WICHE
Western Interstate Commission for Higher Education

WICHE INSIGHTS

Tuition and Fees, Appropriations, and Financial Aid in the West, AY 2023-24: Trends and Implications

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EXECUTIVE SUMMARY

Recent data across the three components of state higher education finance – tuition and fees, appropriations, and financial aid – present a favorable economic outlook in the West. On average, tuition and fees rates at two- and four-year institutions in the WICHE region increased at rates below inflation in the past year and remain below rates from a decade prior. In Fiscal Year (FY) 2024, state support to public postsecondary institutions increased by 8% compared to FY 2023. State grant aid increased on the aggregate and per student in Academic Year (AY) 2021-22 compared to the year prior, with larger increases for need-based aid programs.

Despite these promising fiscal trends, postsecondary education faces several strong headwinds in the coming years. Enrollment in higher education remains below pre-pandemic levels and well below the high point in enrollment from AY 2010-11. Recent surveys suggest wavering public perception of postsecondary education, despite data that demonstrates the value of a higher education degree or credential. Institutions could face even more enrollment challenges as federal pandemic relief dollars are winding down and states could experience constrained fiscal resources. The impact of technical issues and delays in the rollout of the new Free Application for Federal Student Aid (FAFSA) may also substantially impact postsecondary enrollment. Lastly, the number of high school graduates is projected to peak nationwide in the next few years (although many states have already hit a peak and are now declining), while numerous data points indicate that the COVID-19 pandemic could lead to students being academically underprepared.

Key Takeaways

- Regional average tuition and fees for resident undergraduates at public four-year institutions were $10,708 in AY 2023-24, an increase of 3% from AY 2022-23.
- Regional average in-district tuition and fees at public two-year institutions, excluding California, were $4,489 in AY 2023-24 and increased 3.8% from the year prior. When including California, the regional average tuition and fees were $2,444 in AY 2023-24.
- Thirteen states in the WICHE region increased or maintained state fiscal support in FY 2024 compared to FY 2023.
- Total state financial aid dollars in the West have increased substantially in the past decade with more need-based aid awarded than the national average.
- Recent enrollment declines and wavering public perception of higher education presents an uncertain future for institutions and states.

TUITION AND FEES
AY 2023-24

$10,708
Tuition and fees at public four-year institutions

$2,444
Tuition and fees at public two-year institutions

STATE APPROPRIATIONS

States in the West appropriated over

$36 billion
to higher education in FY 2024, an increase of

8%
compared to FY 2023

STATE GRANT AID

$1,210
State grant aid per FTE in AY 2021-22

95%
of all state grant aid awarded based on need

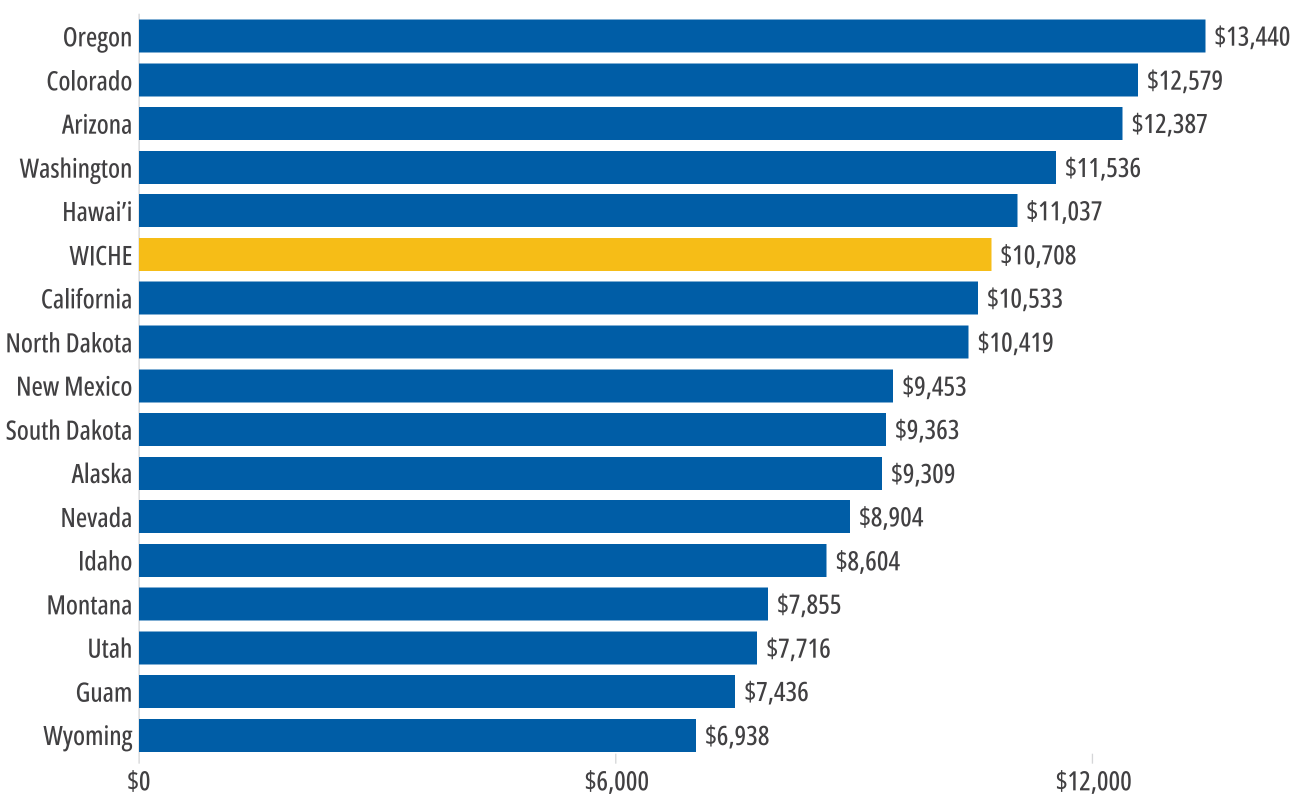
TUITION AND FEES IN THE WEST

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, territories, and freely associated states in Summer 2023.[1] Complete data from the survey are available on WICHE's online dashboard and enable comparisons of rates over time, across states, territories, and freely associated states, and between Carnegie Classifications. Unless otherwise indicated, tuition and fees rates are in current U.S. dollars, and average rates at the state and regional levels are weighted by full-time equivalent (FTE) enrollment.[2] This *WICHE Insights* summarizes recent tuition and fees for undergraduates at public institutions in the West. Data in the November 2023 *Tuition and Fees in Public Higher Education in the West, 2023-24: Detailed Data Tables* provide both weighted and unweighted averages as well as tuition rates for graduate students in region.[3]

Tuition and Fees at Public Four-Year Institutions

The regional average tuition and fees for resident undergraduates at public four-year institutions were $10,708 in AY 2023-24, an increase of $326 (3%) from AY 2022-23. When adjusted for inflation, the regional average tuition and fees decreased by $110 (1%) in the past year.[4] The AY 2022-23 regional average tuition and fees were approximately 4.9% lower than the national average of $11,260 but did increase at a higher rate than the national average in the past year.[5] Tuition and fees for nonresidents in the region averaged $29,994 in AY 2023-24, an increase of $998 (3.4%) from AY 2022-23, but when adjusted for inflation, decreased by $221 (0.7%).

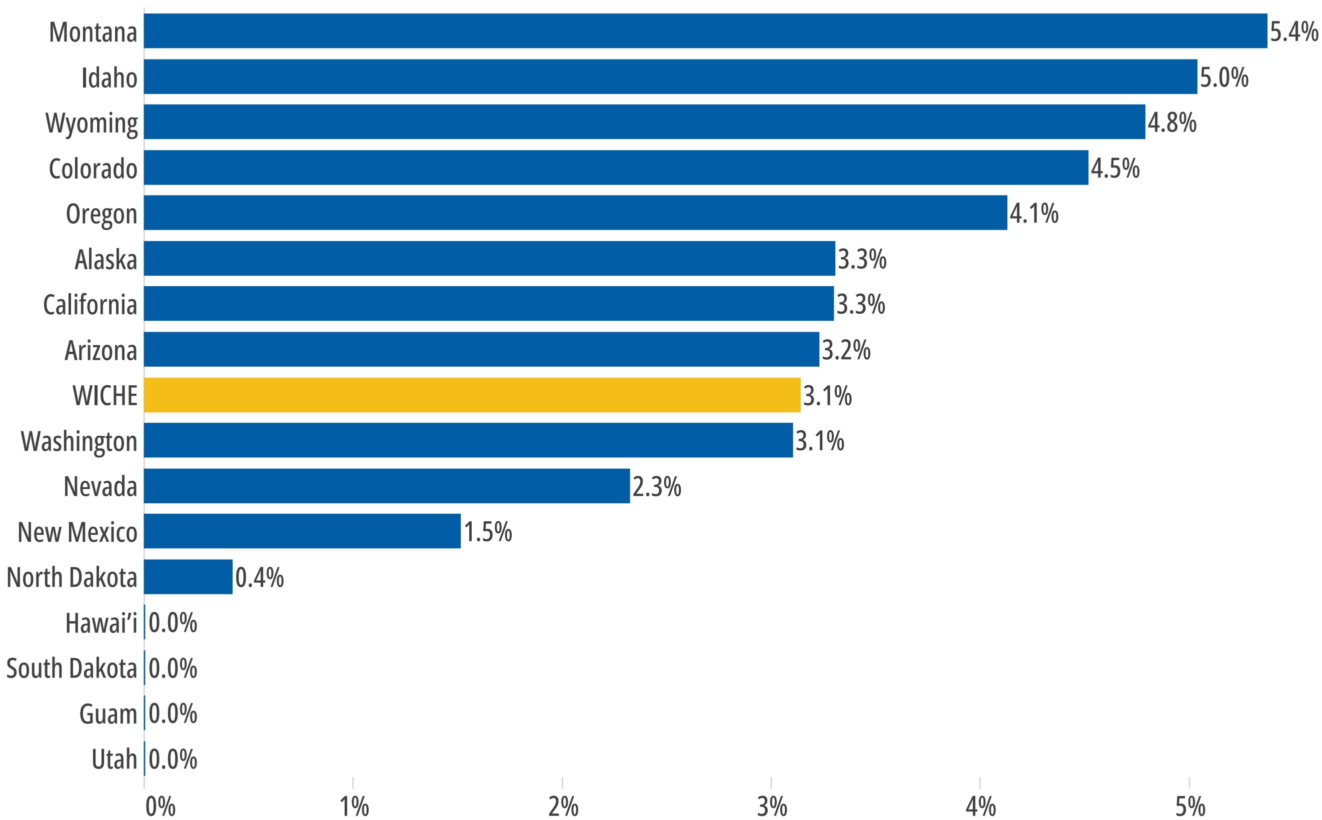
Figure 1.
Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2023-24



STATE VARIATION IN TUITION AND FEES TRENDS

The regional average masks the wide variation in tuition and fees across the West, both in terms of the published charges and the rate of change over time. As shown in Figure 1, state average tuition and fees for resident undergraduates ranged from $6,938 (Wyoming) to $13,440 (Oregon).[6] Between AY 2022-23 and AY 2023-24, state average tuition and fees increased in 12 states, territories, and freely associated states, with wide variation in the reported increases (Figure 2). Nine states reported increases greater than 3% with two states reporting a one-year increase greater than 5%. Notably, South Dakota, Hawai'i, Guam, and Utah all reported no change in tuition and fees rates in the past year.

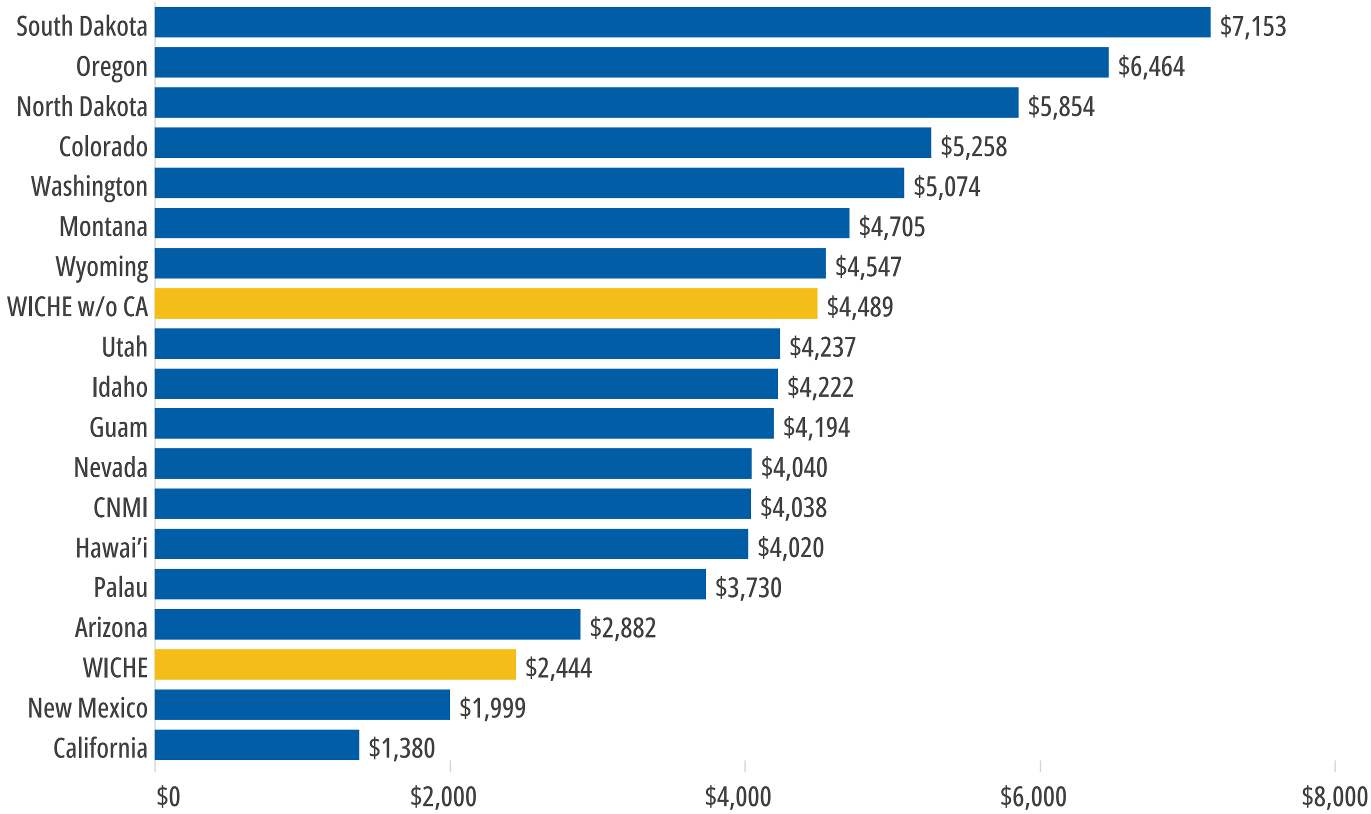
Figure 2
Percent Change, Resident Undergraduate Tuition and Fees at Public Four-Year Institutions, AY 2022-23 to AY 2023-24



Tuition and Fees at Public Two-Year Institutions

The regional average tuition and fees for in-district undergraduates at public two-year institutions was $2,444 in AY 2023-24, an increase of $58 (2.3%) from AY 2022-23. This was well below the national average in AY 2023-24 ($3,990). However, the regional average is heavily impacted by California community colleges, which enrolls 67% of the region's two-year enrollment and historically has charged in-district students $46 per credit, which is well below the regional average. When excluding California, the WICHE regional average was $4,489 in AY 2023-24, an increase of $163 (3.8%) from AY 2022-23.

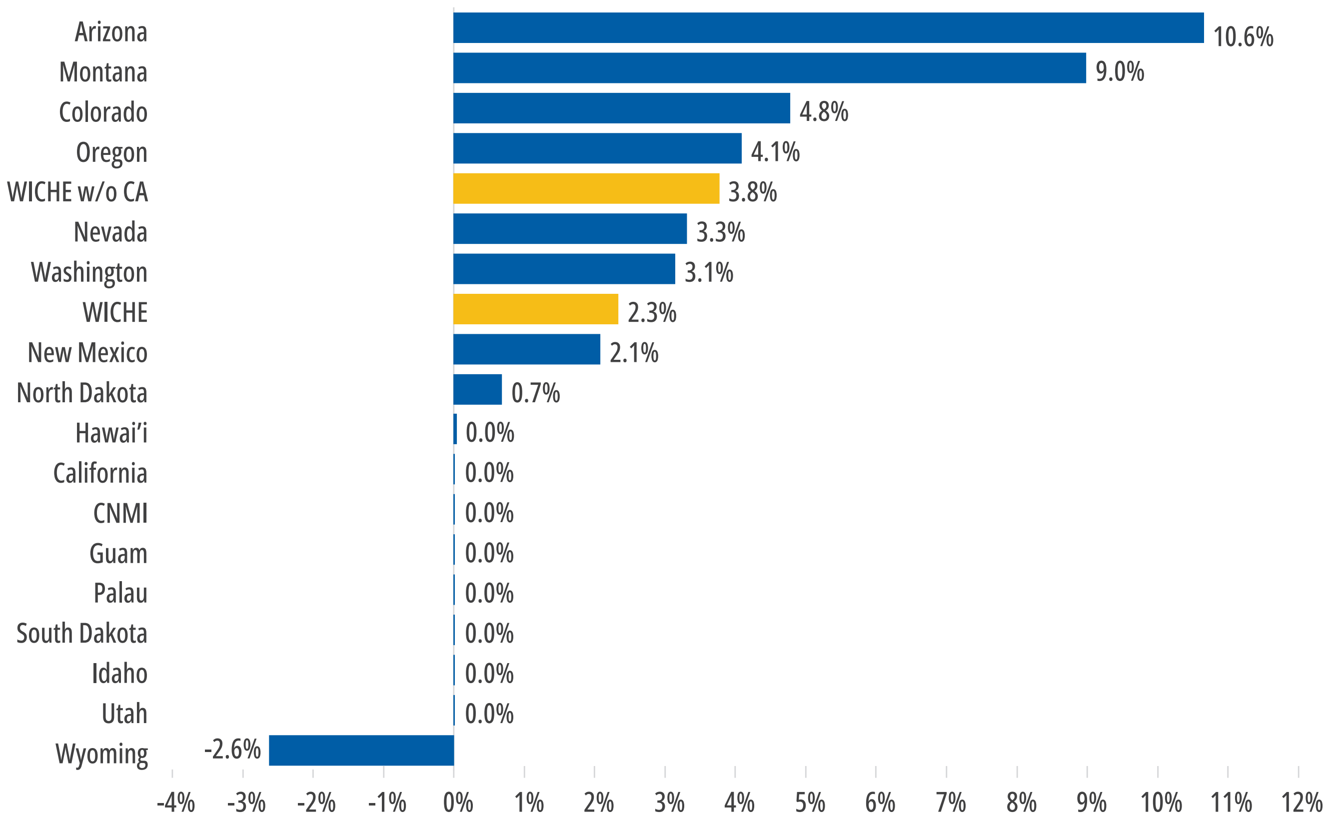
Figure 3
Resident Undergraduate Tuition and Fees at Public Two-Year Institutions, AY 2023-24



STATE VARIATION IN TUITION AND FEES TRENDS

In AY 2023-24, average tuition and fees for public two-year institutions ranged from $1,380 (California) to $7,153 (South Dakota) (Figure 3). Between AY 2022-23 and AY 2023-24, eight states, territories, and freely associated states reported no change in tuition and fees rates at two-year institutions, and Wyoming reported an average decrease of 2.6% in the past year (Figure 4). Among the states that reported an increase, most were between 2% and 5%; however, two states (Montana and Arizona) reported an annual increase greater than 9% between AY 2022-23 and AY 2023-24.

Figure 4
Percent Change, Resident Tuition and Fees at Public Two-Year Institutions, AY 2022-23 to AY 2023-24



Tuition and Fees Trends Over Time

Over the past decade, average tuition and fees at public four-year institutions in the West have declined 2.5%, when adjusting for inflation. This comes as a stark contrast from the years prior to AY 2012-13 when tuition rates were rapidly increasing beyond the rate of inflation. It is important to note that the regional trend masks significant variation in state- and institution-level tuition and fees changes during that same time. As shown in Table 1, some of the largest decreases in average tuition and fees at public four-year institutions occurred in some of the largest states in the region – Arizona, California, and Washington – which largely impacts regional averages. In other states – Alaska, Oregon, and Wyoming – tuition and fees at public four-year institutions increased by greater than 20%.

In the past five years, even more states in the WICHE region reported decreases in average tuition and fees rates. This came at a time when institutions were facing significant enrollment declines during the COVID-19 pandemic and were not well-positioned to increase tuition rates. Since AY 2018-19, the academic year prior to the pandemic and therefore untouched by pandemic-related factors, the regional average tuition and fees at public four-year institutions decreased by 4.3%. Eleven states, territory, and freely associated states reported decreases in the past five years, with average decreases ranging from 1% to 12.4%. However, five states reported average tuition and fees rate increases from 2.5% to 13.1% in the past five years.

Compared to the region's four-year institutions, tuition and fees at public two-year institutions decreased at an even greater rate over the past decade (9.2%; constant 2023 U.S. dollars). When excluding California community colleges, which have not increased resident enrollment fees since AY 2012-13, the rate of change for the region jumps to a 4.1% (constant 2023 U.S. dollars) increase in tuition and fees over the past decade.

Between AY 2018-19 and AY 2023-24, the regional average tuition and fees at public two-year institutions decreased by 5.5% and when excluding California, decreased by 2% (Table 1). California, the Commonwealth of the Northern Mariana Islands (CNMI), and Guam all reported the same tuition and fees rates in AY 2023-24 as five years prior, which resulted in a 14.7% decrease when accounting for inflation. Three additional states – Hawai'i, Idaho, and South Dakota – all reported decreases greater than 12%, which reflect tuition freezes over the past several academic years during a period of significant increases in inflation rates.

Table 1

Percent Change, Resident Undergraduate Tuition and Fees, AY 2013-14 to AY 2023-24 & AY 2018-19 to AY 2023-24 (Constant 2023 U.S. Dollars)

	PUBLIC 4-YEAR		PUBLIC 2-YEAR	
	% Change, AY 13-14 to AY 23-24	% Change, AY 18-19 to AY 23-24	% Change, AY 13-14 to AY 23-24	% Change, AY 18-19 to AY 23-24
Alaska	21.7%	2.5%	n/a	n/a
Arizona	-5.0%	-5.4%	-6.0%	-6.2%
California	-9.1%	-7.4%	-22.8%	-14.7%
CNMI	n/a	n/a	-8.0%	-14.7%
Colorado	13.4%	-2.4%	5.9%	-5.9%
Guam	-8.0%	-10.2%	-22.8%	-14.7%
Hawai'i	-5.5%	-12.4%	-4.6%	-12.6%
Idaho	5.1%	-3.3%	-5.7%	-13.9%
Montana	-2.0%	-4.7%	7.9%	1.7%
Nevada	6.2%	-1.0%	15.5%	1.3%
New Mexico	18.9%	13.1%	7.5%	-3.3%
North Dakota	10.8%	2.8%	9.7%	3.8%
Oregon	21.9%	8.2%	12.9%	2.9%
Palau	n/a	n/a	-11.4%	-2.1%
South Dakota	-8.7%	-10.8%	-4.2%	-13.3%
Utah	1.2%	-5.2%	-1.5%	-5.4%
Washington	-17.1%	-1.1%	-8.2%	-2.6%
Wyoming	21.6%	9.6%	37.8%	19.4%
WICHE	-2.5%	-4.3%	-9.2%	-5.5%
WICHE w/o CA	3.5%	-1.5%	4.1%	-2.0%

STATE FISCAL SUPPORT: APPROPRIATIONS

Appropriations represent the largest state fiscal resource provided to higher education systems and institutions, and in many states in the region, appropriations remain the main source of higher education revenue. This *WICHE Insights* discusses the latest FY 2024 data from the annual the *Grapevine* survey of higher education funding collected and released by the State Higher Education Executive Officers Association (SHEEO).[7] These data are not available for the U.S. Pacific Territories and Freely Associated States in the WICHE region. In addition to state appropriations, these data include federal COVID-19 relief dollars allocated to higher education by states over the past five fiscal years.[8] These data reflect total dollars appropriated to higher education and are not adjusted for inflation.

FY 2024 State Appropriations

State fiscal support for higher education topped $127 billion nationally in FY 2024, an increase of 9.4% compared to FY 2023.[9] The WICHE region, which accounts for about 29% of the nation's higher education fiscal support, collectively reported over $36 billion in state support in FY 2024, an increase of 8% from FY 2023. The 8% increase in state support is about the same as what was reported between FY 2022 and FY 2023. The state support in the West increased at a higher rate in the past year than the Midwest (6.4%) and Northeast (5%) regions but was well-below the rate of increase in the Southern region (13.2%) (Table 2).

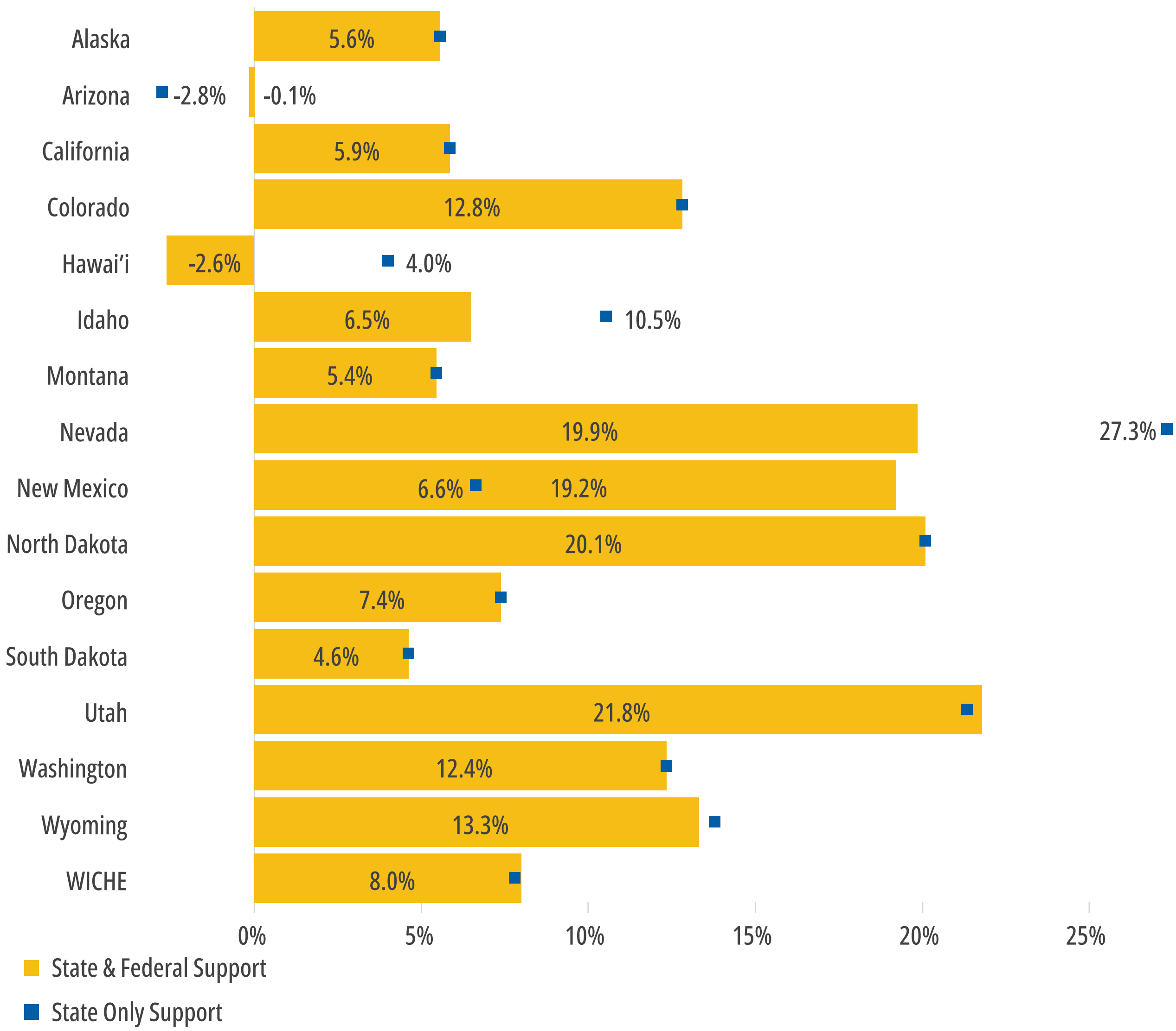
Table 2
State Support by Region and Nation, FY 2023 and FY 2024

REGION/NATION	FY 2023 TOTAL	FY 2024 TOTAL	1-YEAR % CHANGE
West	$33.8 B	$36.5 B	8.0%
Midwest	$20.1 B	$21.4 B	6.4%
Northeast	$16.4 B	$17.3 B	5.0%
South	$46.1 B	$52.2 B	13.2%
U.S.	$116.4 B	$127.3 B	9.4%

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

The trends in fiscal support present an overall positive outlook for higher education support in the West as all but two states in the region appropriated the same amount or increased fiscal support between FY 2023 and FY 2024. Annual increases in total fiscal support (state and federal support) ranged from 4.6% in South Dakota to a 21.8% increase in Utah (Figure 5).

Figure 5
Percent Change, State Appropriations and Federal Funding, FY 2023 to FY 2024



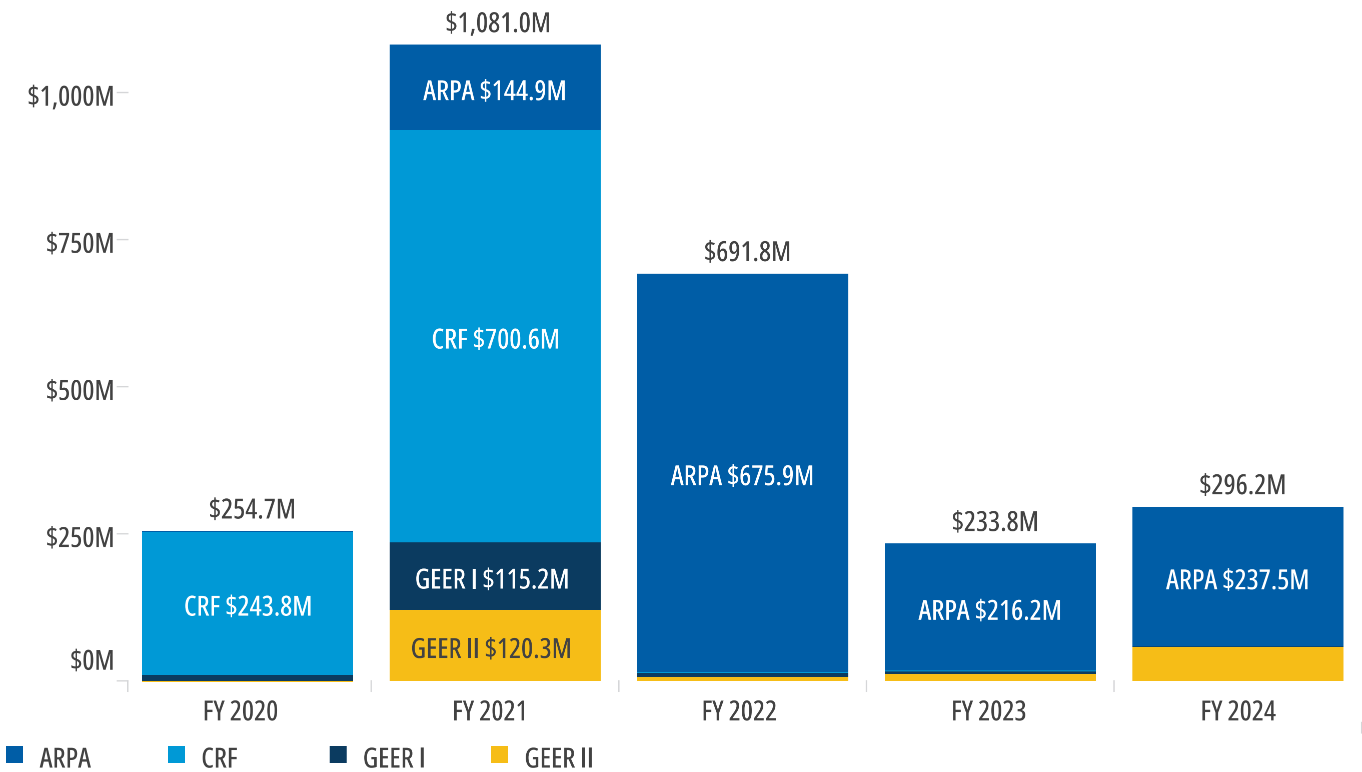
Source. State Higher Education Executive Officers Association (SHEEO).[11]

It is important to note the impact of federal stimulus dollars on the regional and state trends. In FY 2024, federal stimulus dollars allocated to higher education through states totaled $296.2 million in the West. This was about 1% of total state support in the past year and an overall increase in stimulus funds compared to FY 2023. As has been the case since FY 2020, states used federal funds in different ways, which impacts how trends are displayed in Figure 5. Most states in the region reported an increase in state-only support that was similar to total state support when accounting for federal stimulus funds. There are a few notable exceptions to the trend. For example, Nevada reported a nearly 20% increase in total state appropriations (including federal support) between FY 2023 and FY 2024. This increase was entirely the result of increases in state only support and Nevada did not appropriate any federal stimulus funds to higher education in FY 2024. As a result, state-only support increased at an even higher rate in FY 2024 compared to the year prior (27.3%). In FY 2024, New Mexico appropriated over $171 million in federal stimulus funds to higher education, which in addition to a 6.6% increase in state-only appropriations, resulted in a significantly larger percentage increase in total appropriations over the past fiscal year (19.2%). Lastly, Hawai'i appears to have reported a decline in total state support to higher education between FY 2023 and FY 2024, but it is important to note that state-only appropriations were about 4% higher than FY 2023. The overall decrease in state support is the result of the state appropriating significantly fewer federal dollars in FY 2024 compared to FY 2023.

Since FY 2020, states in the West have appropriated a total of over $2.5 billion in federal stimulus funds to higher education, which is about 8.4% of all state appropriations during this time. These funds provided state budgets with much needed relief as well as the opportunity to make strategic investments into postsecondary education and workforce development. These funds are one-time funding sources, and all sources are expected to be obligated prior to the end of 2024, meaning state budgets will be back to the pre-pandemic revenue sources. This raises questions about the next five years in higher education funding as enrollment trends remain uncertain and there will be a need to sustain efforts developed over the past five years to meet workforce and economic goals.

Figure 6

Distribution of Federal Funding by Source, WICHE Region, FY 2020 to FY 2024



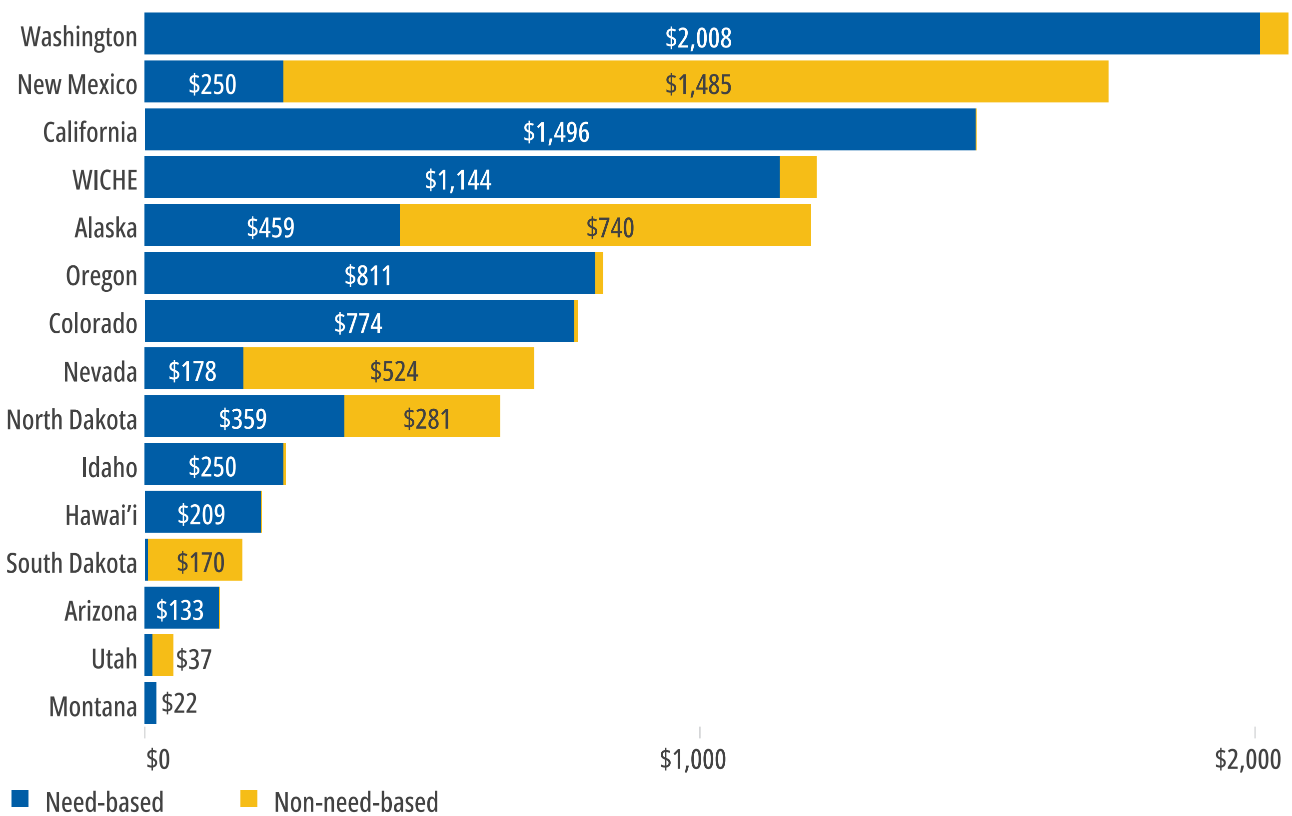
Source. State Higher Education Executive Officers Association (SHEEO).[12]
Note. These data include federal dollars used for capital projects.

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 provides a comprehensive review of state aid distribution, including details by student level and award eligibility and criteria.[13]

According to the latest NASSGAP survey, total grant aid in the WICHE region averaged $1,210 per undergraduate student in AY 2021-22, which was higher than the national average ($1,058).[14] However, the average need-based aid awarded per student in the WICHE region ($1,144) was even higher compared to need-based aid the national level ($775); about 95% of all undergraduate state aid in the West is awarded based on need compared to 71% of the nation's total state aid. State grant aid varies widely in the region, with average aid per student ranging from $22 (Montana) to $2,059 (Washington). It is also important to note that only four states award aid per student at a level higher than the regional and/or national averages, and five states award financial aid at a rate of less than $250 per undergraduate.

Figure 7
State Financial Aid Per Undergraduate by Eligibility Criteria, AY 2021-22



Source. National Association of State Student Grant and Aid Programs (NASSGAP).[15]

Between AY 2011-12 and AY 2021-22, total grant aid in the WICHE region increased by 34% (constant 2022 U.S. dollars), which is well above the national increase of 14% and other parts of the country during the same time period.[16] Almost all states in the region awarded more state grant aid dollars in AY 2021-22 compared to 10 years prior, with wide variation across the states (Table 1). For example, five states in the region doubled the total amount of state grant aid awarded between AY 2011-12 and AY 2021-22. Three states reported a decrease in total grant aid awarded between AY 2011-12 and AY 2021-22. There have also been larger increases in aid awarded based on need compared to non-need-based aid in the WICHE region, which is a difference from the national trend over the past decade. For example, in the WICHE region, total need-based aid increased by 34% between AY 2011-12 and AY 2021-22 compared to a 30% increase in non-need-based aid. Nationally, non-need-based aid increased by 18% compared to just a 13% increase in need-based aid over the past decade. Due to data lags, these figures do not capture recently enacted budgetary and policy changes that will show up in future years.

Table 3

Total State Grant Aid Awarded to Undergraduates by Year and Change Over Time, AY 2011-12 to AY 2021-22 (Constant 2022 U.S. Dollars)

	AY 11-12	AY 21-22	CHANGE, AY 11-12 TO AY 21-22	% CHANGE, AY 11-12 TO AY 21-22
Alaska	$7,017,163	$14,797,000	$7,779,837	111%
Arizona	$19,103,001	$49,484,000	$30,380,999	159%
California	$1,797,912,163	$2,338,214,000	$540,301,837	30%
Colorado	$83,680,272	$171,816,000	$88,135,728	105%
Hawai'i	$4,546,042	$7,884,000	$3,337,958	73%
Idaho	$7,573,489	$20,361,000	$12,787,511	169%
Montana	$7,780,985	$737,000	-$7,043,985	-91%
Nevada	$60,938,970	$55,082,000	-$5,856,970	-10%
New Mexico	$111,540,222	$108,614,000	-$2,926,222	-3%
North Dakota	$16,191,319	$22,209,000	$6,017,681	37%
Oregon	$52,704,816	$105,652,000	$52,947,184	100%
South Dakota	$4,943,833	$6,037,000	$1,093,167	22%
Utah	$10,464,796	$14,228,000	$3,763,204	36%
Washington	$353,310,545	$480,494,000	$127,183,455	36%
WICHE	$2,537,707,618	$3,395,609,000	$857,901,382	34%

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

DISCUSSION

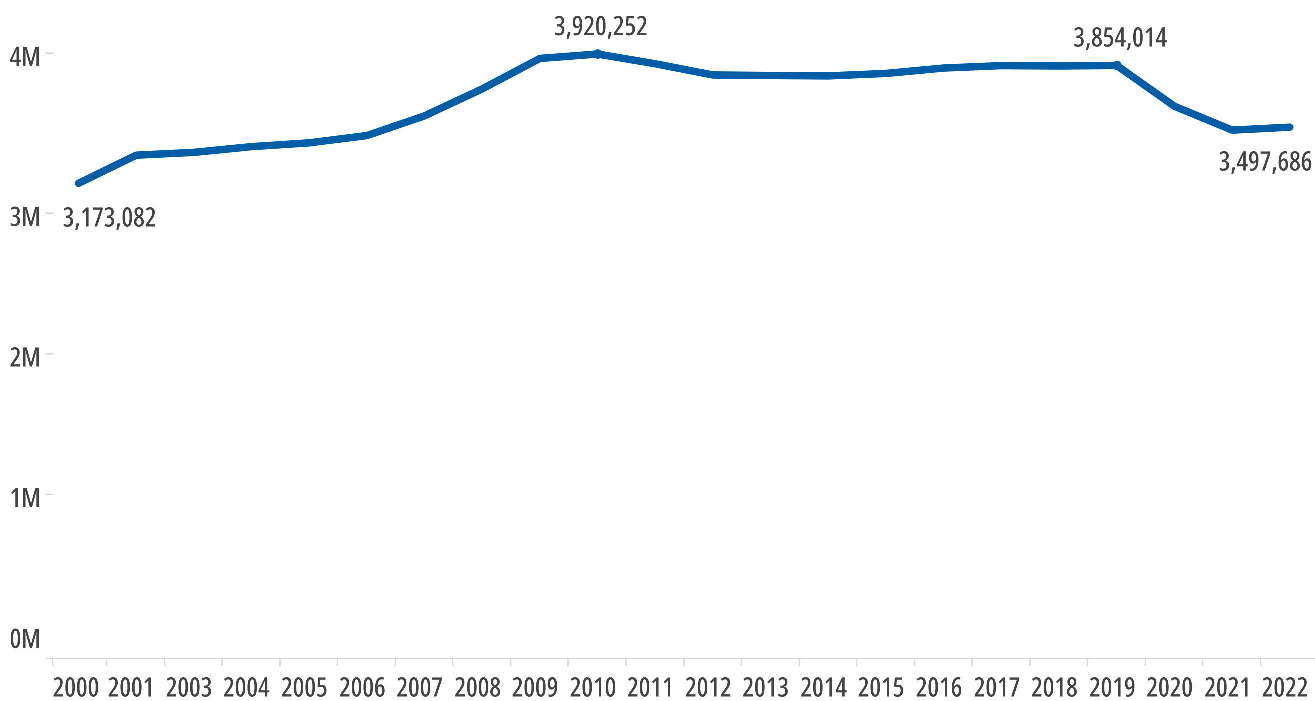
The data discussed in this edition of *WICHE Insights* presents a positive fiscal outlook across key higher education financial indicators for the following reasons: Despite an increase in the past academic year, tuition and fees rates remain below levels from a decade prior, when adjusting for inflation. State support reached an all-time high in FY 2024 and increased by 8% in the past year. State grant aid continues to increase, on average, year-over-year with larger increases in need-based aid programs in the region. However, several factors continue to impact higher education institutions and systems, most notably undergraduate enrollment trends, questions about the affordability of a college degree, and producing well-prepared graduates who can meet the region's workforce demands.

Enrollment Impacts

As shown in Figure 8, undergraduate enrollment in the West began to stall at the end of the Great Recession. After a decade of strong enrollment increases, the number of students enrolled each fall started to level out in Fall 2010. This trend continued for a decade until Fall 2020 when enrollments declined during the COVID-19 pandemic.[18] Some of these trends are the result of population changes and fewer traditional-age high school graduates in some parts of the region, but these can also be attributed to fewer high school graduates choosing to enroll in postsecondary education altogether. As shown in Table 4, the share of 18- to 24-year-olds enrolled or who have completed college has decreased nationally between 2012 and 2022.[19] Across the West, trends vary widely as some states have seen an increasing share of young adults enrolling in college while other states have seen considerable decreases. This presents a troubling outlook for higher education institutions as tuition revenue is closely aligned with enrollments.

Figure 8

Undergraduate Enrollment at Public Two- and Four-Year Institutions in the WICHE Region, Fall 2000 to Fall 2022



Source: Integrated Postsecondary Education Data System (IPEDS), Fall Enrollment Survey, 2000-2022.[20]

Table 4
Share of Young Adults Ages 18 to 24 Who Are Enrolled or Completed College, 2012, 2016, and 2022

STATE	2012	2016	2022	2012 TO 2022 CHANGE
Alaska	30%	27%	24%	-6%
Arizona	42%	43%	42%	0%
California	52%	54%	53%	1%
Colorado	48%	46%	47%	-1%
Hawai'i	41%	42%	41%	0%
Idaho	42%	43%	42%	0%
Montana	41%	43%	41%	0%
Nevada	36%	34%	32%	-4%
New Mexico	39%	40%	36%	-3%
North Dakota	51%	49%	61%	10%
Oregon	47%	46%	42%	-5%
South Dakota	47%	48%	42%	-5%
Utah	46%	44%	44%	-2%
Washington	43%	45%	42%	-1%
Wyoming	44%	41%	42%	-2%
United States	49%	49%	48%	-1%

Source: The Annie E. Casey Foundation analysis of data from U.S. Census Bureau, Census Supplementary Survey, and American Community Survey.[21]

Over the past 30 years, the economics of public higher education has shifted as public institutions' operating budgets have relied more on tuition dollars. Some argue that this shift represents a disinvestment of state resources into higher education. Another argument could be made that the increases in tuition revenue over the past 20 years far outpace decreases in state investment and rather this highlights that higher education institutions increased tuition because the market allowed them to do so. The reality is that higher education institutions operate within a different context now than 10, 15, or 20 years ago. Not only has total enrollment declined, but the share of young adults enrolled in college has also declined. This has left some institutions facing significant budgetary challenges and considering programmatic cuts and potential consolidation.[22]

Federal dollars over the past four years have provided budgetary relief for not only states, but institutions as well through Higher Education Emergency Relief funds. These funds were critical for operating budgets during the earliest parts of the COVID-19 pandemic and during the worst of enrollment declines in AY 2020-21 and AY 2021-22. However, enrollments have not recovered to pre-pandemic levels at many institutions. With no emergency funds to rely on and state budgets returning to pre-pandemic funding sources, more budget gaps are possible in the coming years.[23]

The short- and long-term outlooks raise concerns about enrollment recovery. In the short term, delays in FAFSA are causing widespread concern about the impacts on student enrollment come Fall 2024. The number of students completing FAFSAs is running substantially behind than in previous years, and the U.S. Department of Education continues to identify glitches and issues with the new form and related calculations.[24] For example, as of early April 2024, FAFSA completions are about 27% below the completion rates reported in March 2023, with larger impacts among low-income students.[25] Looking beyond 2024, the number of high school graduates is expected to reach a high point in 2025 and then enter into a period of year-over-year declines. This means that as higher education institutions move beyond the COVID-19 pandemic and FAFSA disruptions, they will face a shrinking population of traditional-age college-going students, making it even more important to mitigate demographic trends by providing accessible and affordable higher education opportunities.[26]

Hypotheses have emerged about the recent declines in higher education enrollment. The recent strong economy – driven by factors like low unemployment, higher entry level wages, etc. – could mean that some young adults are choosing to enter the workforce rather than enroll in higher education.[27] Additionally, recent surveys of the adult population suggest a growing negative perception of higher education. For example, a 2023 Gallup poll found that just 36% of those surveyed reported having a "great deal" or "quite a lot" of confidence in higher education, which is 12 percentage points lower than reported in 2018.[28] Additionally, prospective students have mixed views on the potential value of obtaining a degree that will lead to a good job.[29]

Despite the shifting public perception of higher education, recent studies from Hawai'i and Utah found strong economic and societal benefits of a college degree. The University of Hawai'i found an 11% wage premium for those with a bachelor's degree just five years after graduation.[30] This demonstrates the positive return on investment for students who obtain a degree. Additionally, a report from the University of Utah found that Utah adults with a college degree not only had higher wages, lower unemployment, and lower poverty rates, but also reported higher levels of general health and are more likely to be civically engaged.[31]

These positive returns highlight the long-term impact of obtaining a college degree. It is also important to recognize that, on average, only 64% of students at four-year institutions and 34% of students at two-year institutions graduate.[32] This means nearly one-third of students at four-year institutions and two-thirds of students at two-year institutions enroll and potentially accrue debt but do not reap the economic benefits associated with a college degree. In many cases, this leads to students who stopped out paying more than originally borrowed due to accumulating interest while degree completers are better positioned to pay down debt accrued to finance their education.[33]

This presents a challenge in recruiting students to higher education because while there are economic benefits of a degree, prospective students have very real concerns about the time and cost related to earning a degree. Affordability remains a key concern for prospective students despite minimal changes in tuition rates over the past decade.[34] For prospective students to foresee the potential long-term benefits of a degree, they must first determine that accessing and completing a degree is an affordable opportunity. Several states and systems have implemented policies and practices that are intended to address affordability barriers and support college completion.

Strategies to Reduce Affordability Barriers

The enrollment outlook may present significant challenges for institutions, systems, and states in the future. Costs remain a key barrier for students, in not only accessing higher education, but also in completing a credential. This is why it is important to not view affordability as end in itself for students but rather ensure that across all higher education policies beyond tuition and financial aid, such as transfer and dual credit, are developed in a manner that supports a student's ability to not only access postsecondary education but also continue to afford to progress toward completion.

Addressing affordability barriers is a key component of expanding access for students and improving the value proposition for students. Financial aid continues to be a critical tool used by states for expanding access and providing opportunities for historically underserved populations. Several states in the West have invested or proposed investments to expand state grant aid programs:

- New Mexico's Opportunity Scholarship has been regarded a success in its first years as the state reported a 7% enrollment increase since 2022.[35] In 2024, the New Mexico Legislature passed SB 159, which established the Higher Education Trust Fund to continue to make college tuition-free in coming years.[36]
- The Washington State Legislature passed HB 2214 which expands access to the Washington College Grant by making every student who is enrolled in a public assistance program pre-qualified for the need-based grant.[37]
- The Hawai'i State Legislature proposed HB 1535 in 2024 which, if passed, would expand the state's Hawai'i Promise Scholarship to the University of Hawai'i System's four-year campuses.[38]
- The new Idaho LAUNCH program is a grant program that provides high school graduates with up to $8,000 to cover education expenses in pursuit of an in-demand career.[39]

It is important to note that the data discussed in the first section of this *WICHE Insights* only looks at tuition and fees rates, which are just a portion of total student costs. Beyond tuition and fees, total cost of attendance includes housing, transportation, and books and supplies costs. Collectively, these non-tuition costs exceed tuition rates and can be a significant financial burden for students and families. Many states and institutions have made investments in the expansion of cost-saving initiatives, such as open education resources. Additionally, other states have looked at financial benefits to support addressing students' basic needs, such as housing, transportation, and food.

Providing financial support at the point of entry is essential for the recruitment of students and expansion of opportunities, however, it is also important to understand that affordability barriers are prevalent throughout higher education. Addressing affordability barriers should not be just an issue of access but also a critical component of increasing completion rates.

Reducing time to degree completion reduces the amount of tuition, fees, books, and other expenses throughout the time a student is enrolled in postsecondary education. One strategy is exploring ways to reduce the minimum credits to earn a bachelor's degree. Two institutions have been approved to pilot this model by the Northwest Commission on Colleges and Universities, and other states have looked into this approach as well.[40] Questions remain on the implications of a reduced-credit degree, but some view this as an opportunity to reduce the overall cost for students and get them into key workforce areas sooner.

Other states have targeted dual credit, developmental education, and transfer policies as an opportunity to reduce time to completion and support student success. Washington state passed SB 5670 which expands its Running Start program and allows high school students to start the program as early as the summer before their junior year.[41] Several Oregon community colleges implemented a corequisite model for developmental education, and early findings suggest that the model has supported student success and positive outcomes.[42] The Colorado legislature introduced SB 164, which looks to address gaps in the state's transfer system, to better support credit transfer across institutions and reduce students losing time, money, and credits.[43]

Aligning Postsecondary Education and Workforce

The recent enrollment declines, and wavering perception of higher education presents additional challenges for states for longer-term workforce planning. Recent data from the Georgetown University Center on Education and the Workforce states that 42% of jobs are expected to require at least a bachelor's degree in 2031.[44] The shrinking pipeline of individuals entering postsecondary education will make it even more difficult to meet the growing demand for jobs with higher levels of education. It is important that states are not viewing higher education and workforce development as separate entities, but rather as a coordinated effort to address current workforce gaps and meet future demand.

The Wyoming Innovation Partnership (WIP) is an example of a statewide effort to coordinate education and workforce development through strategic investments into both Wyoming's legacy economic drivers, like energy and tourism, and emerging industries such as digital technology.[45] Colorado lawmakers put forward a suite of proposals in 2024 focused on workforce development and both K-12 and higher education through coordinated alignment on career and technical education and apprenticeship offerings.[46] This includes HB 1231, which is a $278 million investment into healthcare and veterinary capacity building across the state, including a new osteopathic medical college at the University of Northern Colorado.[47] The Oregon legislature passed HB 4154, which established the Semiconductor Talent Sustaining Fund to support the states emerging semiconductor workforce. This fund will support new and existing chipmaking partnerships between manufacturing and technology industries as well as K-12 and higher education.[48] Additionally, this work will build off the recommendations developed through Future Ready Oregon, a statewide $200 million program to align high need industries in the state, healthcare, manufacturing, and technology, with educational opportunities to advance innovation.

Significant enrollment decreases and rising costs for institutions have occurred during a period of record levels of state funding and minimal tuition rate increases. This has allowed higher education to mitigate the worst of enrollment declines with strong state support, but the outlook for higher education is likely to look different in the future.[49] This presents a need for a more aligned set of higher education policies to support fiscally sustainable operations in light of changing enrollment patterns and uncertain state budgets.

CONCLUSION

Postsecondary institutions play a critical role in the workforce and economic development of the region, and it is important to ensure that they continue to be well positioned to expand opportunities and meet workforce demands. The data discussed in this edition of *WICHE Insights* suggests a current relative positive fiscal outlook for higher education in the West. Tuition rates have remained relatively stable, which has provided students and families with a much-needed financial reprieve and state investment in higher education is at an all-time high. These recent positive trends have allowed for strategic investments to expand postsecondary access and affordability, however, as institutions and systems face potential enrollment challenges it is critical that these efforts are sustained to continue to support students and families. Beyond the fiscal conditions of higher education in the region, many institutions are facing significant enrollment challenges that could potentially be further exacerbated in the short term by FAFSA delays and in the longer term by population declines. As higher education institutions and systems navigate a new context that could see fewer traditional age students enrolling in higher education it will be critical that students have access to affordable pathways that support degree attainment to meet state workforce goals.

ENDNOTES

[1] The WICHE membership includes Alaska, Arizona, California, Colorado, Hawai'i, Idaho, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, and the U.S. Pacific Territories and Freely Associated States. The U.S. Pacific Territories and Freely Associated States consists of the Commonwealth of the Northern Mariana Islands, Guam, the Republic of the Marshall Islands, the Federated States of Micronesia, the Republic of Palau, and American Samoa. The Republic of the Marshall Islands and the Federated States of Micronesia were not included in this year's report. American Samoa joined WICHE in December 2023 and was not included in the AY 2023-24 tuition collection cycle. When available, average tuition and fees are calculated for each territory and freely associated state separately in this report. Other data sources included in this brief, Grapevine and NASSGAP, do not cover any member of the U.S. Pacific Territories and Freely Associated States membership of WICHE region.

[2] The AY 2022-23 and AY 2023-24 tuition and fees rates provided in this brief are weighted by FTE enrollment from the Integrated Postsecondary Education Data System's Fall 2022 enrollment survey.

[3] Weighted averages provide a truer estimate of the published price a typical student incurs, reflecting overall enrollment levels. However, weighting does not reflect patterns for resident or nonresident 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. (2023, October). 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.

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[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.
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[21] The Annie E. Casey Foundation. (n.d.). Young adults ages 18 to 24 who are enrolled in college (full- or part-time) or have completed a bachelor's degree or higher. [Data set]. PRB analysis of data from the U.S. Census Bureau, Census Supplementary Survey & American Community Survey.

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