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State Higher Education Executive Officers Association

State Priorities for Higher Education in 2026

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January 2026

Suggested Citation: SHEEO (2026). *State priorities for higher education in 2026*. State Higher Education Executive Officers Association.

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INTRODUCTION

Public higher education leaders will encounter a state policy environment defined by change and uncertainty in the year ahead. State higher education agencies and state lawmakers will have to make progress on ambitious state educational attainment goals in 2026 amid more limited state budgets, unstable federal funding streams, and intensifying state and federal political pressures. With last year's sweeping federal higher education policy changes entering implementation in July, continued regulatory shifts expected from Washington, and a pivotal midterm election, 2026 will shape higher education well into the 2030s.

State fiscal conditions vary nationwide, but the record state budget surpluses that marked the first half of the 2020s have given way to softening state revenue growth, smaller rainy day funds, and mounting budget pressures.[1,2] While most states with biennial budgets will not craft budgets in 2025, those with budget sessions will likely have to make difficult choices and trade-offs. This year will also present a new fiscal landscape for state policymakers due to the passage of the One Big Beautiful Bill (OBBB), as states begin planning for budgets with decreased federal Medicaid and SNAP funding, alongside narrower tax bases in some states stemming from OBBB's changes to the federal tax code.[3]

The financial environment remains challenging at the institutional level, with the major credit rating agencies offering a sobering assessment of the year ahead. Fitch has described the 2026 financial picture as "deteriorating" [4] while Moody's and S&P have assigned the sector a negative outlook.[5,6] Cited concerns from the ratings agencies include intensifying institutional competition for a shrinking number of students, rising faculty salary and benefits costs, increased public skepticism over higher education's return on investment, and the possibility of state funding cuts. Federal policy changes could further strain institutional balance sheets in the year ahead, including new barriers to international student enrollments, continued federal enforcement activities, cuts to federal research funds, and new student loan limits.

The economy remains a wildcard for 2026, with the cost of living ranking as the leading public policy concern for Americans heading into the midterm elections.[7] The national economy is forecast to deliver moderate economic growth, coupled with low-to-moderate unemployment and slightly elevated inflation. Economic conditions remain subject to a range of uncertainties, however, including returns on investments in artificial intelligence, geopolitical dynamics, and federal policy changes. Public sentiment remains pessimistic: a Gallup poll released in December found nearly half of Americans describe current economic conditions as "poor," and over two-thirds say economic conditions are getting worse.[8] For higher education, economic shifts could influence student enrollment, policy priorities, and political environment throughout the year.

There are reasons for optimism, however, for higher education in 2026. Years of work on FAFSA simplification coupled with aggressive FAFSA completion campaigns has started to yield results, with applications now completed far more quickly and a potential record number of FAFSAs submitted in 2026.[9] Enrollment numbers grew in 2025, with undergraduate enrollment increasing across all age groups and graduate enrollment remaining stable.[10] Students pursuing eligible short-term education and training programs will have access to Pell Grants for the first time starting on July 1, and states will have a major role in helping shape these opportunities.

The midterm election in November will have wide-ranging implications for higher education. Gubernatorial elections will be held in 36 states and three territories,[11] and legislative elections will take place for seats in 88 legislative chambers across 46 states.[12] On Capitol Hill, the GOP's thin majority in the House will be tested at the ballot box, while Democrats face longer odds in regaining control of the Senate. The decisions made by voters this November will shape policies on college access, affordability, completion, and a range of other issues into the 2030s.

Amid the economic, political, and financial challenges in the year ahead—along with new opportunites—SHEEO agencies will continue to be leaders in responding to evolving state needs through bold policy proposals and reforms. In 2025, SHEEO agencies introduced a range of innovative economic and workforce development initiatives, expanded college access, reduced college costs, and fostered college completion.[13,14,15,16] As the new year unfolds, SHEEO agencies remain committed to expanding student access to high-quality, affordable postsecondary opportunities and meeting state educational attainment goals.

ABOUT THE SURVEY

This report provides insight into the state policy priorities and concerns for higher education in 2026 through a survey of SHEEOs during November 2025. Forty-seven SHEEOs from 40 states and one territory responded to this year's survey. The team at SHEEO selected 25 policy issues based on a variety of factors:

- The prior year's State Priorities for Higher Education for longitudinal purposes.
- Emerging policy issues based on common themes derived from the daily SHEEO policy update, which include news and updates related to state and national higher education policy, prior survey write-in issues, recently shared concerns among SHEEOs, and upcoming legislative initiatives.
- Retiring policy issues that have been ranked lower in importance and held constant in survey results or specific to a historical event or period that is no longer relevant (e.g., COVID-19 pandemic concerns).

This year, SHEEO added four policy issues—state impacts from federal policy changes; dual enrollment, early college, and/or other K-12 connections; academic program planning and/or review; proactive, guaranteed, and/or direct admissions—and dropped four issues—artificial intelligence (AI); effects of inflation on costs of goods and services; faculty supply, salaries, and/or quality; and academic freedom.

Using the list of issues, SHEEOs were asked to look toward 2026 and identify the importance of each higher education issue in their respective states. Respondents chose from the following multiple-choice options for each issue: very important (5); important (4); somewhat important (3); slightly important (2); not important (1); not applicable (0). Respondents were also asked to provide context or additional information and details on each issue and were given the option to add issues to the list to inform this survey for future iterations.

SHEEO staff highlights the top 10 state priorities for higher education by ranking issues according to their average score (not including zeros). The 10 issues with the highest average score are outlined below. In addition, two honorable mention issues are also included. A table showing the percentage of respondents who selected each importance category or no rank appears in the *Appendix* of this report.

SUMMARY OF RESULTS

States face numerous important higher education policy issues each year, with certain topics consistently among the top priorities for policymakers, while others represent emerging or receding public policy concerns. College affordability, for example, continues as a long-term priority as state higher education leaders focus on college access and student success, while other topics, such as enrollment declines and FAFSA completion, are driven by the current higher education environment.

Table 1 lists the major state higher education policy issues facing states in 2026, ranked by the average importance score SHEEOs provided on each issue. The table includes a change in rank from the prior year for additional context, however average score is a more accurate way to compare differences between years. Small changes in rank and average score are not necessarily indicative of a shift in sentiment for state higher education leaders.

TABLE 1

STATE HIGHER EDUCATION POLICY ISSUES IN 2026 RANKING AND AVERAGE SCORE (SCALE = 1-5)

	STATE HIGHER EDUCATION POLICY ISSUE	RANK	AVERAGE SCORE
↑ 1	ECONOMIC AND WORKFORCE DEVELOPMENT	1	4.77
↑ 4	COLLEGE AFFORDABILITY	2	4.51
↑ 1	HIGHER EDUCATION'S VALUE PROPOSITION (RETURN ON INVESTMENT)	3	4.45
↓ 3	STATE OPERATING SUPPORT FOR PUBLIC COLLEGES AND UNIVERSITIES	4	4.37
— 0	COLLEGE COMPLETION AND STUDENT SUCCESS	5	4.32
	STATE IMPACTS FROM FEDERAL POLICY CHANGES*	6	4.30
↓ 4	STATE FUNDING FOR FINANCIAL AID PROGRAMS	7	4.26
↑ 9	RETAINING COLLEGE GRADUATES ("BRAIN DRAIN")	8	4.11
↑ 1	STUDENT TRANSFER PATHWAYS	9	4.11
	DUAL ENROLLMENT, EARLY COLLEGE, AND/OR OTHER K-12 CONNECTIONS*	10	4.09
↓ 3	PUBLIC PERCEPTION OF HIGHER EDUCATION	11	4.04
— 0	EFFECTIVE USE OF STATE DATA/DATA SYSTEMS	12	4.02
↓ 3	ADULT AND NON-TRADITIONAL STUDENT SUCCESS	13	4.02
↓ 2	K-12 TEACHER WORKFORCE	14	3.96
↓ 1	INSTITUTIONAL ACCOUNTABILITY AND/OR EFFECTIVENESS IN HIGHER EDUCATION	15	3.94
↓ 9	ENROLLMENT DECLINES	16	3.83
↑ 2	COST CONTAINMENT	17	3.83
↓ 9	FAFSA COMPLETION	18	3.76
	PROACTIVE, GUARANTEED, AND/OR DIRECT ADMISSIONS*	19	3.74
↓ 5	STUDENT HEALTH, SAFETY, AND BASIC NEEDS (FOOD, HOUSING, CHILDCARE, ETC.)	20	3.74
	ACADEMIC PROGRAM PLANNING AND/OR REVIEW*	21	3.72
↓ 6	REDUCING DISPARITIES ACROSS STUDENT OUTCOMES	22	3.70
↓ 5	QUALITY OF UNDERGRADUATE EDUCATION	23	3.67
↓ 3	ADEQUACY OF PHYSICAL FACILITIES	24	3.57
↓ 1	INSTITUTIONAL FINANCIAL STABILITY, MERGERS, AND/OR CLOSURES	25	3.51

NOTES:

1. SHEEOs chose from the following multiple-choice options for each issue: very important (5); important (4); somewhat important (3); slightly important (2); not important (1); not applicable or unranked (0). Zero was not factored into average score (mean).
2. Asterisks (*) designate newly added policy issues to survey in 2026.
3. Arrows indicate a change in rank from the 2025 survey, a line indicates no change from last year's rank.

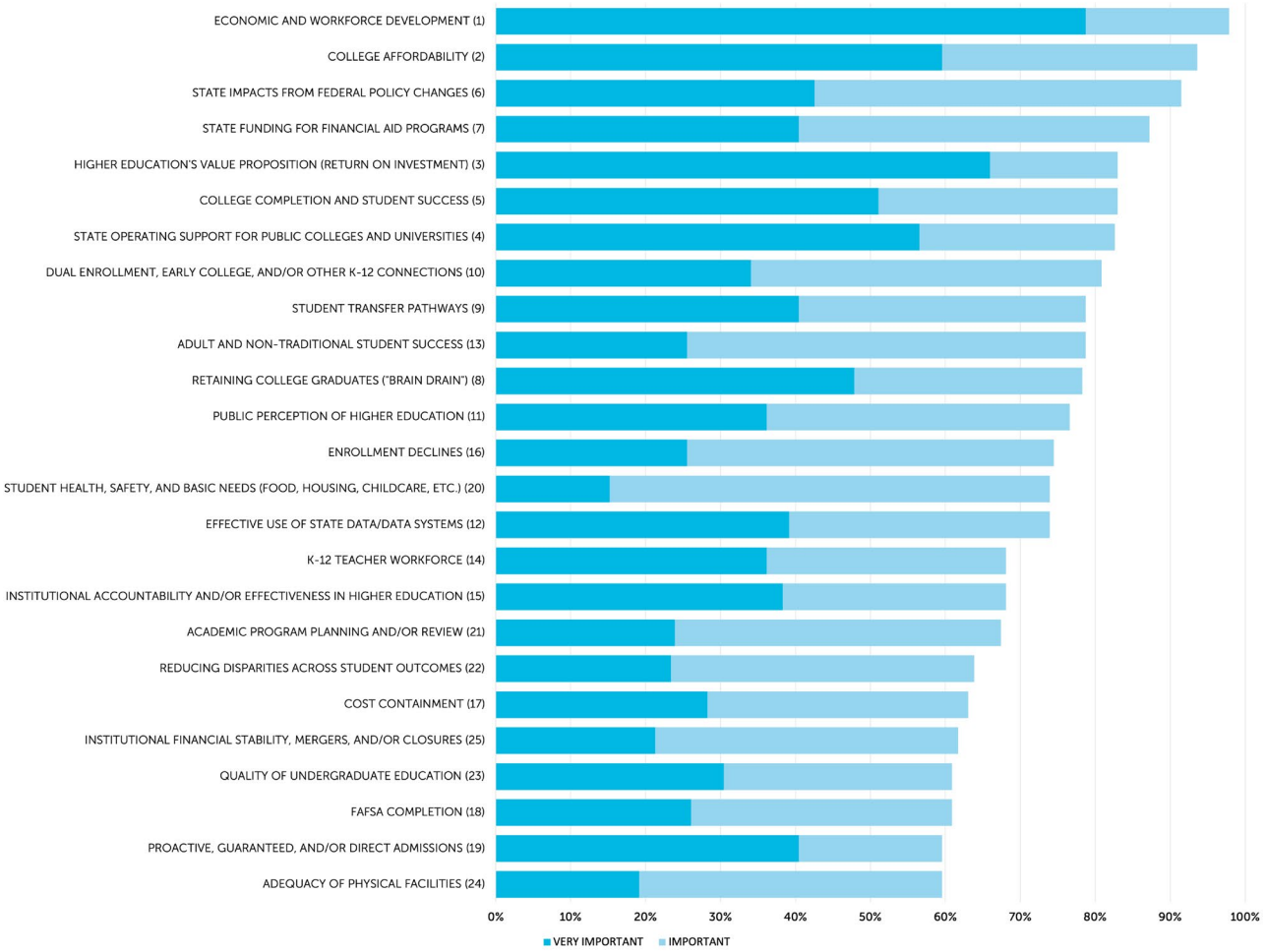
SOURCE: State Higher Education Executive Officers Association

Economic and workforce development reclaims its spot as the top priority for state higher education policy in 2026, replacing state operating support for public colleges and universities, which fell to fourth place. Since 2024, the top five issues have shifted, however, the average score of 4.77 is the highest average score ever observed for any state higher education policy issue in the State Priorities series—meaning that nearly all SHEEOs ranked economic and workforce development as Very Important. Two newly surveyed items have entered the top 10: state impacts from federal policy changes ranks at sixth and dual enrollment ranks at 10th, just above public perception of higher education and use of state data to inform decision making. The two additional new issues—proactive, guaranteed and/or direct admissions and academic program planning and/or review—ranked 19th and 21st, respectively.

Figure 1 lists each policy issue based on the percentage of respondents who indicated the issue was either important or very important. While this list resembles the average score ranking, there are some notable differences. For example, state impacts from federal policy change is an issue that almost all respondents classified as important or higher; it ranked sixth overall due to not as many "very important" responses for a higher average score. The following sections provide additional description and context of each of the top policy priorities identified through this survey.

FIGURE 1

PERCENTAGE OF RESPONDENTS INDICATING A 2026 ISSUE IS IMPORTANT OR VERY IMPORTANT



NOTE:

1. Ranks based on average score shown in parentheses. SHEEOs chose from the following multiple-choice options for each issue: very important (5); important (4); somewhat important (3); slightly important (2); not important (1); not applicable or unranked (0). Zero was not factored into average score (mean).

SOURCE: State Higher Education Executive Officers Association

TOP 10 STATE PRIORITIES FOR HIGHER EDUCATION

ISSUE 1: ECONOMIC AND WORKFORCE DEVELOPMENT

Economic and workforce development has returned as the top public policy issue heading into the 2026 state legislative sessions, with 97% of SHEEOs identifying it as important or very important. As the number one state higher education policy issue on average for four years, its status reinforces the longstanding value of workforce alignment between postsecondary studies and career readiness and mobility. The Georgetown University Center on Education and the Workforce projects a growing skills shortage in critical occupations as credentialed retirees outpace younger workers entering the labor market with comparable qualifications. Through 2032, the U.S. needs over five million additional workers with education and training beyond high school, 4.5 million of whom will need to hold at least a bachelor's degree.[17]

While enrollment projections remain uncertain for 2026,[18] other conditions can serve as opportunities to promote post-high school credentialing. Expanding Pell Grant eligibility to short-term job training programs through Workforce Pell can provide federal funding for nondegree and workforce development offerings, particularly for community and technical colleges. Artificial intelligence, originally perceived as a threat to learning and academic integrity, is also viewed increasingly as an aid to student persistence and a required industry skill, prompting institutions to adapt programmatic offerings to meet changing workforce demand for specific careers, disciplines, and skills.[19]

States are taking a number of actions and implementing a range of initiatives to address future labor market demands. In Colorado, Governor Jared Polis recently released a proposal to merge the state's postsecondary and workforce agencies to increase the state's capacity for workforce development. Across the membership, SHEEOs continue to focus on partnerships with key institutional, employer, state, and federal partners. For example, state and system higher education offices are increasing their outreach to labor and workforce agencies, and initiating more collaboration with business communities. Coalitions are promoting states as desirable locations to learn, work, and live. SHEEOs are aligning academic planning with state workforce needs, exploring standardizing microcredentials, and seeking partnerships with other states and out-of-state organizations to develop policies that position workforce and postsecondary alignment as part of the solution to meet state economic challenges.

ISSUE 2: COLLEGE AFFORDABILITY

The importance of college affordability among survey respondents jumped from the sixth-most important issue to the second-most important issue. College affordability remains at the center of many states' conversations surrounding college access, completion, and post-graduate success. States have long served a primary role in ensuring affordable postsecondary opportunities through the provision of operating support appropriations to institutions that enable public institutions to charge lower tuition rates, and through targeted financial aid programs. Both sources of support have remained steady or increased in recent years,[20] resulting in lower net costs of attendance for students.[21]

The increased focus on college affordability among SHEEOs is reflected in the wide range of state policies and legislative priorities targeting student affordability and the cost of college that were proposed or enacted in 2025. At least 20 states considered legislation to create or expand statewide promise (free college) programs.[22] In the most recent year of data available, 33 states indicated that they had instituted a tuition freeze and/or limit in at least one sector of public higher education in the past five years.[23] In 2025, the University of North Carolina System froze tuition rates at its 16 public universities for the ninth year in a row, while the Utah System of Higher Education maintained flat tuition and fee rates at its eight technical

colleges. The South Dakota Board of Regents, meanwhile, approved a moderate tuition increase of 2.9% following flat tuition for the previous five years.[24]

Despite the positive trends in state support for affordable postsecondary education, roughly half of adults disagree that students can attain a high-quality postsecondary education that is also affordable, while 62% cite the cost of attending postsecondary education as the main reason students do not enroll in or complete postsecondary education.[25] States will need to address these concerns to ensure that affordable postsecondary pathways are available to students as a part of broader efforts to meet economic development and workforce priorities.

ISSUE 3: HIGHER EDUCATION'S VALUE PROPOSITION (RETURN ON INVESTMENT)

Higher education's value proposition has come under greater scrutiny as students, families, and policymakers all want to ensure that the time and resources invested will lead to marketable credentials. Recent research by the Federal Reserve Bank of New York indicates that a college degree remains a strong investment for most students. Over the last three decades, a college degree has consistently yielded annual returns of between 12-13%.[26] However, increased time to degree and choice of major can adversely affect the rate of return.[27] Additionally, the number and type of sub-associate credentials has increased in recent years, prompting calls for greater transparency about their labor market value.

States have been active in providing greater transparency for policymakers, taxpayers, students, and families. Since 2019, Colorado has produced an annual Return on Investment report that provides information on degree and certificate programs at public institutions in the state.[28] Arkansas is in the process of developing a return on investment metric that will be incorporated into the state funding formula and will measure how long it takes college graduates to recover the cost of their education and begin earning more than high school graduates.[29]

ISSUE 4: STATE OPERATING SUPPORT FOR PUBLIC COLLEGES AND UNIVERSITIES

Providing operating support for public higher education institutions is a key strategy for states to meet educational attainment goals. Empirical research has shown that increased levels of funding allocated to public institutions positively impact instructional and student services expenditures as well as graduation and attainment rates.[30] In fiscal year 2024, state and local governments allocated nearly $109 billion in general operating support.[31] After adjusting for inflation and enrollment changes, institutions received an average of $500 more in general operating support per student in 2024 than in 2008.

Following years of steady growth, state funding may be at or near a high point. State operating support tends to follow the broader economic cycle, and there are signs that state tax revenue collections have softened after robust gains coming out of the pandemic. A recent survey from the National Association of State Budget Officers found that while state budgets are generally steady, they are also experiencing slowing revenue growth and more states reported minimal growth in general fund spending for 2026.[32] Additionally, changes under the One Big Beautiful Bill Act will reduce federal matching funds for Medicaid and require states with high Supplemental Nutrition Assistance Program (SNAP) payment error rates to pay for a greater portion of the food benefits program. While the federal changes are not scheduled to be implemented until fiscal year 2028, both are expected to put new pressures on state budgets.

ISSUE 5: COLLEGE COMPLETION AND STUDENT SUCCESS

College completion and student success remain perennial priorities for the SHEEO community, ranking together as the fifth most important issue in 2026. More than 80% of SHEEOs indicated that college

completion and student success are a top state priority. The national completion rate stands at 61.1%, reflecting a slight decline in recent years as more students remain enrolled longer before earning a credential.[33] Completion rates varied across states, ranging from 37.2% to 80.6%.[34]

Full-time enrollment and dual enrollment remain key completion indicators, while part-time enrollment, factors associated with adult students' lived experiences, and lower income backgrounds predicated much lower completion rates.[35] While the number of stop outs has declined for the second consecutive year, the "some college, no credential" population is 43.1 million as of the beginning of the 2023-24 academic year, with 37.6 million under age 65. Predictably, stopping out worsens the financial strain on students who incurred debt for education but have not attained the credentials to support repayment.[36]

States and institutions are addressing a number of barriers to college completion and student success through strategies such as comprehensive student support (CUNY ASAP) that double completion rates among associate degree earners; new three-year baccalaureate programs that can shorten the time to earning credentials; and system collaboration and shared services across community colleges and state four-year colleges to support completion and retention.

State policy leaders and higher education research organizations see the need to address longstanding practices through new policies and initiatives to improve student success. As a result, states report new partnerships, awards programs, and practices including new public-facing credit transfer portals to clarify processes, statewide financial aid helpdesks, grants to promote campus reforms that increase retention, expanding completion strategies tailored for associate-degree and bachelor's degree enrollees, and academic programming that includes paid work-based learning models.[37] Together, these efforts are streamlining processes, providing better data and other actionable information for students and their families, and improving institutional capacity to serve students.

ISSUE 6: STATE IMPACTS FROM FEDERAL POLICY CHANGES

Over the past year, Congress and the Trump administration have enacted a series of sweeping policy changes affecting states, with the OBBB serving as the primary legislative vehicle. Higher education provisions in the OBBB include the creation of a new Workforce Pell program that assigns substantial implementation responsibilities to governors. In addition, the legislation imposes new limits on graduate student loans, which could increase pressure on states to create new student loan programs or expand existing ones.

Beyond higher education, the OBBB also includes significant cuts to federal Medicaid and SNAP funding, which are expected to force difficult budget choices for states in the years ahead. These reductions—totaling nearly $1 trillion—will be phased in later this decade and into the 2030s. As a result, state appropriations for higher education, often the largest fully discretionary item in state budgets, may be particularly vulnerable during future budget shortfalls.

Actions by the Trump administration are also reshaping the state–federal relationship in higher education. The administration has approved interagency agreements transferring the administration of certain programs at the U.S. Department of Education to other federal agencies as part of efforts to return education responsibilities to the states. These include long-standing higher education programs such as TRIO and GEAR UP. Additional interagency agreements are expected in 2026. While the administration has characterized these changes as a step toward devolving federal education programs to the states, the scope, timing, and implementation of this shift remain unclear.

Other federal higher education policy changes could also affect states in 2026. Reductions in federal funding to universities have already led some states to face pressure to offset lost federal support. At the same time, the Trump administration has significantly reduced staffing levels at the U.S. Department of Education and plans to present reforms to the National Center for Education Statistics later this year – changes that could

affect states' varied uses of federal data systems, including reporting to federal collections, supplementing state data systems, and conducting state-to-state comparisons. Finally, the Trump administration has drafted a compact with institutions that could substantially expand the federal role in higher education, including in areas traditionally governed by states and systems, such as tuition-setting.

ISSUE 7: STATE FUNDING FOR FINANCIAL AID PROGRAMS

Closely related to college affordability is state funding for financial aid programs, which dropped four spots from last year's survey to the seventh-most important issue among SHEEOs. State funding for financial aid per full-time equivalent (FTE) enrollment continues to grow significantly, increasing 4.8% in adjusted dollars between 2023 and 2024, and 37% since 2014.[38] In fiscal year 2025, states allocated $16.1 billion in state financial aid to students attending public and private institutions, accounting for 13.4% of total state support to public higher education.[39] Many states have turned to portable financial aid packages as a mechanism to improve college affordability in lieu of increasing direct operating support to institutions.

In the 2025 legislative session, two states with existing free college promise programs enacted legislation to expand eligibility. Maryland extended the eligibility period for the Maryland Community College Promise Scholarship Program from three years to six years for eligible programs.[40] Washington allowed local governments to establish promise programs administered by the Washington State Opportunity Scholarship, while also providing $250,000 in state matching funds for local programs.[41]

Several states implemented measures in 2025 to increase access to financial aid for targeted groups:

- Illinois Governor Pritzker signed HB460, which makes state and local financial aid available to all Illinois residents, including undocumented students, effective January 1, 2026.[42]
- Governor Hochul of New York expanded the state's Veteran Tuition Awards Program to include all veterans who served at least four years on active-duty.[43]
- Texas Governor Abbott approved legislation to freeze tuition for the 2023-24 through 2026-27 academic years,[44] while the Texas legislature provided an additional $320 million (a 22% increase) in state financial aid.[45]

Several SHEEO respondents noted concerns about future state support for financial aid programs, citing declines in lottery revenues due to online sports betting and projected budgetary shortfalls leading to rationed awards and tighter eligibility requirements. State funding for financial aid programs is likely to remain a top priority of SHEEOs as college costs weigh on students and states provide only moderate increases in state operating support for institutions.

ISSUE 8: RETAINING COLLEGE GRADUATES ("BRAIN DRAIN")

Retaining college graduates has entered the top 10 list in 2026, reflecting a growing emphasis on workforce development within state higher education policy. Much like students who contribute to their education by paying tuition, states provide general operating support to institutions and operate financial aid programs to reduce the price residents pay to attend public institutions. When graduates remain in-state after graduation, they bolster the local economy and tax base, significantly increasing the return on these public investments. These factors, along with greater budget scrutiny, contribute to increased pressure from state legislative officials to retain students funded by state appropriations.

States have created incentives for institutions and students to combat "brain drain." Indiana includes a metric for retaining college graduates in the state's performance-based funding formula.[46] The Kansas Rural Opportunity Zone program provides student loan repayment assistance or an income tax credit for moving to approved rural areas. In South Carolina, the Better Outcomes, Less Debt program provides generous student loan forgiveness for individuals to enter designated in-demand careers and maintain residency and employment in the state for a designated period. States can also use academic program approval and review processes to better align curricular offerings with local workforce needs, helping to ensure that employment opportunities are available to graduates upon completion.

ISSUE 9: STUDENT TRANSFER PATHWAYS

Student transfer pathways can be a point of frustration for students, faculty, and state policymakers alike. The effort required to align, document, and regularly revisit seamless and transparent transfer pathways across multiple institutions is substantial. Nevertheless, a lack of clear or consistent student pathways increases the time to degree and the amount students must pay to earn credentials. With a steady increase of undergraduate students transferring, transfer students now represent 13.1% of all continuing and returning undergraduates.[47]

Many states have implemented and improved[48] upon a wide range of initiatives to streamline the transfer process such as articulation agreements, credit for prior learning, common course numbering, guaranteed transfer of credit and associate degrees, and a general education course transfer core. States are also finding ways to broaden the scope beyond transferring between two-year to four-year institutions. The Indiana Commission for Higher Education, for example, recently announced that 312 high schools now offer 30-credit hour blocks that transfer to all public and some private institutions in Indiana, up from 84 high schools in 2021.[49]

State legislators also show frequent interest in clarifying student transfer pathways for their constituents. In conjunction with recently passed legislation, the Colorado Department of Higher Education launched a new website to make the college credit transfer process more transparent, efficient, and student-friendly by including details on how credits from other institutions, standardized tests (e.g., Advanced Placement, International Baccalaureate), and prior learning or work-based experiences are applied toward degree programs.[50] Meanwhile, Missouri recently signed into law a bill that requires state public colleges to create 60-credit hour blocks in five programs, expanding upon Missouri's existing CORE 42.[51]

ISSUE 10: DUAL ENROLLMENT, EARLY COLLEGE, AND/OR OTHER K-12 CONNECTIONS

A new category for SHEEOs to rank in this year's survey focused on the K-12 to postsecondary pipeline, including dual enrollment, early college, and other K-12 connections. In the first year of inclusion, SHEEOs ranked this issue as the tenth-most important topic. Understood as the largest entry point into a state's workforce development pipeline, student preparedness for postsecondary education is a critical factor in both access to and success in higher education. Many states have turned to dual enrollment and early college programs to offer early college experiences to students in high school to expedite their progress toward careers and retain their top K-12 talent. Dual enrollment and early college programs can also reduce the costs associated with pursuing higher education by allowing students to accumulate free or lower-cost credits.

- The Indiana Commission for Higher Education launched the Indiana College Core at 312 high schools in the state to offer a block of 30 hours of college-level general education coursework that transfers to all Indiana public and some private higher education institutions.[52]

- The New Jersey Office of the Secretary of Higher Education and the New Jersey Department of Education jointly fund and manage Innovation Dual Enrollment Program grants of $250,000 to expand college-level courses for high school students from economically disadvantaged backgrounds.[53]
- The Oregon Higher Education Coordinating Commission adopted state standards to offer sponsored dual credit, which awards college credits to high school students while simultaneously providing qualifications to high school teachers. High school teachers are invited into discipline-specific professional learning communities with postsecondary faculty to ensure that the sponsored dual credits are equivalent to those offered at postsecondary institutions.[54]

The benefits of dual enrollment, early college, and K-12 through postsecondary pipelines are well-established, but widespread positive impact depends largely upon providing access to students across all demographic and socioeconomic backgrounds. As states expand dual enrollment and early college offerings, a particular focus on the students most likely to benefit from these programs will ensure their continued success.

HONORABLE MENTION: PUBLIC PERCEPTION OF HIGHER EDUCATION

SHEEOs ranked public perceptions of higher education in 2026 on par with the previous year's administration, tied as the tenth-most important issue. One SHEEO respondent noted that this issue underlies many of the other top issues in this year's survey as a mechanism for gaining progress and buy-in by highlighting the value and importance of postsecondary education. Perceptions of higher education can influence state legislative agendas, funding levels, and student enrollment.

Polling continues to demonstrate mixed sentiment towards the value and importance of higher education. The 2025 Varying Degrees report from New America found that public confidence in higher education institutions has declined, with just 40% of adults in 2025 agreeing that higher education is "fine how it is," and 44% reporting that colleges and universities have a negative impact on the current state of the country. Despite this, 60% of adults believe that higher education can help individuals succeed in life, and 73% agree that higher education offers a good return on investment.

A 2024 survey from Lumina Foundation and Gallup offers some glimmers of hope, reporting a six-percentage-point increase in adults who report a great deal or quite a lot of confidence in higher education (42% compared to 36% in 2023). Although this measure falls far below the initial measurement of 57% in 2015, it marked the first time that Gallup has measured an increase in public confidence. The survey also found that the keys to improving public confidence in higher education include a focus on lowering college costs, providing technical and practical education that translates to workforce needs, and diminishing the intrusion of political agendas on campus.[55]

HONORABLE MENTION: EFFECTIVE USE OF STATE DATA/DATA SYSTEMS

State data systems remain critical to the work of SHEEO agencies to inform policy and decision-making. Many states have improved their data infrastructure and linkages to other administrative data, which has helped demonstrate higher education's value to stakeholders.[56] More states have also partnered in recent years with the U.S. Census Bureau through the Post-Secondary Employment Outcomes (PSEO) to provide information on earnings and employment data across state lines.

Federal policy developments could intersect with state data systems in the year ahead. Over the past year, the Trump administration has laid off most of the staff at the National Center for Education Statistics

(NCES) and plans to provide a framework for overhauling NCES to better align with the needs of the education community.[57] As states interact with NCES in multiple ways—including required reporting, benchmarking, and using federal data to supplement state data systems—these changes may affect states' data collection processes, analytic capacity, and ability to make cross-state comparisons. At the same time, the administration has called for sweeping new data collections related to university admissions, which has led to concerns over data use, quality, reporting burden for states and institutions, and the capacity of the U.S. Department of Education to collect, manage, and analyze the data.[58]

Finally, the new Workforce Pell Grants will require additional investment in state data systems to enable states to meet federal evaluation and reporting requirements, including student completion and job placement rates.[59] This will require expanded data collection, improved linkages between state postsecondary and workforce data systems, and greater use of enhanced wage records—such as occupational information captured through unemployment insurance (UI) reporting—to support more detailed analysis of employment outcomes.

APPENDIX

IMPORTANCE OF STATE HIGHER EDUCATION POLICY ISSUES IN 2026

STATE HIGHER EDUCATION POLICY ISSUE	VERY IMPORTANT	IMPORTANT	SOMEWHAT IMPORTANT	SLIGHTLY IMPORTANT	NOT IMPORTANT	NOT RANKED	AVERAGE SCORE
ECONOMIC AND WORKFORCE DEVELOPMENT	78.7%	19.1%	2.1%	0.0%	0.0%	0.0%	4.77
COLLEGE AFFORDABILITY	59.6%	34.0%	4.3%	2.1%	0.0%	0.0%	4.51
HIGHER EDUCATION'S VALUE PROPOSITION (RETURN ON INVESTMENT)	66.0%	17.0%	12.8%	4.3%	0.0%	0.0%	4.45
STATE OPERATING SUPPORT FOR PUBLIC COLLEGES AND UNIVERSITIES	55.3%	25.5%	14.9%	2.1%	0.0%	2.1%	4.37
COLLEGE COMPLETION AND STUDENT SUCCESS	51.1%	31.9%	14.9%	2.1%	0.0%	0.0%	4.32
STATE IMPACTS FROM FEDERAL POLICY CHANGES*	42.6%	48.9%	4.3%	4.3%	0.0%	0.0%	4.30
STATE FUNDING FOR FINANCIAL AID PROGRAMS	40.4%	46.8%	10.6%	2.1%	0.0%	0.0%	4.26
RETAINING COLLEGE GRADUATES ("BRAIN DRAIN")	47.8%	30.4%	8.7%	10.9%	2.2%	0.0%	4.11
STUDENT TRANSFER PATHWAYS	40.4%	38.3%	12.8%	8.5%	0.0%	0.0%	4.11
DUAL ENROLLMENT, EARLY COLLEGE, AND/OR OTHER K-12 CONNECTIONS*	34.0%	46.8%	12.8%	6.4%	0.0%	0.0%	4.09
PUBLIC PERCEPTION OF HIGHER EDUCATION	36.2%	40.4%	14.9%	8.5%	0.0%	0.0%	4.04
EFFECTIVE USE OF STATE DATA/DATA SYSTEMS	39.1%	34.8%	15.2%	10.9%	0.0%	0.0%	4.02
ADULT AND NON-TRADITIONAL STUDENT SUCCESS	25.5%	53.2%	19.1%	2.1%	0.0%	0.0%	4.02
K-12 TEACHER WORKFORCE	36.2%	31.9%	23.4%	8.5%	0.0%	0.0%	3.96
INSTITUTIONAL ACCOUNTABILITY AND/OR EFFECTIVENESS IN HIGHER EDUCATION	38.3%	29.8%	19.1%	12.8%	0.0%	0.0%	3.94
ENROLLMENT DECLINES	25.5%	48.9%	12.8%	8.5%	4.3%	0.0%	3.83
COST CONTAINMENT	28.3%	34.8%	30.4%	4.3%	2.2%	0.0%	3.83
FAFSA COMPLETION	26.1%	34.8%	28.3%	10.9%	0.0%	0.0%	3.76
PROACTIVE, GUARANTEED, AND/OR DIRECT ADMISSIONS*	40.4%	19.1%	19.1%	17.0%	4.3%	0.0%	3.74
STUDENT HEALTH, SAFETY, AND BASIC NEEDS (FOOD, HOUSING, CHILDCARE, ETC.)	14.9%	57.4%	12.8%	10.6%	2.1%	2.1%	3.74
ACADEMIC PROGRAM PLANNING AND/OR REVIEW*	23.4%	42.6%	14.9%	14.9%	2.1%	2.1%	3.72
REDUCING DISPARITIES ACROSS STUDENT OUTCOMES	23.4%	40.4%	19.1%	17.0%	0.0%	0.0%	3.70
QUALITY OF UNDERGRADUATE EDUCATION	30.4%	30.4%	17.4%	19.6%	2.2%	0.0%	3.67
ADEQUACY OF PHYSICAL FACILITIES	19.1%	40.4%	27.7%	4.3%	8.5%	0.0%	3.57
INSTITUTIONAL FINANCIAL STABILITY, MERGERS, AND/OR CLOSURES	21.3%	40.4%	12.8%	19.1%	6.4%	0.0%	3.51

NOTES:

1. SHEEOs chose from the following multiple-choice options for each issue: very important (5); important (4); somewhat important (3); slightly important (2); not important (1); not applicable or not ranked (0). Zero was not factored into average score (mean).

2. Asterisks (*) designate policy issues newly added to survey in 2026.

SOURCE: State Higher Education Executive Officers Association

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