constant 2021 dollars). In large part, the stabilizing in tuition and fees over the past decade is the result of three states with the largest public four-year enrollment reporting declines in tuition and fees when adjusted for inflation. As shown in Table 1, when adjusting for inflation, California, Washington, and Arizona all have seen declines ranging from 9% to 1%. However, most states in the West have seen increases well above the regional average over the past decade – ranging from a 7.5% increase in South Dakota to a 30.8% increase in Alaska.

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 increased by just 4.9% in the past decade. When excluding the California community colleges, which haven’t increased their resident enrollment fees since AY 2012-13, the rate of change for the region jumps to a 14.3% increase in tuition and fees over the past decade. When compared to the nation, the regional average (including California) rate of change is lower than the national average (7.0%) over the past 10 years.

The trends over the past 10 years should be considered in context of tuition and fees trends over time. The relatively low rate of increase in tuition and fee rates over the past 10 years is a stark difference from the previous decade. Between AY 2001-02 and AY 2011-12, resident undergraduate tuition and fees at public four-year institutions more than doubled and average tuition and fees at public two-year institutions increased by nearly 80%. Almost all states in the region reported lower increases in the past decade at both public two- and four-year institutions compared to the time between AY 2001-02 and AY 2011-12, with considerable variation across states and sectors on the rate of change in the past 10 years.

Table 1. Percent Change, Resident Undergraduate Tuition and Fees, AY 2001-02 to AY 2011-12 & AY 2011-12 to AY 2021-22 (Constant 2021 U.S. Dollars)

	Public Two-Year Institutions		Public Four-Year Institutions	
	2001-02 to 2011-12	2011-12 to 2021-22	2001-02 to 2011-12	2011-12 to 2021-22
Alaska	N/A	N/A	34.1%	30.8%
Arizona	53.7%	-1.8%	194.9%	-0.7%
California	148.8%	4.2%	163.5%	-9.3%
CNMI	N/A	-2.8%	N/A	N/A
Colorado	72.3%	16.4%	89.8%	26.9%
Guam	N/A	-18.4%	N/A	-2.1%
Hawaii	71.0%	10.0%	106.7%	7.6%
Idaho	44.6%	27.2%	59.3%	15.0%
Montana	16.5%	5.0%	31.0%	0.9%
Nevada	32.7%	23.8%	93.1%	13.0%
New Mexico	33.7%	11.3%	43.5%	26.0%
North Dakota	48.6%	15.4%	65.1%	19.5%
Oregon	59.7%	22.5%	57.5%	25.1%
South Dakota	N/A	11.0%	49.5%	7.5%
Utah	47.9%	9.9%	67.8%	14.2%
Washington	56.4%	3.1%	96.0%	-4.6%
Wyoming	18.2%	59.1%	11.7%	20.6%
WICHE	79.8%	4.9%	116.3%	2.3%
WICHE w/o CA	50.5%	14.3%	N/A	N/A

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 data from the State Higher Education Executive Officers Association (SHEEO) and the Illinois State University's Center for Education Policy's annual Grapevine survey of higher education funding. These data represent higher education funding through the current fiscal year (FY 2022). In addition to state appropriations, these data include federal COVID-19 relief dollars that were allocated to higher education through states over the past three fiscal years.¹² These data only include total dollars appropriated to higher education but do not include a per-student view of higher education revenue. As enrollment has declined since the onset of the pandemic, it would be expected that state funding on a per-student basis will be affected, reflecting the impact of higher education demand on per student funding levels.

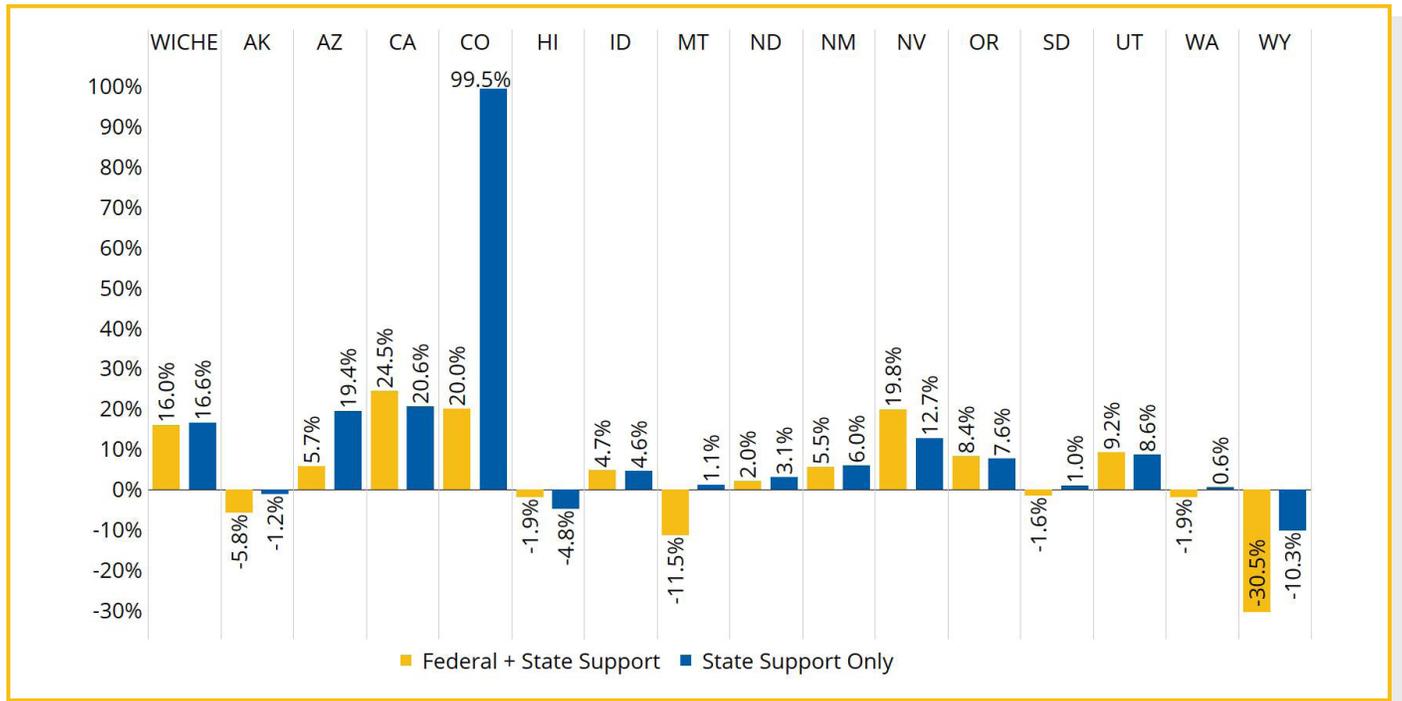
GRAPEVINE: FY 2022 SURVEY RESULTS

Overall, state fiscal support for higher education topped \$105 billion in FY 2022, an increase of 8.3% compared to FY 2021.¹³

These data do not account for inflation, and it is expected that inflation will account for a significant portion of the year-over-year increase between FY 2021 and FY 2022. The WICHE region, which accounts for about 30% of the nation's higher education fiscal support, reported over \$32 billion in state support in FY 2022. This was a 16.6% increase over FY 2021. When taking into account federal stimulus dollars over the past two fiscal years, higher education fiscal support increased at about the same rate (16.0%) between FY 2021 and FY 2022.¹⁴

Twelve states reported an increase in state-only fiscal support between FY 2021 and FY 2022, ranging from a 0.6% increase in Washington state to double digit increases in Nevada, Arizona, California, and Colorado (Figure 5). It is important to note, as discussed below, that the 99.5% change in state-only support in Colorado reflects the way the state used federal relief dollars in FY 2021 rather than an increase in state funding. However, three states in the region reported a decrease in state-only support over the past year, ranging from a 1.2% decline in Alaska to a 10.3% decline in Wyoming.¹⁵

Figure 5. Percent Change, State Appropriations and Federal Funding, FY 2021 to FY 2022



Source: State Higher Education Executive Officers Association and Illinois State University

FEDERAL SUPPORT FY 2020 TO FY 2022

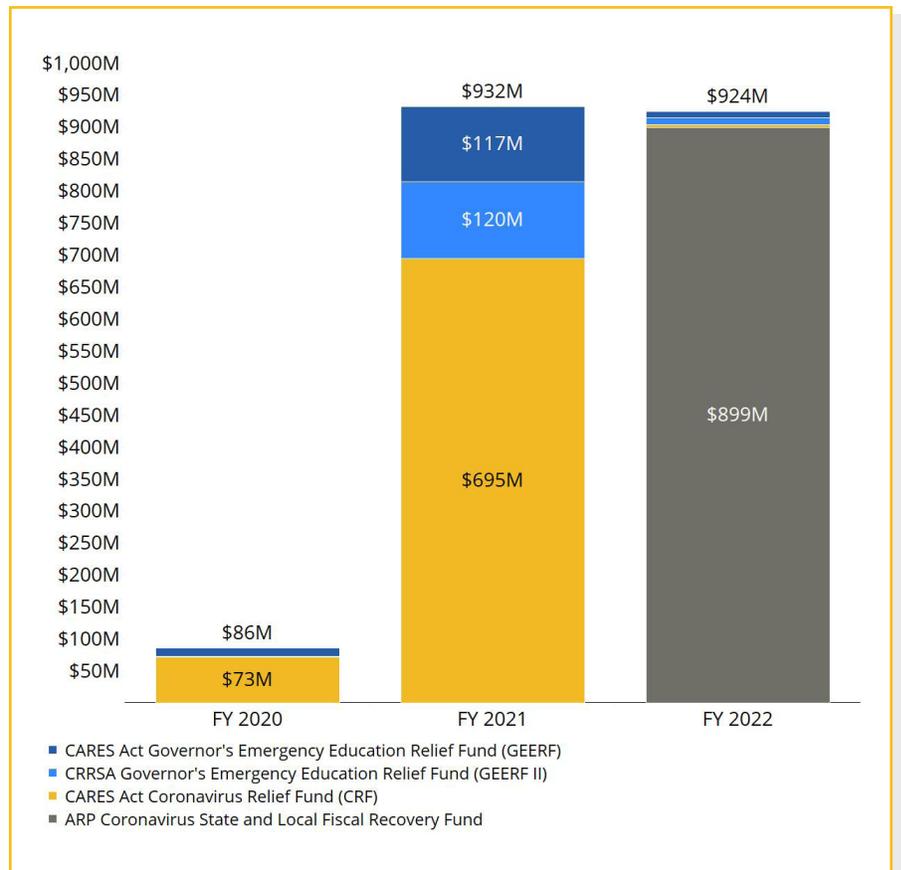
In each of the past three fiscal years, states in the WICHE region have used COVID-19 relief dollars passed through the state to support higher education. At the onset of the pandemic these dollars provided significant support for states to support higher education initiatives and mitigate the costs brought on from COVID-19. More recently, COVID-19 relief dollars offer states an opportunity to invest in recovery and reengagement efforts that support sustainable and long-term solutions to issues of access, affordability, and success.

As shown in Figure 6, most of the federal dollars were used in FY 2021 and FY 2022 and come from the two COVID-19 recovery funds – the Coronavirus Relief Fund and the Coronavirus State and Local Fiscal Recovery Fund. These two funds represent dollars that were appropriated to states and local governments through the two federal relief packages in 2020 and 2021, intended to be used across a range of government costs. In addition to these relief dollars, states allocated resources from the Governor’s Emergency Education Relief Fund to support higher education as well (see the sidebar for more information on the different federal relief funding sources).

Every state in the region used federal dollars to support higher education, with considerable variation across the states both in dollars allocated and purposes of the funds. As shown in Figure 5, some states had varying rates of change in higher education fiscal support over the past year, depending on how they have used federal dollars in FY 2021 and/or FY 2022. In some states, federal relief dollars were allocated to offset budget reductions. For example, in FY 2021, Colorado reduced its state fiscal support for higher education by about 45% but used \$450 million of Coronavirus Relief Funds to offset this cut, and overall fiscal support was just 3.7% lower than FY 2020.¹⁶ In the current fiscal year, Colorado returned to using predominantly state dollars to fund higher education, and overall state support surpassed FY 2020 levels.

Other states opted to use federal dollars through one-time funding of specific projects or programs. For example, Wyoming has invested \$27 million of American Rescue Plan (ARP) Act funds to launch the Wyoming Innovation Partnership, a collaborative effort to diversify and grow Wyoming’s economy and workforce.¹⁷ Nevada allocated \$4 million in ARP funds to the University of Nevada-Reno to scale up its Dean’s Future Scholars Program to a statewide effort to increase postsecondary access for first-generation college students.¹⁸ It is expected that states will continue to use federal funds across a range of programs until the funding streams expire – meaning that year-over-year changes will continue to be adjusted for the use of these funds

Figure 6. Distribution of Federal Funding by Source, FY 2020 to FY 2022



Source: State Higher Education Executive Officers Association and Illinois State University

FEDERAL COVID-19 RELIEF DOLLARS: OVERVIEW OF THE FUNDS SUPPORTING HIGHER EDUCATION

The following is an overview of four funding sources established through the three COVID-19 relief packages – the March 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act, the December 2020 Coronavirus Response and Relief Supplemental Appropriations (CRRSSA) Act and the March 2021 American Rescue Plan (ARP) Act. These funds provided financial support to higher education institutions and systems to defray costs associated with COVID-19 as well as to establish new opportunities to advance higher education institutions.

The **Higher Education Emergency Relief (HEER)** Fund was established to provide direct financial assistance to postsecondary institutions to defray costs associated with the disruptions of COVID-19. Institutions were required to allot a substantial portion of funds directly to students in the form of emergency grants.¹⁹ Overall, \$77 billion was allocated to HEER funds (\$14 billion from the CARES Act, \$23 billion from the CRRSSA Act, and \$40 billion from the ARP Act).²⁰ These funds were directly distributed to institutions and are not included in this brief's discussion of how states allocated federal relief funds.

The **Governor's Emergency Education Relief (GEER) Fund** was established through the CARES Act as flexible spending for governors to provide subgrants to local education agencies, postsecondary institutions, and other education institutions to support ongoing efforts to respond to COVID-19. The CARES Act allocated \$3 billion to the fund and the CRRSSA supplemented these funds with an additional \$1 billion.²¹ The ARP Act did not include funding for the GEER Fund. States in the West spent an estimated \$270 million of GEER funds on higher education between FY 2020 and FY 2022.²²

The CARES Act allocated \$150 billion to the **Coronavirus Relief Fund**, which allowed state and local governments to make payments to programs that were necessary expenditures due to COVID-19 but were not accounted for in the most prior year's budget.²³ An estimated \$771 million has been spent by states in the West on higher education between FY 2020 and FY 2022.²⁴

The ARP Act appropriated \$350 billion to the **Coronavirus State and Local Fiscal Recovery Fund**, which provided direct aid to states and local governments for mitigating the fiscal effects of COVID-19 and can be used across a broad range of government costs.²⁵ In FY 2022, \$899 million from the fund was spent on higher education in the West.²⁶

Click [HERE](#) to view the U.S. Department of Education's Education Stabilization Funds Transparency Portal to view how Higher Education Emergency Relief Funds and Governor's Emergency Education Relief Funds have been spent by state and territory.



STATE FINANCIAL AID

The third component of state finance – state financial aid – serves as a critical policy lever for not only supporting students’ ability to access and afford postsecondary education but also for enhancing 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.

According to the latest NASSGAP survey, total grant aid in the WICHE region averaged \$979 per undergraduate in AY 2019-20, which was about the same amount as the national average (\$980).²⁷ While the total aid per student was about the same as the nation, average need-based aid per student was much higher in the WICHE region (\$935) compared to the nation (\$721) as nearly 96% of all undergraduate state aid in the region is awarded based on need, compared to 74% of the nation’s total state aid.

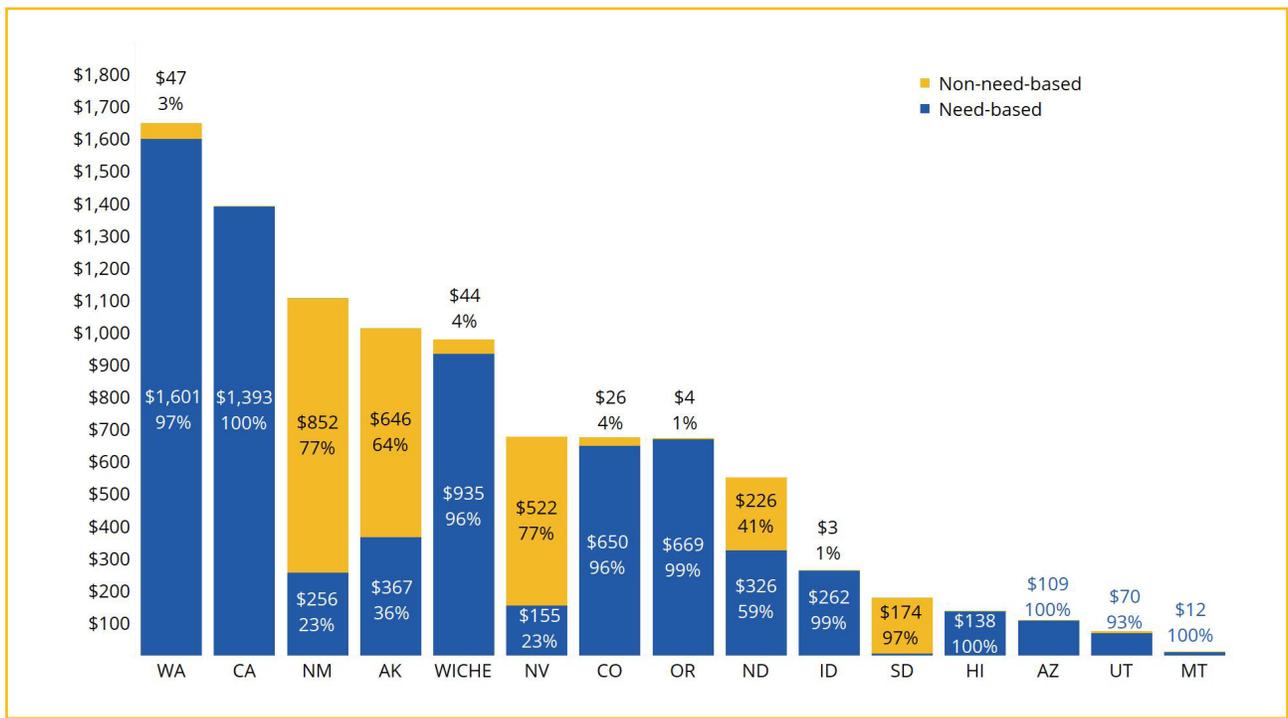
State grant aid varies widely in the region – with average aid per student ranging from \$1,648 in Washington state to

\$12 per student 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 of less than \$200 per undergraduate.

State financial aid represents significant investment by states in higher education but there is wide variation in the share that financial aid represents of state fiscal support to higher education. In FY 2020, state aid represented 11% of state fiscal support to higher education. In the WICHE region, just three states – Washington state, Nevada, and Colorado – were above the national average.²⁸ Meanwhile, nine states had state financial aid which was 5% or less than all of state fiscal support.

The latest NASSGAP survey only includes data through AY 2019-20 (FY 2020) and does not capture the enrollment declines that have occurred over the past two years. The latest Grapevine data suggests that total state financial aid investments have remained stable or increased in almost all states in the region over the past two fiscal years, which could suggest that aid per student has increased, on average, given the recent enrollment declines.²⁹

Figure 7. State Financial Aid Per Undergraduate by Eligibility Criteria, AY 2019-20



Source: National Association of State Student Grant and Aid Programs

Discussion

The most recent data on state appropriations, tuition, and financial aid discussed in this brief present an optimistic view of the current status of state higher education finance in the West. State appropriations are at an all-time high, tuition has stabilized in the past decade, and state financial aid has continued to grow year-over-year. But looking at these independent data points alone misses critical elements of the current economic and societal context that are presenting significant challenges for higher education systems and institutions. Additionally, while higher education funding is often cyclical in nature, the past two fiscal years have been unique, making it difficult to make comparisons to previous points in time as well as draw conclusions to inform future decision-making.

RISING BUDGETS, RISING COSTS

As shown in the discussion of *Grapevine* data above, fiscal support for higher education is at historic levels, both nationally and in the West, with several states reporting double-digit increases in state appropriations over the past fiscal year. However, these data are not adjusted for inflation, which has continued to increase, with the most recent data showing inflation at an 8% increase in February 2022 compared to February 2021.³⁰ The increase in cost of living is presenting a challenge to institutions, students, and policymakers.

Institutions are facing higher costs, including rising wages and benefits. So while states appear positioned to increase fiscal support for higher education in FY 2023, it is unclear whether historic levels of increase will be enough to cover rising costs.³¹ This presents a challenge for policymakers and institution leaders involving tuition-setting for the upcoming academic year. After decades of tuition prices increasing at a rate well above inflation, in 2021 inflation rose at a higher rate than tuition rates – in large part due to the unwillingness of many institutions to increase tuition during the pandemic. Now, institutions are looking to raise tuition for AY 2022-23, citing the impact of inflation, but at the same time are facing a dampening demand for higher education, making it difficult to keep prices affordable for students and families.³²

The rising cost of living presents a significant challenge to the issue of college affordability as well. Students and families are facing steep price increases in their personal budget, including housing, transportation, and food. Although tuition rates most likely won't increase at the level of inflation, the cost burden in other areas could make higher education unaffordable. For example, college students potentially face housing price increases of nearly 5%, food price increases of

about 8%, and gasoline prices that have already increased 38% in the past year – making it more expensive for students to live, eat, and get to and from their campuses.³³ Even before the recent surge in prices over the past year, college students were facing basic needs insecurity as data suggests that nearly three in five college students experienced basic needs insecurity, with almost 40% of community college students reporting having faced food insecurity.³⁴

Along with rising prices and inflation, wages have increased in the past year and many retailers are boosting starting wages, making the entry into the workforce a potentially more desirable option for students rather than enrolling in postsecondary education. This presents an additional challenge for institutions and systems that are looking to raise tuition in light of rising costs but facing a reduced demand for higher education.

ENROLLMENTS – SHORT-TERM DECLINES OR THE NEW NORMAL?

One of the biggest impacts of COVID-19 has been declining enrollments. And while the drop in enrollments has been steep, the declines have not been evenly distributed across student populations and institution types. According to the National Student Clearinghouse, male undergraduate enrollment declined at a higher rate (10.2%) than female undergraduates (6.8%) between fall 2019 and fall 2021.³⁵ Across racial and ethnic populations, American Indian/Alaska Native and Black undergraduate enrollment declines in the past two years were considerably higher than other student populations. Recent data from the Clearinghouse also found the nation's persistence rate dropped 2 percentage points in 2020, the largest one-year decline since 2009.³⁶ Similar to overall enrollment, the declines in persistence were not equal across student populations, as the one-year decline in Hispanic student persistence was double that of white, Black, and Asian students.³⁷ These are confounded by other reports that suggested that Hispanic and Black students were more likely to leave postsecondary education as a result of the pandemic.³⁸

Nationally across institution types, public four-year institutions have fared better in terms of overall enrollment declines (4.0%) in the past two years compared to public two-year institutions (14.8%).³⁹ But even within the public four-year sector, enrollment declines varied considerably – as highly selective institutions actually saw enrollment increases in each of the past two years while undergraduate enrollment declines increased as institution selectivity decreased. Declines at public two-year institutions outpaced those at the least competitive four-year institutions.

The current declines in enrollment and persistence provide a potentially even larger challenge as many states are expected to start seeing declines in total high school graduates starting in a few years.⁴⁰ While the overall number of high school graduates is expected to decline in a few years, several populations – predominantly non-white – are expected to grow even after 2025. This makes it even more imperative that states are investing fiscal resources to re-engage and support students who have been most adversely affected by the pandemic.

INVESTING RESOURCES FOR LONG-TERM SUCCESS

Despite these challenges, much of the West is positioned to make strategic fiscal investments that can target affordability barriers and enrollment declines. The \$350 billion in ARP Act funds that was allocated to states is expected to be obligated by 2024 and spent by 2026, which means that states will continue to appropriate those dollars over the next several years.

Investing in Grant Aid – State financial aid is a critical policy lever when used strategically, along with state appropriations and tuition, to promote access and address affordability barriers for students. In recent years several states have undertaken initiatives that expanded eligibility for state grant aid programs and/or increased investment in them. For example:

- New Mexico passed Senate Bill 140, the New Mexico Opportunity Scholarship Act, which offers tuition-free education for all New Mexico residents, regardless of age, as long as they are enrolled in courses earning at least six credits.⁴¹
- Arizona appropriated \$7.5 million for the Arizona Promise Program, a new state grant program to cover tuition and fees for low-income students attending full time at the state's universities.⁴²
- Oregon passed Senate Bill 1522 which made equity-focused changes to the Oregon Promise grant program by lowering the GPA requirement and increasing the minimum award amount.⁴³
- South Dakota is funding the pilot year of its new need-based aid program, the Freedom Scholarship, with \$5.1 million.⁴⁴
- Utah appropriated \$15 million of ARP Act funds to establish the Educational Re-engagement and High-Demand Scholarships, which target those students who either deferred or interrupted their education as the result of the COVID-19 pandemic, as well as students who were not enrolled prior to the pandemic but seek additional education.⁴⁵

Expanding state financial aid through changes to eligibility and investment of resources serves as a key component of states' strategies for addressing college affordability, but even when financial aid covers tuition, students are facing significant costs that remain a roadblock to access and success. As stated previously, college students struggle with affording basic needs such as food, housing, and transportation. And while higher education alone cannot alleviate the economic pressures on students, it can invest in holistic supports that target basic needs.

The CARES Act and CRRSSA Act HEER Funds earmarked \$35 billion for direct student aid in the form of emergency grants to ease the economic burdens in light of COVID-19.⁴⁶ This federal grant program was unique to the COVID-19 pandemic but provides a framework that states could use moving forward to provide one-time emergency grants to support students. Some states in the West have already done so. For example, Colorado used GEER funds to establish the Colorado Student Relief Fund, which provided emergency aid to low-income students who did not receive HEER funds.⁴⁷ California used \$250 million in ARP Act funds to provide one-time financial assistance grants to low-income students attending the state's community colleges.⁴⁸

Across the country, colleges are implementing student support services that are addressing basic needs for students on campus. The important role institutions play in coordinating benefits and providing food, shelter, and other basic needs became even more evident when college campuses shut down at the onset of COVID-19 and students lacked access to these on-campus resources. It is imperative that states continue to invest resources into these institutional programs, identify programs with the potential to be scaled up, and foster collaboration between higher education institutions and social services to help address student basic needs insecurity.⁴⁹

Developing Workforce Pathways – The recent decline in enrollments presents a significant challenge for states' and higher education's ability to develop a talented workforce that meets current and future needs. Although there are many reasons why someone decides not to enroll in higher education, it is apparent that many individuals are choosing to enter the workforce as opposed to enrolling in higher education programs.⁵⁰ In many ways entering into the workforce provides an immediate benefit to the individual (i.e., wages) and states (i.e., tax revenue) but the potential long-term implications of more and more individuals opting out of higher education are significant. What could happen to postsecondary demand and the workforce if the economy enters a recession in the next five to 10 years? Although there is no immediate projection of an economic

downturn, in previous recessions those with lower levels of education have been disproportionately impacted, and should unemployment rise in the coming years, those with lower levels of education are more likely to be displaced. It is important that states invest fiscal resources not just in two- and four-year degree programs, but also in non-traditional pathways that will support students' ability to access and afford high-quality educational opportunities.

Several states, both in the WICHE region and across the country, have prioritized workforce development through investment of federal relief funds over the past three years. Several Southern states – Texas, Florida, and Louisiana – allocated GEER fund dollars to support Career and Technical Education (CTE) through financial aid programs for CTE students and for those pursuing short-term credentials.⁵¹ Colorado also invested ARP Act funds to expand facilities and equipment in key CTE fields.⁵² Additionally, opportunities exist for collaboration between the postsecondary and K-12 systems to invest in alternative pathways as a way to re-engage students who may have opted out of the education system during the pandemic.⁵³

Additionally, some states have used ARP Act funds to support reskilling or upskilling displaced workers through financial aid. California established the Golden State Education and Training Grant Program to provide a one-time grant for individuals who lost their jobs as the result of COVID-19 to reskill, upskill or access other education opportunities to return to the workforce.⁵⁴ Minnesota established a similar program with ARP Act funds with a specific focus on high-need career fields.⁵⁵

The pandemic has also prompted many states to address healthcare workforce shortages through targeted investments to increase states' capacity to meet current and future workforce needs. Across the country, states are using relief funds to systematically address challenges throughout the education pipeline, such as developing the infrastructure necessary for practicum learning and increasing faculty capacity, in order to educate more certified nursing assistants, medical assistants, and registered nurses. For example, New Mexico has invested \$55 million in faculty endowments to expand the state's capacity to educate future nursing students.⁵⁶ Additionally, Oklahoma is looking to provide institutions across their education systems with financial resources to transform the state's nursing needs across the state.⁵⁷

It is important to remember that an influx of financial resources is not alone a solution, but rather an opportunity for states to address systemic barriers that students face in accessing and affording higher education. Targeted financial aid is a useful tool for recruiting students, but it falls short of ensuring better outcomes for students facing significant obstacles, particularly unemployed or underemployed adults. Greater investment is needed in education pathways – such as credit for prior learning or accelerated degree programs – that, along with financial aid, support students' ability to navigate through to completion.

Conclusion

The current fiscal conditions for higher education appear to be positive, and that – along with substantial federal funding – has positioned most states to make targeted investments to address access and affordability issues and prepare for future workforce needs. With that said, the boost in federal funding is not intended to go beyond the next couple of years, which means that states must invest in sustainable opportunities that will weather future decreases in overall funding. The framework of aligned appropriations, tuition, and financial aid is crucial when states are facing economic downturns, but it is just as important when states are facing a positive economic outlook that decision-making is guided by the alignment of all components of their fiscal resources.

Endnotes

- ¹ Illinois State University Center for the Study of Education Policy and State Higher Education Executive Officers Association, *Grapevine, An Annual Compilation of Data on State Fiscal Support for Higher Education: Fiscal Year 2021-22*, (Normal, Ill.: Illinois State University, 2022) accessed March 25, 2022 at <https://shef.sheeo.org/>. All year-over-year change in *Grapevine* is in current dollars. Data for the Western region only. Data not available for the U.S. Pacific Territories and Freely Associated States.
- ² 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, and the Federated States of Micronesia. The Republic of the Marshall Islands and the Federated States of Micronesia joined in 2021 and are not included in this year's report but will be included starting in AY 2022-23. Average tuition and fees are calculated for each territory separately in this report. WICHE average tuition and fees includes CNMI and Guam. Other data sources included in this brief—*Grapevine*, *SHEF*, and *NASSGAP*—do not cover these territories.
- ³ The 2020-21 and 2021-22 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, the most recently available data at the time of publication.
- ⁴ Weighted averages provide a truer estimate of the published price a typical student faces, reflecting overall enrollment levels (although this weighting does not reflect patterns for in-state and out-of-state enrollments).
- ⁵ Tuition and Fees inflation adjustments used the Higher Education Cost Adjustment (HECA), calculated by the State Higher Education Executive Officers (SHEEO).
- ⁶ College Board, *Trends in College Pricing* (Washington, D.C.: College Board, 2021), Table 4, accessed March 25, 2022 at collegeboard.org.
- ⁷ The Commonwealth of the Northern Mariana Islands' one public postsecondary institution, Northern Marianas College (NMC), is categorized as a public two-year institution for the purpose of this report at the request of the institution, although NMC confers a limited number of baccalaureate degrees per year.
- ⁸ The regional average for two-year institutions excludes California and Alaska institutions. Including California, with its historically high enrollment and low rates, heavily impacts the regional average. Since 2014-15, Alaska has had no separately accredited two-year campuses and all community campuses are under the University of Alaska umbrella. Associate-seeking students can be found on all campuses and are charged the same lower-division per-credit rate as bachelor's-seeking students, which was \$234/credit hour in 2020-21.
- ⁹ Tuition and Fees inflation adjustments used the Higher Education Cost Adjustment (HECA), calculated by the State Higher Education Executive Officers (SHEEO).
- ¹⁰ College Board, *Trends in College Pricing*. The regional average and national average both include California.
- ¹¹ In AY 2020-21, Maricopa Community College District reduced resident tuition by 25%. In AY 2021-22, the district returned tuition rates to those offered in AY 2019-20.
- ¹² These data do not include federal stimulus dollars that were allocated directly to institutions through the Higher Education Emergency Relief Fund.
- ¹³ Illinois State University Center for the Study of Education Policy and State Higher Education Executive Officers Association, *Grapevine, An Annual Compilation of Data on State Fiscal Support for Higher Education: Fiscal Year 2021-22*, (Normal, Ill.: Illinois State University, 2022) accessed March 25, 2022 at <https://shef.sheeo.org/>. All year-over-year change in *Grapevine* is in current 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 were used for higher education.
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- ¹⁸ Institutions were required to use 50% of their CARES Act funding in the form of direct aid to students. CRRSSA funding required institutions to at least maintain the amount of aid provided to students in the CARES Act funding. The ARP Act required institutions to use 50% of funds in the form of direct aid to students.
- ²⁰ United States Department of Education, Office of Postsecondary Education, "CARES Act: Higher Education Emergency Relief Fund," accessed March 25, 2022 at <https://www2.ed.gov/about/offices/list/ope/caresact.html>.
- ²¹ United States Department of Education, "Fact Sheet: Governor's Emergency Education Relief Fund II Coronavirus Response and Relief Supplemental Appropriations Act, 2021" accessed March 25, 2022 at https://oese.ed.gov/files/2021/01/FINAL_GEER_FactSheet_1.8.211.pdf. Under the CARES Act, states that receive GEER funds must maintain fiscal support for K-12 and higher education in FY 2020 and FY 2021 at least at the average levels of support provided in FYs 2017, 2018, and 2019.
- ²² Illinois State University for the Study of Education Policy and State Higher Education Executive Officers Association.
- ²³ United States Department of the Treasury, "Coronavirus Relief Fund," accessed March 25, 2022 <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/coronavirus-relief-fund>.
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- ²⁵ United States Department of the Treasury, "Coronavirus State and Local Fiscal Recovery Funds," accessed March 25, 2022 at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>.
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- ²⁷ National Association of State Student Grant and Aid Programs (NASSGAP), *51st Annual Survey Report on State-Sponsored Student Financial Aid, 2019-20 Academic Year*, (Washington, D.C.: National Association of State Student Grant and Aid Programs, 2021), accessed March 25, 2022 at nassgapsurvey.com. Note: NASSGAP survey results report aid that has any need eligibility as being "need-based aid," even if need-eligibility is used only after merit requirements have been met. For example, Wyoming's primary aid program, the Hathaway Scholarships, only provides need-based aid for eligible students after their receiving the scholarship based on merit. For the 2019-20 year, Wyoming reported all aid dollars to NASSGAP as uncategorized and are not included in the WICHE region total aid per FTE calculation.
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