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Annual Grapevine Data show initial 4.3% increase in state support for higher education

Data reported by states in the latest Grapevine survey indicate that initially approved state support for higher education in fiscal year (FY) 2025 reached \$129.1 billion, a 4.3% increase over 2024.¹ This is the fourth year state fiscal support for all higher education has topped \$100 billion. This increase reflects a 32.9% increase over the past five years. Tax appropriations, non-tax support, non-appropriated support, and returns from state-funded endowments make up total state support. The Grapevine report provides a first, tentative look at state higher education funding in the new fiscal year. However, an important caveat is that the Grapevine data *do not* account for inflation.²

States allocated 2.2% more federal funding to support higher education than in FY 2024. The additional \$637.9 million in federal stimulus funding brings the total state fiscal support for higher education in FY 2025 to \$129.7 billion.³ Since 2020, states have allocated more than \$10 billion in federal stimulus to higher education.

Grapevine data are collected annually by the State Higher Education Executive Officers Association (SHEEO). The FY 2025 data represent initial allocations and estimates reported by the states from October 2024 through January 2025 and are subject to change.

Excluding federal stimulus dollars, seven states saw increases of at least 10% since 2024. Including federal stimulus, six states saw increases greater than 10%. Only two of those states, Nebraska and Kansas, saw increases greater than 15%, both with and without federal stimulus.⁴ Eleven states reported an overall decline in state support, including federal stimulus funding, between 2024 and 2025. Nine states had one-year declines excluding federal stimulus.

¹ FY 2025 marks the ninth year Grapevine has included Washington, D.C., in its survey. Washington, D.C., is excluded from all state counts and U.S. totals. The data reported by the District of Columbia, including federal stimulus funding, reveal a 0.9% increase in the last year. However, including federal stimulus, support has decreased by 9.5% since 2020.

² While actual inflation data are not available for FY 2025, forecasts suggest the U.S. will face 2.1% inflation over FY 2024. Source: OECD Economic Outlook: Statistics and Projections, Inflation Forecast Indicator <https://data.oecd.org/price/inflation-forecast.htm>.

³ Federal stimulus funding was awarded to states for higher education to stabilize state and local sources of funding, and to provide additional resources during COVID-19. Federal stimulus funding excludes funds allocated to public capital projects and any funds (such as HEERF) allocated directly by the federal government to institutions or students.

⁴ In 2025, Nebraska replaced local property taxes for community college operations with state appropriations.

The Grapevine tables include data on how total higher education state support allocations were used across two-year public operating, four-year public operating, state financial aid, research, and other uses for FY 2025. While state allocations across each area are not final and include estimates for several states, initial appropriations to each area were as follows:

- \$27.6 billion to two-year public operating.
- \$62.5 billion to four-year public operating.
- \$16.1 billion to state financial aid for all students.
- \$14.4 billion to research, agriculture extension, hospital extension and medical schools.
- \$8.5 billion to other uses, including agency funding, private institution operations, and non-credit appropriations.

The full Grapevine report, including tables summarizing the results of the FY 2025 Grapevine survey and a complete dataset of state support for higher education going back to 1980, can be found on the SHEEO State Higher Education Finance (SHEF) website at <https://shef.sheeo.org/grapevine>.