SHEEO

State Higher Education Executive Officers

State Tuition, Fees, and Financial Assistance Policies, 2002-03

Christopher J. Rasmussen

June 2003

State Higher Education Executive Officers (SHEEO) is a nonprofit, nationwide association of the chief executive officers serving statewide coordinating and governing boards for postsecondary education. The mission of SHEEO is to assist its members and the states in developing and sustaining excellent systems of higher education. SHEEO pursues its mission by: organizing regular professional development meetings for its members and their senior staff; maintaining regular systems of communication among the professional staffs of member agencies; serving as a liaison between the states and the federal government; studying higher education policy issues and state activities and publishing reports to inform the field; and implementing projects to enhance the capacity of the states and SHEEO agencies to improve higher education.

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Foreword

In the economic times we currently face–and with the cost of higher education increasingly subject to public scrutiny–it is critical that state policymakers consider the impact of any changes in tuition, fees, and student financial aid on access to and completion of college. This report, *State Tuition, Fees, and Financial Assistance Policies, 2002-03*, examines the philosophies, policies, and procedures that drive decision making regarding public college and university tuition, fees, and student financial aid programs, as well as general issues related to higher education affordability. Our intent is not to provide actual tuition costs in this report but to focus on the policies that establish those tuition, fee, and aid amounts.

This report is the fifth in a series of updates by SHEEO on this topic. The initial report, which provided a foundation for all subsequent work, *Survey on Tuition Policy, Costs, and Student Aid*, was produced by John Wittstruck in 1988. The 1993 update by Charles S. Lenth, *The Tuition Dilemma–State Policies and Practices in Pricing Public Higher Education*, has been widely cited in public policy circles and in scholarly publications. Melodie E. Christal later produced *State Tuition and Fee Policies: 1996-97*, which included updates on what were then new initiatives in higher education–student technology fees, and state prepaid tuition and college savings plans. The data from that survey was updated by SHEEO in a 1999 unpublished report. The latest version by Christopher J. Rasmussen is a comprehensive assessment of state policies related to public college and university tuition, fees, and financial aid. It also includes expanded information on the various goals and objectives of state-level student financial assistance policies, a report of the impact of state legislative term limits on higher education policy, and a new section on state policy responses to the federal educational tax credits implemented in 1997.

The current report evolved from the participation of many individuals on this project over the past 15 years. The survey itself was based on the instrument developed by Alene Bycer Russell (formerly of SHEEO) in conjunction with Cheryl D. Blanco from the Western Interstate Commission on Higher Education (WICHE). Input into survey revisions was provided by SHEEO staff and by various representatives of state higher education agencies. Dianne K. Peterson provided assistance with data collection and production, while Hans L'Orange offered critical feedback during the design process and in editing the final report. Finally, Susan Winter provided invaluable help in publication design and in placing the report and associated data tables on the SHEEO website.

We welcome your comments on this report and encourage you to browse its associated website at http://www.sheeo.org/finance/tuitsurv-home.htm.

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Introduction

Individual students and the larger society receive numerous social, economic, and cultural benefits from participating in higher education. The economic benefits of a postsecondary education have been clearly demonstrated by the 2000 census data on earnings by level of educational attainment. It is not surprising that expectations of attending college are approaching near universal levels. Even 94 percent of high school graduates in the lowest family income quartile–historically the least likely to enroll–indicate an intention to participate in postsecondary education at some time.[1]

It follows that states and communities also will suffer economically if their citizens cannot compete for highly skilled, well-paying jobs. Postsecondary education represents a vehicle for economic growth and the development of strong, stable social and political institutions. Therefore, policy makers are interested in achieving and maintaining high participation rates in higher education, and are naturally concerned about tuition, fees, and financial aid policies.

In this context, the cost of enrolling in higher education has steadily increased over the past two decades. According to the annual survey of the College Board, tuition at four-year colleges and universities increased by 118 percent over the consumer price index from 1982 to 2002.[2] Current conditions suggest this trend will continue, with substantial tuition and fee increases expected at public colleges and universities around the country for the 2003-04 academic year, on top of double-digit increases seen in many states in 2002-03.[3] Public tuitions are still comparatively low in a number of states, but the recent trend of cost increases is nearly universal.

In a report for the Institute for Higher Education Policy, Jane Wellman notes that despite public criticism and institutional commitments to contain costs, "most analysts predict that prices will continue to rise in the near future."[4] Although many causes have been suggested to explain higher tuitions, four parallel trends seem to be particularly important: a relative decline in direct state support for public colleges and universities; growth in the competition for highly qualified students leading to "tuition discounting"; higher enrollment demand which reduces natural restraints on price increases; and institutional spending to enhance quality, add programs, and keep pace with technology.

The cost of a college degree is an issue for students across the income spectrum, but it is a particular concern for individuals from low-income families. According to the College Board, the average cost of attendance at a four-year public institution now represents approximately 60 percent of the annual income of a family in the lowest income quintile, an increase of close to 20 percentage points over the past two decades. While the federal government and many states have supported need-based financial assistance so that cost is not an insurmountable barrier, both increasing tuitions and the evidence of past enrollment trends suggest this issue requires more attention. Among the cohort of highest-ability high school students, John Lee has found that only 78 percent of individuals from the lowest socioeconomic quartile attend college within two years, while 97 percent of the highest SES group enroll within two years of high school graduation. (Ironically, 77 percent of high-SES individuals from the lowest-achievement quartile enroll within two years, virtually the same percentage of high ability, lower SES students.)[5]

Determining tuition and financial aid policy is a difficult and delicate balancing act for decision makers. They are concerned about price and the amount of aid available for low and moderate income students. They are concerned about whether institutions have the resources to maintain quality and provide classes for all who are prepared to enroll. And in some states, concerns about the number of students not attending college or going out of state has led to incentives for students to study harder and to enroll locally. These varied concerns, and fiscal stringency in many states, have generated many recent changes in policies for tuition, fees, and financial aid.

In an attempt to better understand tuition setting and related processes in the states, this survey was distributed to state higher education finance officers in late June 2002. While the majority of responses were received between June and August, completion of a rather lengthy survey at that time represented a challenge for many state higher education officials, whose time and attention was necessarily devoted to important budgetary and other management tasks during a difficult period. Thus, many of the surveys were completed during the fall and as late as January 2003, while six states were unable to return the survey prior to the deadline for this report.

SHEEO membership includes 58 higher education coordinating and governing boards located in 49 states, Washington DC, and Puerto Rico. In seven states, two boards hold individual memberships in SHEEO. This survey was completed by 46 SHEEO agencies located in 44 states. Dual responses were received from Minnesota and Vermont. Because of this, the data in the report are often indicated as being representative of “agencies”, and not of “states” per se. Information for Pennsylvania is for the State System of Higher Education and does not necessarily apply to the four state-related institutions of Temple, Lincoln, and Penn State Universities, or the University of Pittsburgh. Likewise, information for Wyoming is for the Community College system and may not be applicable to the University of Wyoming. In other states with dual SHEEO memberships, New Hampshire's response was provided by the University System of New Hampshire, while Florida's is from the state's Council for Education Policy, Research and Improvement.

What follows is an executive summary of responses for each of the five major sections of the survey: Tuition Philosophy, Tuition Setting, Student Fees, Student Financial Assistance, and Affordability. *Appendix A* is a list of survey respondents, while the original survey instrument can be found in *Appendix B*. Comprehensive data tables, which include a listing of responses to each of the individual questions in the survey, can be found on the SHEEO website at http://www.sheeo.org/finance/tuitsurv-home.htm.

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[1] Adelman, C. (2002). The relationship between urbanicity and educational outcomes. In W. G. Tierney & L.S. Hagedorn (Eds.), *Increasing access to college: Extending possibilities for all students*. Albany: State University of New York Press.

[2] The College Board (2002). *Trends in College Pricing*. Washington, DC: Author.

[3] Selingo, J. (2003, February 28). “The disappearing state in public higher education: When the recession ends, appropriations may not rebound.” *Chronicle of Higher Education*, p. A22.

[4] Wellman, J.V. (2001). *Looking back, going forward: The Carnegie Commission tuition policy*. Working paper, The New Millennium Project on Higher Education Costs, Pricing, and Productivity. Washington: The Institute for Higher Education Policy.

[5] Lee, J.B. (1999). How do students and families pay for college? In J.E. King (Ed.), *Financing a college education: How it works, how it's changing*. ACE/Oryx Series on Higher Education (p. 9-27). Phoenix, AZ: Oryx Press.

Section A: Tuition Philosophy

Overall Philosophy

Not surprisingly, significant variation exists among the states in the basic philosophy that guides decision making regarding tuition levels in public higher education. The majority of states espouse a philosophy of low tuition that is designed to maximize access by making college as affordable as possible. For many of these states, such a philosophy is codified in constitutional provisions or state statutes. Other states have implemented systems of moderate to high tuition, often accompanied by generous student financial assistance programs to help promote access for lower-income students.

Table 1 summarizes the overall tuition philosophy reported by the 46 state higher education agencies participating in the survey, along with a comparison to data collected in the 1996-97 SHEEO survey of tuition policies. In 2002-03, 20 of the participating agencies reported the existence of a statewide philosophy that tuition should be either low (14) or moderate (6). None of the agencies indicated a philosophy of high tuition, while two states did so in 1996-97. However, in the most recent survey six agencies, when describing the relationship between tuition and financial aid policy, indicated that a “high tuition/high aid” philosophy existed in their states. The distribution of state/agency responses was similar between the two surveys, with the notable differences being a decrease in the percentage of states espousing “moderate” tuition, and an increase in the number that indicated a lack of a statewide tuition philosophy.

Table 1: Overall Tuition Philosophy

Philosophy	2002-03	1996-97[1]
Tuition should be as low as possible	14 (30%)	28%
Tuition should be moderate	6 (13%)	28%
Tuition should be high	0 (0%)	4%
Tuition policy is guided by institutional-level philosophy or budgetary needs / no statewide tuition philosophy exists	12 / 5 (37%)	23%
Other	9 (20%)	17%

[1] *Figures are for four-year institutions only.*

Two agencies indicated that their tuition philosophy was formalized in their state constitutions, while nine agencies stated that the philosophy was outlined in legislative statutes. For 22 agencies, tuition philosophy was delineated by some other rule or policy statement, while 15 indicated that policies were not formalized.

Authority to Set Tuition

Authority to determine specific tuition levels for public universities rests either in the legislature, the state governing/coordinating agency, individual system boards, and/or individual institutions. The specific role of each entity varies from being advisory or consultative to possessing full legal authority for setting tuition. A full description of the role of each of the aforementioned entities–as well as governors and local district governing boards (for community colleges)–in setting tuition in the states can be found in the website associated with this report.

Table 2 provides a summary of agency reports of the body or bodies that hold *primary* authority for establishing tuition in the states. In a number of cases authority is shared by more than one entity, such as with Florida and Louisiana. In addition, in some states a governing board holds authority for setting tuition for its member institutions, while selected other public colleges and universities are individually responsible for determining tuition rates, such as in Mississippi and Pennsylvania. In Kentucky, the authority to set tuition was transferred from the state-level Council on Postsecondary Education to individual institutions beginning with the 2000-02 biennium. North Dakota, Oklahoma, and Virginia reported making similar moves toward the decentralization of tuition authority.

Table 2: Primary Authority for Establishing Tuition

Legislature (4)	State coordinating/ Governing agency (18)		System Boards (12)		Individual Institutions (16)	
Florida	Arizona	Missouri	Connecticut	New York	Alabama	Mississippi
Louisiana	Georgia	Nevada	Illinois	Pennsylvania	Arkansas	Missouri
Oklahoma	Hawaii	New Mexico	Minnesota	Tennessee	Delaware	Ohio
Texas	Idaho	North Carolina	Nebraska	Vermont	Florida	Pennsylvania
	Iowa	North Dakota	New Jersey	Washington	Illinois	South Carolina
	Kansas	Rhode Island	New Hampshire	Wisconsin	Indiana	Virginia
	Louisiana	South Dakota			Kentucky	Washington
	Maine	Utah			Maryland	West Virginia
	Massachusetts	Wyoming				

Of those states that indicated that individual colleges and universities held some level of responsibility for setting tuition, five indicated that institutions set tuition rates within *very strict guidelines or parameters* established by local or state-level entities. Eleven states indicated that institutions operate within *moderate or limited guidelines*, while five indicated that institutions are subject to *no external restrictions*.

Tuition Revenue Policies

The vast majority of states (31 of 44) reported that tuition revenues are controlled and retained by individual institutions or campuses. In four states (Arizona, Hawaii, Idaho, Virginia), tuition revenues are deposited into separate state tuition accounts from which all funds must be appropriated prior to expenditure for higher education purposes. Nevada described a hybrid system that involves elements of both processes. South Dakota reported that tuition revenues are retained at the state level but under the direct control of the state Board of Regents, while North Carolina indicated that tuition revenues are deposited into state general funds, with their return to higher education only inferred. Six states reported the existence of some other model or system for revenue appropriation.

Incentives to Limit Tuition

Agencies were asked what incentives, if any, exist at the state or institutional level to minimize tuition increases. The great majority of states indicated that no formal incentives exist, short of a desire to maintain good relations with governors and legislatures, and the objective of maintaining affordable access to higher education for state residents. Missouri is exploring the possibility of a performance funding component that would include an incentive funding element for institutions that limit tuition increases and expand institutional need-based student financial aid. Institutions in Florida and Georgia are influenced by the direct relationship between tuition levels and funding for statewide merit scholarships in those states. New Jersey institutions are subject to a state audit if tuition increases are greater than 10 percent, while the Virginia legislature may restrict or withdraw tuition setting authority for institutions that implement increases that are deemed excessive.

Changes in Tuition Philosophy

Agencies were asked about past and anticipated future changes in long-term tuition philosophy, as well as the extent to which recent economic conditions have led to any short-term actions or policies on tuition that are in conflict with general or long-term philosophies. In regard to the latter, seventeen states reported that such short-term actions had occurred, almost all of which were larger-than-normal tuition and fee increases in response to reduced state appropriations for higher education. Twenty-four states indicated that no short-term actions contradictory with general philosophies had occurred, however with increasingly bleak economic conditions across the country, circumstances in a number of those states may have changed between the time of the survey and the production of this report.

Selected states reported changes in long-term tuition philosophy during the previous three fiscal years. For example, North Dakota made progress in moving from centralized tuition levels to allowing for differential tuition among institutions. Nevada reported a policy change resulting in the indexing of fee levels to the three-year median of tuition in western states. Two-year college tuition in Arkansas became tied more closely to local tax generation capacity, while Georgia institutions are now allowed to assess special tuition rates for distance education courses and programs. New “Truth-in-Tuition” legislation in Utah requires institutions to publicly announce and hold hearings with students to discuss tuition increases and the use of the additional revenue to be generated.

Legislative Changes and Tuition

States were asked how term limits or other changes in state legislative culture have affected tuition policies and philosophies over the previous three years. The vast majority of states reported that no changes had been observed, while a number indicated that the full impact of legislative term limits had yet to be realized, and thus it was too early to assess any potential effects on higher education. Four states–Ohio, Oklahoma, Rhode Island, and Tennessee–did report some degree of changes in relationships or the policy process that could possibly be attributed to term limits and/or other cultural shifts in legislatures. Ohio reported that term limits had made the jobs of agency staff more difficult, while Oklahoma indicated that term limits had been a possible factor in the relinquishing of control over tuition policy for a five-year period.

Future Changes in Tuition Policy

States also reported tuition policy changes under consideration for the 2003 fiscal year, including changes in residency determinations and tuition assessment for nonresidents, and continuing pressures for the devolution of tuition setting authority. Recent legislation in Virginia will require institutions in that state to make various changes in tuition setting and spending policies and practices. Arizona, Connecticut, and Missouri reported possible changes in tuition and financial aid philosophy and practice in conjunction with the WICHE/Lumina Foundation “Changing Direction” project (which also involves Florida and Oregon, State Higher Education Executive Officers, the American Council on Education, and the National Conference of State Legislatures).

Thirteen states reported that an official or formal study group or commission on tuition policy had been established or appointed at some time during the three previous fiscal years. Many of these reports are available on agency websites and/or were forwarded to SHEEO with completed surveys. Plans to initiate a statewide tuition policy review in the near future were reported by ten states (Arizona, Connecticut, Illinois, Kansas, Louisiana, Massachusetts, Missouri, Nevada, Vermont, Virginia).

Section B: Tuition Setting

Factors Used in Setting Resident Tuition

Agencies were asked to indicate the extent to which different factors influence individuals and groups who set public institution resident tuition rates in the states. The 16 factors listed on the survey included various internal and external influences that could be used in the decision making process.

A total of 42 of the 46 participating agencies provided information on factors used in tuition setting. Agencies that chose not to report cited the difficulty in estimating the influences or motivation of individual campuses, which held tuition-setting authority within decentralized systems. The resulting rank ordering of the reported levels of influence on tuition setting is summarized in *Table 3*, along with a count of the number of times each factor was cited as the most influential, and the frequency of each being listed among the top three.

“State general fund appropriations” was by far the most significant factor in the given list, receiving an average rating of 4.4 on a scale of 1 (no influence) to 5 (significant influence), with the next most significant factor, “prior year's tuition”, assigned an average value of 3.7. Following closely behind were “cost of instruction”, “institutional mission”, and “tuition charged by peer institutions”. “State general fund appropriations” was named the most influential factor in tuition setting by 27 agencies, with the next highest number of first-place votes given to “tuition charged by peer institutions”, which received four.

Four states (Florida, Nevada, Tennessee, and West Virginia) indicated that they anticipated that the relative level of influence of the given factors would change in the near future. Twenty-six states reported that they would not, while 12 were unsure.

While cost of instruction was the third most influential factor on tuition setting reported by the states, only five agencies provided specific figures for tuition indexing, ranging from 25 percent to 40 percent of instructional costs. Eleven states also indicated that a per credit surcharge is imposed at or above a specific number of credit hours. One state reported this surcharge to be 25 percent for enrollment in courses beyond 110 percent of the total required for graduation.

Table 3: Factors Used in Tuition Setting

Rank	Average Rating	Factor	Most Influential Factor	One of Top 3 Factors
1	4.4	State general fund appropriations	27	34
2	3.7	Prior year's tuition	2	17
3	3.6	Cost of instruction	2	17
4	3.5	Institutional mission	0	13
5	3.5	Tuition charged by peer institutions	4	18
6	3.2	Public concern or opinion about cost of higher ed	0	5
7	3.1	Availability of/appropriations for financial aid	0	5
8	3.0	Other student fees or charges	0	1
9	2.6	Consumer Price Index (CPI)	3	6

Table 3:* Factors Used in Tuition Setting, *continued

Rank	Average Rating	Factor	Most Influential Factor	One of Top 3 Factors
10	2.5	Media pressure or attention to higher ed costs	0	0
11	2.5	Tuition policies of comparison states	0	2
12	2.4	Higher Education Price Index (HEPI)	2	3
13	2.4	Mix of individual and public benefits of higher ed	1	1
14	2.2	State per capita personal or disposable income	1	3
15	2.1	State workforce needs	0	0
16	1.7	Other cost of living indices	1	1

Nonresident tuition

Ten states indicated that nonresident students were required by state statute, Board policy or institutional practice to be charged tuition at or near the full cost of instruction. In addition, nine states reported that nonresident tuition is indexed to the level for resident undergraduates, ranging from “no lower than” 125 percent in North Carolina, to 400 percent in Georgia, with an average differential of approximately 250 percent. Pending legislation in Alabama would increase nonresident tuition from 200 percent of the resident rate to the full cost of instruction.

A total of 30 states reported the existence of tuition reciprocity or “good neighbor” agreements with nearby states or out-of-state municipalities, or members of regional compacts or consortia. Various individual and multi-state cooperatives, tuition reduction, and student exchange programs were described. A number of agencies indicated the existence of specific policies for institutions located near state borders, and of exchange agreements that enable students to attend colleges and universities in other states at reduced rates in order to pursue a major or academic program that does not exist at or in an individual's home institution or home state.

A number of agencies noted their membership in consortia or cooperatives that allow for the interstate moment of students at reduced tuition levels. These compacts include the Southern Regional Education Board's “Academic Common Market”; the Midwestern Higher Education Commission's “Midwest Student Exchange Program”; the New England Regional Student Program, and WICHE's “Western Undergraduate Exchange Program”.

Tuition Caps

Nineteen states indicated that a curb, cap, freeze, or other limitation had been placed upon tuition at some point during the previous three fiscal years, while 24 reported that such an action had not occurred. The breakdown among states can be found in *Table 4*. Among states that instituted limitations on tuition, the Connecticut and Wisconsin legislatures appropriated replacement revenue that allowed institutions to freeze or maintain tuition increases below a specified maximum. Massachusetts reported no increases in tuition for three years following five consecutive years of tuition decreases. The Governor of New Jersey advised institutions in that state to limit tuition increases to no more than 10 percent or face a special budgetary audit by the Commission on Higher Education. Individual institutions in Missouri experimented with indexing tuition to the Consumer Price Index. Finally, Maryland reported limiting four-year institution increases to four percent, while Ohio lifted caps in 2002 after a number of years of a six percent limitation.

Table 4: Limitations Placed on Tuition Setting

Yes		No	
Connecticut	North Carolina	Alabama	Nevada
Florida	Ohio	Arizona	New Hampshire
Idaho	South Carolina	Arkansas	New Mexico
Indiana	Texas	Georgia	New York
Iowa	Utah	Hawaii	North Dakota
Louisiana	Virginia	Illinois	Oklahoma
Maryland	Washington	Kansas	Pennsylvania
Massachusetts	West Virginia	Kentucky	Rhode Island
Missouri	Wisconsin	Maine	South Dakota
New Jersey		Minnesota	Tennessee
		Mississippi	Vermont
		Nebraska	Wyoming

Tuition Differentials

Agencies were asked to indicate if public sector tuition differed according to student level, academic program, or other factors. Responses are summarized in *Table 5*. The most popular form of tuition differential is by undergraduate/graduate status, with 41 of 46 agencies, or 89 percent reporting the existence of varied pricing in this area. Thirty-two or 70 percent of agencies reported varying tuition according to the credit or non-credit bearing nature of a course or program. Less than half of the agencies reported differential tuition based on each of the remaining five given categories.

Table 5: Differential Tuition by Category

Category	Number of "Yes" Responses	Percentage of Respondents
Undergraduate/Graduate	41	89%
Credit/Non-credit bearing enrollment	32	70%
Programmatic (varies by major or course)	21	46%
On-site or classroom based instruction / Off-site or distance education	21	46%
In district / Out of district (two-year institutions only)	13	28%
Credit hours beyond a specific number (e.g., tuition surcharge)	10	22%
Upper division / Lower division	7	15%

It should be noted that agencies that reported the existence of differential tuition by program may be reflecting differences at the graduate versus the undergraduate level, as was specifically indicated by one state in a side note to the question. At the undergraduate level, both Utah and Florida reported that a surcharge was imposed upon students who repeated a course more than once or twice, respectively, with students in Florida being charged the full cost of instruction in such a case.

Targeted Tuition Reductions

In addition to tuition differentials, 31 states reported some form of tuition reduction, tuition rebates, or loan forgiveness for students majoring in certain fields or pursuing careers in specific areas. Many of these programs require students to provide a minimum number of years of professional service in the state, often in certain underserved urban or rural areas. Teaching was by far the most frequently mentioned targeted tuition/loan forgiveness program, cited by 13 states. Health/medical areas also were popular, with six states describing programs for physicians, five states mentioning efforts to recruit nurses, and a total of eight states noting programs for a variety of other health-related professions. Other fields/careers mentioned by states included speech pathology, library science, special education, child care, information technology and computer science, engineering and related technology, advanced manufacturing, and work in not-for-profit organizations.

Other Tuition Policies

States reported the existence of tuition reduction programs for members of certain groups and others who meet a variety of other criteria, including state employees, senior citizens, disabled persons, veterans, Native Americans, children of alumni/ae, supervisors of student interns, persons in foster care, the unemployed, members of the National Guard, and participants in dual secondary/postsecondary enrollment programs.

Section C:
Student Fees

Overall Philosophy

As with tuition, overall philosophy related to student fees varies in the states. In some states, fees are designed to make up for tuition limitations, while in others student fees are assessed for specific programs and auxiliary services. Fees include both *mandatory fees*, which are defined as charges that most full-time students are required to pay in addition to tuition, and *designated fees*, which are charges that apply to specific classifications only, such as certain courses, programs, services, or groups of students. Examples include payments toward capital costs and debt service on student recreation facilities, funding for technology initiatives, athletics, health services, campus transportation, and surcharges for high-cost programs.

Student fee philosophy is also codified or formalized in different places, while the location of authority for the setting of fees varies from state to state. In ten states, fee philosophy is formalized by legislative statute, while in 17 states fee polices are delineated by other rules or policies. No state reported that fee philosophy is codified through constitutional provisions. In 20 states, no formal policy on student fees exists. A summary of the role of different entities in establishing fee policy can be found in *Table 6*.

Table 6: Authority for Setting Student Fees

Governor		Legislature		State Gov/ Coord Agency		System Boards		Local District Boards		Individual Institutions	
M[1]	D	M	D	M	D	M	D	M	D	M	D
0	1	8	4	13	11	21	19	13	14	19	24

[1] *M = Mandatory Fees; D = Designated Fees*

Changes in Fee Policy

Recent and anticipated future changes in student fee policies and philosophies were reported by a number of states. Virginia indicated that limits on student fees were established in 1999, while Georgia reported that caps on mandatory fees had been lifted in 2002. Maryland and Pennsylvania noted the implementation of new technology fees beginning with the 2002-03 academic year, while West Virginia indicated that individual institutions have been granted expanded authority to establish student fee levels. North Carolina anticipates revisions to its student fee policy following Board action in 2003, while South Dakota reported that the upcoming overhaul of student residential facilities will likely alter the CPI/HEPI indexing of room and board charges in the near future. In addition to Virginia, Connecticut, Florida, Georgia, Idaho, and South Dakota indicated that a curb, cap, freeze or other limitation had been placed on fees at some point during the previous three fiscal years.

Section D:
Financial Assistance Programs

Overall Philosophy

The goals of state student financial aid programs vary, from focusing on need-based concerns of access and affordability through the provision of grants and loans, to more merit oriented objectives associated with the recognition of talent and rewarding of student effort through tuition waivers and scholarships. In addition, many states have created programs designed to promote the retention and eventual graduation of students from college, and to encourage enrollment in certain academic programs leading to service to the state in selected high-need fields and professions. Finally, financial aid policy in some states is oriented toward promoting choice among different education providers, in some cases by helping to equalize tuition among public and private institutions.

As with tuition and fees, policies concerning student financial aid are formalized in various ways. As with fees, no states indicated that constitution provisions govern the creation and awarding of financial aid. For 15 states policies are codified through state statutes, while 11 indicated that other rules are in place that help direct state efforts in this area. Four states reported that both are involved. Finally, 14 states indicated that no formal policies exist.

Goals of Financial Aid

Agencies were asked to indicate the extent to which different possible goals of student financial aid policy, such as those listed above, influence the creation and adjustment of a comprehensive financial aid program. A total of 43 of the 46 participating agencies provided information on influences on financial aid policy. The resulting rank ordering of the reported levels of influence is summarized in *Table 7*, along with a count of the number of times each of the listed goals was cited as the most influential (with some agencies indicating that more than one goal exerted primary influence on financial aid policy).

Access and *affordability* were by far the most important goals for student financial aid cited by agencies, receiving average ratings of 4.6 and 4.5, respectively, on a scale of 1 (no influence) to 5 (significant influence). *Access* was named the most influential goal of financial policy by 33 agencies, while *affordability* received 11 votes. The desire to *recognize talent* and *reward effort* of students–the primary objective of merit-aid programs–received an average rating of 3.3, and ranked fifth among the seven listed goals of financial aid policy. This item was named most influential by six of the participating agencies.

Table 7: Influences on Financial Aid Policy

Rank	Average Rating	Goals of Financial Aid	Most Influential Goal[1]
1	4.6	Promote broad *access* to higher education	33
2	4.5	Improve the *affordability* of higher education	11
3	3.5	Promote *retention* and eventual graduation of students	1
4	3.4	Facilitate student *choice* among higher education providers	3
5	3.3	Recognize talent and *reward* effort of students	6
6	2.9	Preparation and *placement* of students into specific careers	0
7	2.1	Help *equalize tuitions* between public and private institutions	2

[1] *Agencies frequently named more than one goal as "most influential".*

Changes in Financial Aid Policy

States were asked to describe any financial aid policy changes that had occurred during the previous three fiscal years. A number of changes were indicated, which can be found in detail on the website associated with this report. The following is a sampling of state reports of changes in financial aid policy:

- Arizona noted changes in Board policy that provided increased flexibility for institutions to structure and assign student tuition waivers.
- Illinois expanded its Monetary Award Program to include part-time students, while New Jersey is considering a similar move.
- Ohio implemented a new program for students attending for-profit institutions.
- Pennsylvania increased funding for independent students, while changing financial aid submission policies to improve outreach to students making last minute enrollment decisions.
- Texas implemented a new grant program designed to improve access, affordability, and student retention.
- Iowa eliminated funding for its state work-study program for fiscal years 2002 and 2003.
- Maryland, Nevada, and West Virginia saw increased attention and/or funding for merit-based student aid programs, while Arkansas instituted a $10,000 annual cap on its merit award.
- Utah implemented its “New Century Scholarship” program, which provides a 75 percent tuition scholarship to public or private institutions in the state for dual-enrollment participants who earn the equivalent of an Associates Degree by September 1 of the year of anticipated high school graduation.

Selected states also described financial aid policy changes that are anticipated for 2003. Arkansas has proposed a new program for non-traditional students aged 24 and older, while Kentucky will attempt to more accurately define and determine “unmet financial need”. The Nebraska legislature will consider the elimination of financial assistance to students attending private institutions, while Ohio will examine possible changes in student aid allocation methodology.

Forms of Financial Aid

State student financial aid is available in a variety of forms, including need-based grants, merit-based scholarships, student loans, work-study awards, and tax credits and deductions. A summary of available forms of financial aid and their provenance can be found in *Table 8*.

Table 8: Financial Aid Offered By States

Financial Aid Programs	Authority by which offered[1]			
	SS	FP	DI	NO
Need-based grants	39	2	10	2
General, statewide merit-based scholarships	21	2	9	15
Specifically targeted merit-based scholarships	21	4	20	10
Loan forgiveness programs (including conditional scholarships)	33	2	2	9
State-funded work-study programs	17	3	8	19

[1] *SS = state statute; FP = other formal policy; DI = discretion of institutions; NO = not offered.*

Table 8: **Financial Aid Offered By States, *continued***

Financial Aid Programs	Authority by which offered[1]			
	SS	FP	DI	NO
State-funded guaranteed loans	15	1	1	27
Programs designed to increase access and participation of members of specific groups/populations	25	5	10	9
State tax credits or tax deductions	14	0	0	31

[1] *SS = state statute; FP = other formal policy; DI = discretion of institutions; NO = not offered.*

Finally, 17 agencies indicated that financial aid policies differed for public and private institutions in their respective states. Differences mainly concerned the level of financial assistance that was available for students enrolled in each of the sectors, while a number of states operate distinct programs for students attending private institutions.

Section E: Affordability

Initiatives to Improve Affordability

The issue of affordable access to higher education is of increasing concern to both state policy makers and citizens. As tuition levels rise, states are under mounting pressures to address the issue of college cost through reduction in fees, increases in financial aid, and a more complete accounting for and justification of institutional revenues and expenditures.

States were asked to describe any initiatives being discussed to address the affordability of college for students and their families, including any initiatives or collaboration with other agencies to provide consumer information on college price and the financing of higher education, including financial aid programs. A number of states made references to recent commissions and task forces on cost and affordability and the materials that resulted from their efforts. Ten states reported that they had utilized the National Association for College and University Business Officers (NACUBO) methodology (outlined in the publication “Explaining College Costs”), or the National Committee on Cost report (“Straight Talk About College Costs and Prices”), in developing public relations materials about the cost of college and university study. (Conversely, 34 states reported that they had not used these resources in developing affordability-related materials.)

A number of specific examples were given by states of efforts to address affordability concerns. Missouri described efforts to partner with state and national organizations to provide awareness, outreach, and consumer information regarding college affordability. Mississippi's two- and four-year public institutions collaborate to educate and enroll prospective students at college fairs held in the state. The South Dakota legislature authorized in 2002 a program called “EduPrep”, which will educate students in grades 7-12 about college and college finances. Washington reported the development of a series of publications specifically targeted toward low-income students and their parents in conjunction with the state's Gear Up program. Finally, the higher education sector in North Carolina has partnered with the state's Department of Public Instruction, student loan corporation, and loan guarantor in developing a single web portal and toll-free number to inform students and parents on how to plan, apply, and pay for college.

Prepaid Tuition/College Savings Plans

Many states noted that the institution of a prepaid tuition and/or college savings plan was designed to improve the affordability of higher education for future generations of students. Thirty-three states reported having developed one or more plans, while three others indicated that a plan was under consideration. Eight states indicated the no prepaid tuition or college savings plan was being considered at the time of the survey.

Prepaid tuition and college savings plans have suffered in recent times in a manner similar to other equities and stock-based investments. None of the states surveyed indicated that any major changes in existing plans were in the works for the near future. However, the significant loss of value in many plans, as well as the recent decline in investor participation, has led to a number of other changes being made in various state plans over the past year. It remains to be seen how the continued stagnation or decline in equity values will affect the future participation in and structure of prepaid tuition and college savings plans in the states.

States were asked what consideration, if any, had been given to the impact of tuition prepayment programs or college savings plans on tuition levels. While most states indicated that no formal discussion or review had occurred, a sizeable number indicated that concerns had been raised and addressed in the development of or subsequent review of programs. North Carolina indicated that the consensus between the state guarantor and the public colleges was that a prepaid tuition program could have unforeseen consequences on quality and cost, which is what led the state to focus its efforts in developing a college savings program.

In other cases, the concerns were reversed and focused on the potential impact on prepaid programs by significant increases in tuition. Ohio summarized these concerns in noting “the state is more concerned about the effect of increases in tuition levels on its ability to honor its obligations with respect to the guaranteed tuition plan. Double-digit increases in tuition, in conjunction with the stock market decline, have prompted a thorough review of the fiscal situation of the guaranteed tuition plan.”

Response to Federal Tax Credits

Federal legislation in 1997 created the HOPE Scholarship and Lifetime Learning tax credits for families that report taxable income. In the survey, states were provided with a list of possible policy responses to these programs (developed by the National Center for Public Policy and Higher Education) and were asked to indicate which had been taken, which were currently under consideration, and which were not under consideration. A summary of results is below in *Table 9*.

Table 9: Response to Federal Tax Legislation

State Policy Response	AT[1]	UC	NUC
Raise tuition to take advantage of new tax credits	1	1	41
Take federal tax credits into account when calculating student aid eligibility	6	3	34
Create state-level programs that replicate the federal initiatives	5	5	33
Conform the state tax code to federal policy to simplify the tax process	4	6	30
Create a state prepayment or college savings plan	33	3	8
Publicize the availability of federal tax credits as a means to finance college	17	6	23
Provide bridge loans to students	1	1	40

[1] *AT = action taken; UC = under consideration; NUC = not under consideration.*

Concluding Remarks

The relative affordability of higher education will continue to be scrutinized as reduced state appropriations likely lead to further increases in tuition that outpace inflation. The development of value-based long-term philosophies and effective strategies for maintaining affordable access to public higher education is imperative as the nation moves further into the 21st Century.

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Appendix B:
Survey Instrument

SURVEY OF 2002-2003 STATE TUITION, FEES, & FINANCIAL ASSISTANCE POLICIES FOR PUBLIC COLLEGES AND UNIVERSITIES

The purpose of this survey is to solicit information on state-level policies and procedures governing public higher education tuition, fees, and student financial assistance. For simplicity, the term “tuition” as used in this survey includes all standard student charges including required “education fees” in states that prohibit tuition per se.

Some questions are intended to update and clarify information collected through SHEEO/WICHE surveys on this topic in 1996 and 1999. Other questions are new or expanded to reflect the changing financial and political circumstances in which tuition policies are set. This is not a survey of the actual rates or amounts of current tuition, since several sources already exist for those data.

Thank you for your participation in this project.

Section A - Tuition Philosophy and Authority

1. a) Which of the following statements best describes the overall tuition philosophy or approach for public colleges and universities in your state? (please check one):

   ☐ Tuition should be as low as possible.
   ☐ Tuition should be moderate.
   ☐ Tuition should be high.
   ☐ Tuition policy is guided by institutional-level philosophy or budgetary needs.
   ☐ No statewide tuition philosophy exists.
   ☐ Other *(please describe)*:

   b) Describe, if possible, the rationale for the philosophy stated above (e.g., tuition should be low to maximize access, high tuition is combined with high financial aid, institutions best understand their fiscal situation, etc.).

   c) Is this tuition policy formalized in the state constitution, by legislative statute, by other rule or policy, or not formalized? *(please check one)*:

   ☐ Constitution ☐ Statute ☐ Other rule/policy ☐ Not formalized

2. Have recent economic conditions led to any short-term actions or policies on tuition that are in conflict with general or long-term philosophies?

   ☐ Yes *(please describe)*: ☐ No ☐ Unsure

3. a) Describe any long-term tuition <u>policy</u> changes in your state in the past three fiscal years–F'00, F'01, F'02 (not changes in tuition levels).

   b) Are there any potential tuition <u>policy</u> changes under consideration in your state for F'03? If so, please describe.

c) Has an official or formal study group or commission on tuition policy been established or appointed in your state at any time in the past three fiscal years? If yes, please describe and provide a copy of any written report to result from the initiative.

☐ Yes *(please describe)*: ☐ No ☐ Unsure

d) If a group or commission has not convened in the past three fiscal years, do plans exist for such an initiative in the near future?

☐ Yes *(please describe)*: ☐ No ☐ Unsure

4. a) Describe the role of each of the following individuals or entities in establishing tuition rates and/or policies in your state (advisory/consultative role, decision making authority, no role, etc.).

Governor:

Legislature:

State coordinating/governing agency:

Individual system governing board(s):

Local district governing board(s) *(two-year only)*:

Individual institutions:

Other *(Please specify)*:

b) Which of the entities on the previous page has primary authority for establishing tuition?

c) If *individual institutions* have primary authority, which of the following statements best describes the nature of their authority?

☐ Individual institutions set tuition rates within *very strict guidelines or parameters* established by local or state-level entities.

☐ Individual institutions set tuition rates within *moderate or limited guidelines* established by local or state-level entities.

☐ Individual institutions set tuition rates with no external restrictions.

d) What incentives, if any, exist at the state or institutional level to minimize tuition increases?

5. How have term limits, or other changes in state legislative culture, affected tuition policies and philosophy in your state over the past three years?

6. Indicate which of the following tuition revenue appropriation policies are in place in your state:

☐ Tuition revenues are controlled and retained by an institution or campus.

☐ Tuition revenues are deposited into separate state tuition accounts from which all funds must be appropriated prior to expenditure for higher education purposes.

☐ Tuition revenues are retained at the state level but under the direct control of a state governing or coordinating board.

☐ Tuition revenues are deposited into state general funds, with their return to higher education only inferred.

☐ Other *(Please describe)*:

Section B - Undergraduate Tuition Setting

1. The following factors may be used by various individuals/groups who set public institution resident tuition rates in the states. Using a scale of 1 to 5, please indicate the level of influence exerted by each of the factors in decision making about tuition levels in your state. Also note if tuition is **directly indexed** to each of the given factors. If individual institutions are responsible for setting tuition, use your best judgment in assessing the role of each factor in the statewide aggregate.

1 = no influence *2 = minimal influence* *3 = some influence*
4 = moderate influence *5 = significant influence*

Factors	Level of Influence	Check if tuition is *directly indexed* to the factor
a. Consumer Price Index (CPI)	☐1 ☐2 ☐3 ☐4 ☐5	☐
b. Higher Education Price Index (HEPI)	☐1 ☐2 ☐3 ☐4 ☐5	☐
c. Other cost of living indexes	☐1 ☐2 ☐3 ☐4 ☐5	☐
d. State per capita personal or disposable income	☐1 ☐2 ☐3 ☐4 ☐5	☐
e. State general fund appropriations	☐1 ☐2 ☐3 ☐4 ☐5	☐
f. Tuition charged by peer institutions	☐1 ☐2 ☐3 ☐4 ☐5	☐
g. Tuition policies of comparison states	☐1 ☐2 ☐3 ☐4 ☐5	☐
h. Formal or informal analyses or beliefs about the relative mix of individual and public benefits of higher education	☐1 ☐2 ☐3 ☐4 ☐5	☐
i. Institutional mission	☐1 ☐2 ☐3 ☐4 ☐5	☐
j. Cost of instruction	☐1 ☐2 ☐3 ☐4 ☐5	☐
k. Prior year's tuition	☐1 ☐2 ☐3 ☐4 ☐5	☐
l. Other student fees or charges	☐1 ☐2 ☐3 ☐4 ☐5	☐
m. Availability of/appropriations for financial aid	☐1 ☐2 ☐3 ☐4 ☐5	☐
n. State workforce needs	☐1 ☐2 ☐3 ☐4 ☐5	☐
o. Public concern or opinion about the cost of higher education	☐1 ☐2 ☐3 ☐4 ☐5	☐
p. Media pressure or attention to higher education costs	☐1 ☐2 ☐3 ☐4 ☐5	☐
q. Other *(please describe)*:	☐1 ☐2 ☐3 ☐4 ☐5	☐

2. a) Of the above list (a-q), please indicate the **three most influential factors** in setting resident tuition rates in your state over the past three fiscal years: 1. 2. 3.

   b) Do you anticipate that the relative level of influence of the factors in the above list (a-q) will change in the near future?

   ☐ Yes ☐ No ☐ Unsure

3. Has there been a curb, cap, freeze or other limit placed on tuition at any time in your state in the past three fiscal years?

   ☐ Yes *(please describe)*: ☐ No ☐ Unsure

4. Indicate if each of the following types of differential tuition is used for resident students at public colleges and universities in your state.

Types of differential tuition	**Yes**	**No**	**Unsure**
a. Upper division/lower division	☐	☐	☐
b. Undergraduate/graduate	☐	☐	☐
c. Programmatic (varies by major or course)	☐	☐	☐
d. Credit/non-credit	☐	☐	☐
e. In-district/out-of-district *(two-year schools only)*	☐	☐	☐
f. On-site or classroom based instruction/off-site or distance education	☐	☐	☐
g. Credit hours beyond a specific number (e.g., credit hours above 140 are charged at a higher rate)	☐	☐	☐
h. Other *(please describe)*:	☐	☐	☐

5. Indicate which of the following statements describes how undergraduate **resident** tuition is set in your state. *Please check all that apply*.

a. Tuition is set per credit hour regardless of how many credits the student is taking.	☐
b. Tuition is set at a flat rate for full-time students.	☐
c. A per credit surcharge is imposed at or above a specific number of credit hours.	☐
d. Tuition is set at a mandated percentage of the cost of undergraduate instruction. The percentage is __ %.	☐
e. No formal policy exists on **resident** tuition setting.	☐
f. Other *(please describe)*:	☐

6. Indicate which of the following statements describes how undergraduate **nonresident** (out-of-state) tuition is set in your state. *Please check all that apply*.

a. Tuition is set at a mandated percentage of the cost of undergraduate instruction. The percentage is __%.	☐
b. Tuition is indexed to the undergraduate resident tuition (e.g., 2 times the resident tuition rate). The percentage is __%.	☐
c. No formal policy exists on **nonresident** tuition setting.	☐
d. Other *(please describe)*:	☐

7. Does your state have undergraduate tuition reciprocity agreements with other states? If yes, please briefly describe and/or provide a copy of the policy.

   ☐ Yes *(please describe)*: ☐ No ☐ Unsure

8. Does your state provide tuition reduction, tuition rebates, and/or loan forgiveness to graduates of selected programs/majors who provide service to the state following graduation in given fields or professions? If yes, briefly describe or provide a copy of the policy.

   ☐ Yes *(please describe)*: ☐ No ☐ Unsure

9. Please describe any other tuition policies that are present in your state.

Section C - Fees

In this section, the term "fees" refers to both mandatory and designated fees. **Mandatory fees** are defined as charges that most full-time students are required to pay in addition to tuition. **Designated fees** are defined as charges that apply to specific classifications only, such as certain courses, programs, services, or groups of students.

1. a) Describe the philosophy in your state specifically related to student fees (for example, fees make up for tuition limitations, fees are institutionally controlled, etc.).

   b) Is this fee philosophy formalized in the state constitution, by legislative statute, by other rule or policy, or not formalized?

   ☐ Constitution ☐ Statute ☐ Other rule/policy ☐ Not formalized

   c) Describe any fee <u>policy</u> changes in your state in the past three fiscal years (not changes in fee levels).

   d) Are there any potential fee <u>policy</u> changes under consideration for F'03? If so, please describe.

   e) Has there been a curb, cap, freeze or other limit placed on fees in the past three fiscal years?

   ☐ Yes *(please describe)*: ☐ No ☐ Unsure

2. Describe the relationship (formal or informal) between the tuition policies and fee policies in your state (e.g., viewed as similar but different source of funds, no relationship, etc.).

3. Please indicate which entities in your state have the authority to set mandatory and/or designated fees. *Check all that apply.*

Authority to set fees	**Mandatory**	**Designated**
a. Governor	☐	☐
b. Legislature	☐	☐
c. State coordinating/governing agency	☐	☐
d. Individual system governing board(s)	☐	☐
e. Local district governing board(s) (two-year only)	☐	☐
f. Individual institutions	☐	☐
g. Other *(please describe)*:	☐	☐

Section D - Student Financial Aid

1. a) Describe the student financial aid philosophy or policy in your state including both need-based and merit-based aid (aid should reward achievement, aid should promote access, etc.).

   b) Is this financial aid policy formalized in the state constitution, by legislative statute, by other rule or policy, or not formalized?

   ☐ Constitution ☐ Statute ☐ Other rule/policy ☐ Not formalized

2. The following are a list of possible goals of student financial aid policy. Understanding that multiple programs might exist in your state to meet a variety of objectives, please indicate, using a scale of 1 to 5, the relative influence of each of the goals in the creation and adjustment of a comprehensive financial aid program.

   1 = no influence *2 = minimal influence* *3 = some influence*
   4 = moderate influence *5 = significant influence*

Goal of Financial Aid Policy	**Level of Influence**
a. Promote broad *access* to higher education	☐1 ☐2 ☐3 ☐4 ☐5
b. Improve the *affordability* of higher education	☐1 ☐2 ☐3 ☐4 ☐5
c. Facilitate student *choice* among higher education providers in the state	☐1 ☐2 ☐3 ☐4 ☐5
d. Help *equalize tuitions* between public and private institutions in the state	☐1 ☐2 ☐3 ☐4 ☐5
e. Promote the *retention* and eventual graduation of students from college	☐1 ☐2 ☐3 ☐4 ☐5
f. *Recognize talent* and *reward effort* of students	☐1 ☐2 ☐3 ☐4 ☐5
g. Prepare and place students into *specific careers*	☐1 ☐2 ☐3 ☐4 ☐5

a) Which of these goals (a-g) has the *greatest influence* on financial aid policy in your state?

b) Describe any financial aid policy changes (not financial aid appropriations) in the last three fiscal years.

c) Are there any potential financial aid policy changes under consideration for F'03? If so, please describe.

3. Describe the overall relationship (formal or informal) between tuition policies and financial aid policies in your state (e.g., high tuition/high aid, no relationship, unsure, etc.), including any differences that might exist between college/university sectors.

4. Do financial aid policies differ for students attending public vs. private institutions in your state?

☐ Yes *(please describe)*: ☐ No ☐ Unsure

5. Check which, if any, of the following student financial assistance programs your state offers.

Student Assistance Programs	**Offered under state statute**	**Offered through a formal policy but not in statute**	**Offered at discretion of institutions**	**Not offered**
a. Need-based grants	☐	☐	☐	☐
b. General, statewide merit-based scholarships	☐	☐	☐	☐
c. Specifically targeted merit-based scholarships	☐	☐	☐	☐
d. Loan forgiveness programs (including conditional scholarships)	☐	☐	☐	☐
e. State-funded work-study programs	☐	☐	☐	☐
f. State-funded guaranteed loans	☐	☐	☐	☐
g. Programs designed to increase access/ participation of members of specific groups/populations	☐	☐	☐	☐
h. State tax credits or tax deductions	☐	☐	☐	☐
i. Other *(please specify)*:	☐	☐	☐	☐

Section E - Affordability

1. Describe any initiatives being discussed in your state to address the affordability of college for students and their families. Include any initiatives or collaboration with other agencies to provide consumer information on college price and the financing of higher education, including financial aid programs. *Please send a copy of any written materials developed in your state.*

2. Have you utilized either the NACUBO methodology ("Explaining College Costs") or the National Committee on Cost report ("Straight Talk About College Costs and Prices") in developing public relations materials about the cost of college and university study in your state?

☐ Yes ☐ No

3. Please indicate if your state is considering any new development of, or any changes in, either a prepaid tuition program or a college savings plan.

4. What consideration, if any, has been given in your state to the impact of tuition prepayment programs or college savings plans on tuition levels? By whom?

5. Below is a list of possible state policy responses to the 1997 federal legislation creating various education tax credits and deductions, including the HOPE Scholarship and Lifetime Learning tax credits. Check which of the following actions have been taken in your state, those currently under consideration, and those not under consideration.

Action	**ActionTaken**	**Under consideration**	**Not under consideration**
a. Raise tuition to take advantage of new tax credits.	☐	☐	☐
b. Take federal tax credits into account when calculating state student aid eligibility.	☐	☐	☐
c. Create state-level programs that replicate the federal initiatives.	☐	☐	☐
d. Conform the state tax code to federal policy to simplify the tax process for families.	☐	☐	☐
e. Create a state prepayment or college savings plan.	☐	☐	☐
f. Publicize the availability of federal tax credits as a means to finance college.	☐	☐	☐
g. Provide bridge loans to students.	☐	☐	☐
h. Other *(please describe)*:	☐	☐	☐

Note: These options are based on The National Center for Public Policy and Higher Education's 1998 report, *Maximizing the Effectiveness of the New Federal Tuition Tax Credits* (July, 1998).

Section F - Summary

1. Please describe any differences in philosophy or policy concerning tuition, fees, and student financial aid at public **two-year vs. four-year** institutions in your state.

2. Please provide any additional comment on any individual item or section of this survey.

Respondent Information

State/Agency:

Name of Respondent:

Title:

Phone: Fax:

E-mail:

Thank you for your assistance in completing this survey.

Please return your completed survey by following these steps:

- Save the document (you can use the same document name or create a unique name)
- Attach the saved document to an e-mail message
- Send to crasmussen@sheeo.org

You can also print your completed document and send via fax or standard mail to:

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