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**MEDIA CONTACT:** Jessica Duren, [jduren@sheeo.org](mailto:jduren@sheeo.org)

## **New Grapevine Data Shows Softening State Support for Higher Education in FY 2026**

**BOULDER, Colo.** — The State Higher Education Executive Officers Association (SHEEO) today released the latest Grapevine data, providing an initial look at state support for higher education in Fiscal Year 2026. The latest findings reveal that state support reached \$133.1 billion, an increase of 1.0% over Fiscal Year 2025.<sup>1</sup> This represents the smallest year-over-year increase in Grapevine reporting since 2021, when state support increased by 0.6%. Between Fiscal Years 2022 and 2025, year-over-year changes averaged 7.8%. The latest 1.0% increase represents the fourteenth straight year of non-inflation adjusted increases in state support for higher education.

Key findings from the FY 2026 tables include:

- **Slowing Growth in State Support.** Between FY22 and FY25, state support increased nominally by at least 6.7% each year, mirroring strong state revenue growth coming out of the COVID-19 pandemic. The 1.0% increase in FY26 mirrors the less robust tax revenue growth states have experienced lately.
- **State Level Differences.** While 33 states reported increases in state support, ranging from 12.1% in Montana to 0.1% in Florida, 17 states and Washington, D.C., reported decreases in state support, ranging from -13.6% in Arizona to -1.6% in North Carolina. Seven states reported reductions in higher education support of 5.0% or more, while only five states reported increases of the same caliber.
- **Improvement in State Effort.** Due to robust increases in state support, buoyed by federal stimulus funding coming out of the COVID-19 pandemic, state effort to support higher education increased over the last five years. State support per \$1,000 of personal income increased 5.3% from \$4.86 in FY21 to \$5.12 in FY26. However, state support per \$1,000 of personal income has not kept pace with recent income growth, as the \$5.12 reported in 2026 is 3.9% below 2025 and 3.2%

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<sup>1</sup> Grapevine values are not adjusted for inflation. While actual inflation data are not available for fiscal year 2026, data for the first 6-months of most states' fiscal years (July – December) show inflation increases between 2.7% and 3.0%. <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm>

below 2024. State support per capita increased nearly 32% between 2021 and 2026. The \$390 in state support per capita nationally was 0.5% higher than 2025 and 6.0% higher than 2024.

- **Uses of State Support:** Of the total state support in FY 2026, 47.6% was allocated to operational support at public four-year institutions, while 20.9% supported operations at public two-year institutions. Financial aid accounted for 12.9% of state support, research, agriculture, and medical appropriations accounted for 10.8%, and an additional 7.8% was appropriated for other uses, which could include non-credit and continuing education appropriations or operational support to independent institutions and/or state agencies.

The full Grapevine report, including tables summarizing the results of the FY 2026 Grapevine survey, can be found on the SHEEO State Higher Education Finance (SHEF) website at <https://shef.sheeo.org/grapevine>.

### **About Grapevine**

Since 1961, the Grapevine report has provided the earliest look at state support for higher education in the current fiscal year. Grapevine provides initial data on state tax support for higher education, including general fund appropriations for universities, colleges, community colleges, and state higher education agencies. Prior year data are revised and updated with each data collection as final appropriations become available. Grapevine data are presented in their raw form; they are not adjusted for inflation or any other measures.

### **About SHEEO**

The State Higher Education Executive Officers Association (SHEEO) serves the chief executives of statewide governing, policy, and coordinating boards of postsecondary education and their staff. Founded in 1954, SHEEO promotes an environment that values higher education and its role in ensuring the equitable education of all Americans, regardless of race/ethnicity, gender, or socioeconomic factors. Together with its members, SHEEO aims to achieve this vision by equipping state higher education executive officers and their staff with the tools to effectively advance the value of higher education, promoting public policies and academic practices that enable all Americans to achieve success in the 21st century, and serving as an advocate for state higher education leadership.