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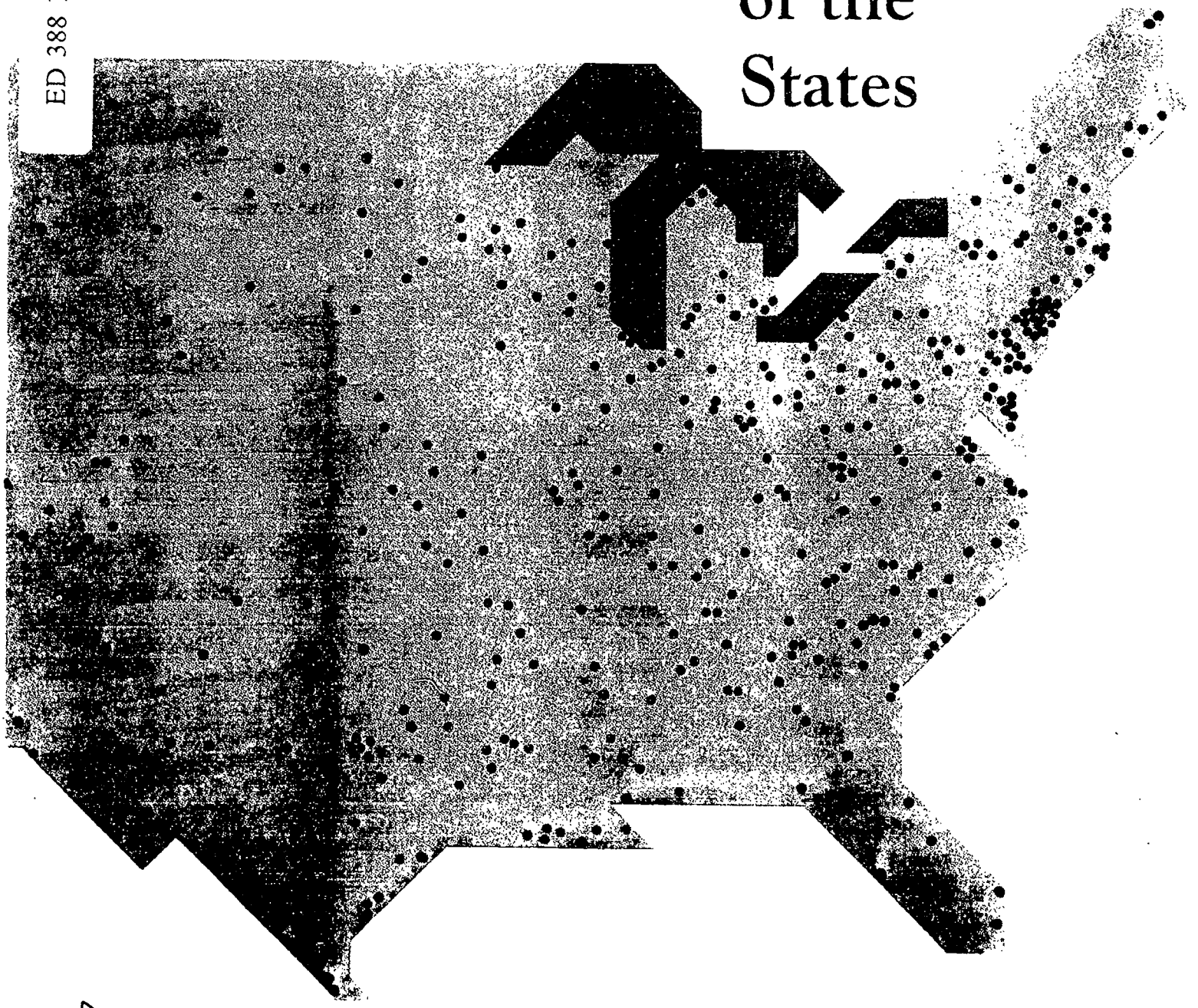
ABSTRACT

This report provides an overview of current trends and opinions in public higher education. State representatives of the American Association of State Colleges and Universities were surveyed regarding opinions held by key institutions and individuals influencing public higher education at the state level. Top issues identified by policymakers and administrators surveyed were accountability and other aspects of providing cost-effective education. Overall, the year was seen as the most stable since the late 1980s although shortfalls in state appropriations are affecting access issues, program issues, and faculty recruitment. An executive summary summarizes findings concerning the issues survey, the fiscal status of the states, enrollment, student charges, state-funded aid, accountability, the National Retention Project (a survey of graduation rates), and a technology survey. Following the executive summary and an introductory chapter, individual chapters provide more detail on the topics listed in the executive summary. A total of 28 tables and 18 graphs present the data in a variety of ways. (Contains 42 reference notes.) (DB)

Report of the States



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Executive Summary

This report provides an overview of current trends and opinions in public higher education. It contains information and survey data that in many cases are not available anywhere else. It summarizes the concerns of key administrators in higher education and leading government authorities. It points a way to the future. It suggests how the changing racial and ethnic mix of students will offer challenges to public institutions.

Issues Survey—1995

What Are the High Priorities?

In its 1995 Issues Survey, the American Association of State Colleges and Universities (AASCU) asked its state representatives (presidents and chancellors of public, four-year institutions representing the colleges and universities in their states) to assess the opinions held by key institutions and individuals influencing public higher education on the state level. Information was obtained regarding the viewpoints of governors, legislators, higher education system personnel, and member institutions.

The issue that was highest on most every list of concerns of their constituents of higher education was "accountability," a term which may be interpreted in a variety of ways depending upon the differing perspectives of the parties assessed. Table 1 lists issues that are high priorities.

As shown above, governors and legislatures considered the issue of accountability a top priority, along with administrative bloat and program duplication. In essence, state governments seem focused on ways to assess the cost-effectiveness and general value of higher education. The highest priority among administrators in the state-wide "systems" was accountability as well, but at a lower rate than at the gubernatorial or legislative level. Presidents and chancellors were keenly interested in graduation rates and minority retention, but indicated that accountability was somewhat less of a priority.

Higher education administrators, by concentrating on such issues as graduation rates and minority retention, appear to be especially concerned with demonstrating their effectiveness and value to the states. In this way, the differing degree to which government and higher education perceive the issue of accountability may be more a matter of perspective than substance.

Assessing Cutbacks

In recent years, financial support from the state has not kept pace with the combined impact of rising costs and generally increased enrollment at public colleges and universities. The amount of state dollars per student has gradually fallen, stretching tight resources even tighter, and prompting cutbacks in many areas. However, the AASCU survey sought to discover what areas had been damaged the most. Respondents indicated that the cutbacks were most hurtful to "access issues," followed by "program issues," and then by "faculty recruitment." The access problem reflects the need to restrain tuition increases and keep the door of higher education open, especially to

Table 1. High Priority Issues by Viewpoint
(in percentages)

	Governor	Legislators	Systems	Presidents and Chancellors
Administrativ Bloat	24 5	32.1	11.3	7 5
Teaching Load	20 8	35.8	30 2	26 4
Accountability	58 5	71.7	43.4	35 8
Graduation Rates	18 9	37 7	39 6	54 7
Program Duplication	34 0	35 8	26 4	7 5
Minority Retention	9 4	9 4	30.2	50 9

minority and low-income groups The reality is that some students may be denied opportunity This is particularly troubling in light of demographic trends that indicate continued growth among many traditionally low-income population groups Limited access to higher education—caps in enrollment, cutbacks in state funding—could undermine the future of public higher education

Many other areas that have been hurt by cutbacks—such as faculty recruitment and program issues—may be of less immediate concern to institutions However, over the long-term, these issues could seriously undermine the vitality of higher education

Fiscal Status of the States

In fiscal year 1994 (FY 94) the states had their most stable year since 1989 as revenue collection exceeded expectations State budgets increased by 4 9 percent However all sectors of the state budget pie did not receive an equal increase Surging Medicaid and corrections costs syphoned off funds that might have gone to other areas including higher education Total state expenditures for higher education increased by 4 2 percent in FY 94—a respectable rise but still troublesome when shown against the backdrop of declining state support for higher education on an inflation-adjusted basis As shown in the chart that follows, educational appropriations have increased in current dollar terms from $39 1 billion to $41 1 billion In constant dollars (adjusted based upon the higher education price index) spending for 1994 was $35 4 billion in 1990 dollars—a decline of nearly $4 billion

Although the current fiscal picture is quite positive, there is at least one disturbing trend Escalating costs in programs such as Medicaid and corrections, both largely uncontrollable budget items could continue to squeeze out higher education limiting educational opportunities for those who deserve them.

Enrollment

In a reversal of prior-year trends, enrollment at AASCU institutions declined slightly in the fall of 1993 (latest year available) by 1 1 percent There are several reasons why enrollment growth has stopped or slowed if only temporarily The baby 'bust' has reached its low and should be followed in the coming decade by rising numbers of high school graduates hoping to attend college An increasing percentage will be from minority backgrounds—especially Asian and Hispanic students Many of these will need financial assistance to attend college

The distressing reality is that some legislatures have created enrollment caps to restrain costs or raised admissions standards for the same purpose One of the defining issues in higher education enrollment trends is cost Nearly 32 percent of college freshman chose their institution based on cost If the inflation-adjusted cost of attending public higher education institutions continues to rise, fewer students will be able to afford it Moreover, it is essential that costs be restrained to allow fair access to *all* students especially the rising percentages of Asians, Hispanics, and other traditionally underrepresented groups

In general, however, the enrollment outlook appears fairly optimistic The National Center for Education Statistics predicts that overall college enrollments will rise 6 percent to 15 9 million students by the year 2004 However, the validity of this estimate will depend upon many things, particularly the availability of financial aid

Student Charges

The average undergraduate cost of tuition and fees at public institutions was $2 590 for fall 1994 This represented a 6 1 percent tuition and fee increase versus the prior year This increase came just as some types of financial aid were being curtailed Indeed 18 states in the fall of 1994 registered double-digit increases in tuition and fees This may have limited the ability of

some to attend postsecondary institutions. Tuition and fees charges at public institutions varied widely in the fall of 1994, ranging from Washington, D.C., with the lowest rate of $1,046 to Vermont which had the highest rate at $4,651.

State-Funded Aid

In 1993–94 (the latest year available) the level of student grant aid provided by the states increased by an average of 12.6 percent for students attending both public and private institutions. This was a larger increase than in previous years, but is probably not representative of the general trend in state-funded aid. State aid has most often failed to keep pace with the rising cost of higher education over the last half-decade, and this is likely to continue. Moreover, changes in state-funded aid varied widely by state; average figures need to be put in context. For example, five states increased aid by more than 17 percent, and six states cut aid. It should be noted that private institutions accounted for nearly one-third of the residents receiving aid, but one-half of total funding. In effect, the average award size to students attending private institutions is higher than to those attending public ones.

Accountability

As mentioned previously, accountability remains one of the key issues in higher education. In essence, to justify public expenditures it is critical that some measures of quality be made. State legislatures and governors seem to have two implicit questions on their minds:

What are we getting for our money?
&
Is it worth it?

Answering these questions can be difficult. A "report card" system is already in use at many institutions, but this may not be sophisticated enough. However, specific indicators can be difficult to agree upon. Still, some potential indicators exist, such as: (1) Number of students who graduate and stay in state.; (2) Distribution by students' hometowns; (3) Diversity of students and faculty; (4) Freshman retention rate (the percent of freshman who return the following year). In addition, Total Quality Management (TQM) concepts are being adopted in many areas of public higher education with the goal of creating an environment where all aspects of a higher educational institution can excel and where high-quality service to students is consistently maintained.

It is not surprising that the Report of the States Issue Survey—1995 showed that accountability was a critical concern to both state authorities and public higher education institutions. Without measures of accountability—i.e. some means of accounting for improvements in service or erosions in quality—it is difficult to determine the appropriate allocation of resources on an institutional level, or to fully justify funding higher education spending with state government. Hence, the issue of accountability seems to be increasingly important in relations between the state governments and public higher education.

National Retention Project

AASCU and Sallie Mae jointly administered their third retention survey of AASCU members (public four-year comprehensive colleges and universities). The retention rate has become a key statistic at many institutions, both in gauging the success of enrollment management efforts, and in assessing which population groups may be in need of extra assistance or monitoring. Retention is the percentage of students who stay at an institution during different phases of their educational career—the percent who return as sophomores after their freshman year, the percent who return as juniors after their sophomore year, etc. However, the ultimate measure of success is how many students actually graduate. The survey focused on the graduation rate of students who began as full-time freshman and who graduated after six years. Six years is sufficient time to allow for the inclusion of students who, over the course of their studies, may have

shifted over to part–time study or taken one or more semesters off. A high degree of student mobility in attending colleges and universities is quite prevalent among AASCU institutions (*Table 2*).

Technology Survey

As high technology applications mature, their use has become increasingly prevalent. Networks now link faculty, staff and administrators on almost all AASCU member campuses that responded to the survey. The application of electronic and other technologies—such as communications satellites, fiber optics and video recording—is clearly changing higher education. About half of the of AASCU survey respondents indicated that they had instituted a plan to develop information technologies, although many indicated potential financial barriers to meeting these goals. Table 3 lists resources available at AASCU institutions.

Conclusion

In a fiscal sense, 1994 was clearly a positive year for public higher education. Appropriations increased in line with inflation, and state fiscal conditions became stabilized somewhat. However, given the history of the last half–decade during which inflation–adjusted higher educational spending steadily dropped, it seems likely that our recent experience is more a temporary respite from fiscal erosion, rather than a substantive policy shift in favor of higher education spending. Unless prevailing realities change, public higher education will probably continue to lose ground financially in coming years as increases in educational funding requirements outpace sources of income. Although rising numbers of students will be eligible to enter college in the next decade, adequate financial aid will need to be available.

In AASCU's 1995 Issues Survey, state governments indicated that the issues of accountability, administrative bloat, and teaching load were critical. Member institutions and government will continue to study indicators to help measure cost–effectiveness and value.

The future offers many challenges, but enhanced technology and many other developments hold new solutions and opportunities. In turn, these developments should hopefully allow AASCU members to better fulfill their missions and the high promise of opportunity and excellence represented by public higher education to teach, to learn and to serve.

Table 2. Graduation Rate After Six Years*
(in percentages)

Overall	40.5
White, Non–Hispanic	42.6
Black, Non–Hispanic	28.0
American Indian/Alaskan Native	24.5
Asian/Pacific Islander	41.9
Hispanic	30.9

*Began as Full–time Freshman in 1987.

Wide differences existed among demographic groups. The lowest rate of graduation was registered by the Native American population and African–Americans, the highest by those of white, Non–Hispanic backgrounds.

Table 3. Information Technology Resources/Percent of Institutions that Give Access To:

Computer–based instruction	52.4
Internet/Bitnet access	79.0
Spreadsheets	96.3
Access to on–line databases*	54.1
Wordprocessing	97.8
Statistical analysis	89.5

* It should be noted that access to on–line databases varied significantly depending upon the size of the institution. At institutions with enrollments below 5,000, 40.8 percent had access to these services. At institutions with enrollments of 5,000 to 12,000, 52.6 percent had access, while at large institutions with enrollments over 12,000, 72.1 percent had access.

Introduction

This *Report of the States* continues the transition from a state appropriations and mid-year recission focus to a more comprehensive picture of the condition of public higher education. New sections on student retention, state report cards for higher education, the use of information technology, and direct institutional aid to independent colleges have been added. AASCU's annual survey of member presidents who serve as government relations representatives in their states again focuses on the important issues facing public higher education. It also details the political agenda that must be addressed. Graphic presentation of information has also been improved. New software and a lot of hard work has made it easier to quickly visualize the masses of data we have analyzed.

The fiscal condition for most states is improved and revenue collections are meeting or exceeding projections. Where state fiscal conditions are good, appropriations to higher education have generally improved. Fiscally, this is the most stable year public higher education has experienced since the late 1980s. Higher education, however, continues to lag behind appropriations going to Medicaid and corrections in state budgets. This trend arose in the early part of this decade and is continuing. Tax cutting and tax reform agendas in many states could easily cut into state revenue collections. Should this occur, higher education will again be at considerable risk in the budget cutting processes because it makes up such a large part of states' discretionary spending.

Student access to the opportunities that higher education can provide will increasingly become the focus of policy debates in the years to come. While there is a drop in this year's enrollment figures, demographics alone will increase enrollment demand until this time next decade. Policy debates are already arising across the country on how to handle this demand. The early policy responses have been to contain enrollments by restricting student financial aid and to raise admissions standards to "preserve quality." Analysis of demographics, however reveals that increasing percentages of traditional-age high school graduates are coming from minority group populations. Representatives of those communities are already complaining that the gates of higher education opportunity appear to be closing just as their children are approaching college age. This year's *Report of the States* explores questions of institutional funding, tuition pricing and student financial aid program funding that will have an impact on the rising numbers of traditional-age students.

A great deal of public concern has been directed toward "outcomes" from higher education in the past several years. While no one has a comprehensive answer to those concerns, AASCU and Sallie Mae have now completed a third survey in a ground breaking student retention and graduation rate study. The results of that study are summarized in this report. Expansion of this study has the potential to establish a national baseline for future analysis and expectations.

Information technology (i.e., computers, networks, fiber optics and communication satellites) is already a part of higher education, but all of the higher education sectors are not equally served nor knowledgeable. Many institutions have acquired information technology but integrating it into the fabric of university life has not been easy. AASCU surveyed its members about institutional purposes for, access to, mastery of and obstacles in the way of using that technology. The survey results chronicle growing institutional maturity in the use and management of those resources.

Independent colleges and universities are also pressed financially and they have developed a variety of mechanisms to acquire direct state support, not student aid, for their institutions and programs. A study by Univeristy of Washington professor William Zumeta catalogues the ways that these institutions are drawing $400 million annually directly from state treasuries. His findings are summarized within this report.

Introduction

So how is public higher education doing? Finances are mostly stable the leadership of the academy is focused on important long-term issues as well as the current political agenda The fiscal problems of the early part of the decade have left their mark on institutions of higher education and in some ways have harmed the institutions While current enrollments are down a bit, the future looks brighter If ways can be found to help states manage pressing needs for state expenditures, there might even be some additional funds to invest in higher education, if only to ensure fair access for the increasing percentages of high school graduates from the Asian and Hispanic communities

John M Hammang
Director of State and Campus Relations

Highlights

- ✓ Accountability is reported as the primary issue of concern for governors, legislators and system offices.
- ✓ "Graduation rates" and "minority recruitment" are tied at the top of the list of issues for colleges and universities. "Minority retention" follows close behind for campuses but barely makes the radar screen for governors and legislators.
- ✓ There is a substantial difference of opinion as to whether "administrative bloat" is an important issue. Nearly a third of all legislators are reported to consider it an important issue whereas less than 8 percent of campuses view it as a high priority issue.
- ✓ A similar divergence occurs for "program duplication" as an issue. Governors and legislators are reported as viewing it as a critical issue but campuses place it much lower on the priority scale.
- ✓ Respondents report new and continuing requirements to report on outcomes and indicators to state governments and the public.

What it means

While there is a significant difference between the ranking of "accountability" as an important issue for state officials compared to campus officials, the difference is likely to be one of form rather than substance. The concerns campus officials about "teaching [and] K–12 relations," "time to completion" and "graduation rates" actually exceeds the governors and legislators reported concern for these issues in combination with the general category of "accountability." These specific issues comprise the major components of what accountability means to governors and legislators. We think this means that campus leaders think of accountability as discrete operational issues which is different than the politician's way of thinking about accountability as a broad issue.

The same cannot be said of the "administrative bloat" and "program duplication" issues. Elected officials continue to see these as fiscal issues where savings can still be realized through restructuring and downsizing of expensive programs. Campus officials who have lived through many rounds of budget rescissions, layoffs, position freezes and program eliminations, have a substantively different view about whether there is administrative bloat or program duplication. This divergence of perspective will probably lead to some concern and or conflict in the near term.

As noted in the enrollment section of this *Report of the States*, increasing numbers of Hispanic and Asian traditional–age students are moving toward college. Serving these groups is clearly on the priority list for campus administrators as they try to bring diversity to their campuses and to maintain it. This is in line with higher education's mission of providing access and opportunity to everyone who can benefit from a college education. As of now, this is not an important agenda item for elected officials. If anything, elected officials are actively questioning the efficacy and cost-benefit ratio of affirmative action programs in higher education. Higher education is well–positioned for the long term. The changing racial and ethnic demographics of the American citizenry ensure that. In the short term, however, there is likely to be friction as higher education seeks fiscal resources to serve these traditional–age populations while elected officials seek to contain or diminish higher education budgets. The politics of race and the politics of tax cutting are likely to collide on this issue before the end of the decade.

Findings

In December 1994, AASCU's Office of Association Research distributed the State Representatives Issues Survey to AASCU's 52 state representatives and to system representatives in the two states where AASCU has no member institutions.

(The state representatives constitute the public policy committee of the association. They represent member institutions in 48 states, the District of Columbia, Puerto Rico, Guam and the U.S. Virgin Islands.) Responses were received in time to be used from all but Guam; the total "N" was therefore 53.

General Discussion

The survey of the state representatives asked questions about issues that were salient to public higher education in the opinion of staff members at AASCU. The design was intended to collect information about the fiscal situation of the states, the types of information public colleges report to the state governments, changes in governance structure and practices, and the priority given to various issues at the various levels of state government.

Respondents were asked if any changes in governance had occurred in their states in the last year. Governance and reporting changes were reported by 43.4 percent, and program review changes were reported by 35.8 percent. Changes in finances were reported by 37.7 percent, while no "other" changes were reported. The respondents were able to select more than one change. (*See Graph 1.*)

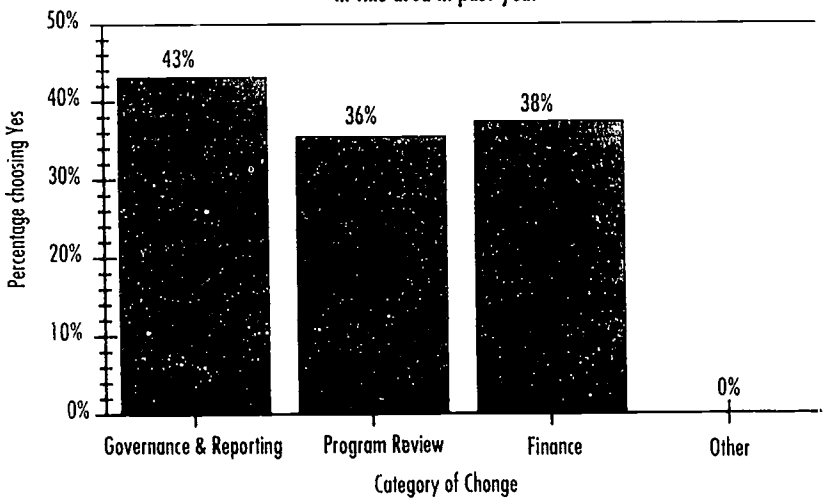
Respondents indicated in which areas they had received requests for special information. Over half, 60.4 percent, had received requests for information about graduation rates. A total of 56.6 percent had received requests for data on faculty workload, and 50.9 percent had received such requests regarding administrative costs. A few, 28.3 percent, had received requests for other kinds of information.

The sources of information requests were queried. The most common source of such requests was the legislature, cited by 54.7 percent of the respondents. The next most common was the system office, mentioned by 41.5 percent, followed by the higher education board and the executive branch, each cited by 34.0 percent. "Other" sources were mentioned by 5.7 percent of the respondents.

Respondents were asked if they produced a campus or system "report card." Almost two thirds, 62.3 percent, indicated they did. Of those who indicated they produced such a report, the most common item reported (94.1 percent) was enrollment. Of the various items listed, all were reported by at least 50 percent of the respondents, with the lowest percentage being student outcomes, reported by 52.9 percent. (The residual "Other" category was mentioned by 8.8 percent.) (*See Table 4.*)

Respondents were asked if they had experienced an increase in state inquiries or mandates in particular areas. In the area of outcomes such as graduation rates, 43.1 percent reported increased inquiries, 15.7 percent reported increased mandates, and 39.2 percent reported

Graph 1. Percentage of respondents indicating change in this area in past year



From 1995 Issues Survey, AASCU

Table 4. Those Producing Report Cards Reporting Particular Information
(in percentages)

Enrollments	94.1
Expenditures, etc..	82 4
Minority recruitment	70.6
Minority retention	70.6
Graduation rates	88.2
Student characteristics	73.4
Tuition and fees	70.6
Student outcomes	52.9
Other	8.8

neither Only 1 9 percent reported both had increased In the area of procedures such as procurement and hiring, 30 8 percent reported an increase in inquiries, while 7 7 percent reported new mandates The majority, 59 6 percent reported neither while 1 9 percent indicated both had occurred Somewhat over half 55 8 percent reported an increase in inquiries regarding resource management (covering such things as class size or faculty workloads) and a much smaller group, 5 8 percent indicated there had been new mandates in this area About one third 34 6 percent, indicated neither had happened, while 3 8 reported both had increased

As the situation since 1990 has demonstrated, states' fiscal health has a major impact on public higher education Therefore the state representatives were asked for their evaluation of their state's fiscal status and future fiscal prospects Of the 53 respondents a total of 17, or 32 1 percent, found it to be poor or below average Almost a quarter 24 5 percent, found it to be average Well over one third 41 5 percent, thought it to be above average or excellent. (One did not answer) When asked whether their state government's finances were in the same shape as last year, the majority 83 percent said yes The remainder, 13 2 percent said no, save for two who didn't answer

When asked about their expectations of future economic conditions (the period of time was a year from now), almost a third, 30 2 percent, of the respondents, indicated they expected the situation to be much worse or somewhat worse A plurality 41 5 percent, expected the situation to remain the same Almost a fourth, 22 7 percent, thought economic conditions would be somewhat better or much better, while 3 8 percent were unsure (One person didn t answer the question)

Respondents were asked if their state employed a funding formula. Over half, 58 5 percent, answered yes Of those who indicated their state used a funding formula, almost one fifth, 19 4 percent, said that it was fully funded for FY 1995 A similar percentage, nearly 23 percent, indicated that it had been fully funded for FY 1994 When asked if the formula had generally been fully funded before FY 1994 6 5 percent answered yes

Respondents were asked if there had been an explicit policy in their states to increase state-funded student aid to make up for tuition increases. The majority, 79 2 percent answered no

The state representatives were asked to select those funding areas that they thought were major competitors with higher education for appropriations The category chosen most often was corrections, by 86 8 percent. The second most chosen category was K-12 schools, by 83 percent Medicaid and welfare tied for third place, with 60.4 percent

Issue Priorities of Higher Education Stakeholders

The survey asked a question regarding the priority accorded various higher education issues by different stakeholders The respondents were asked to assess the priority given to an issue on the public four-year campuses in their states, as well as the priority the same issues had for their system offices, governors and legislatures

Accountability was the issue most likely to be viewed by respondents to be a high priority for their governors, chosen by 58 5 percent Program duplication and the school-to-work transition tied for second place each by 34 percent of the respondents Administrative bloat and time to completion tied for third place as gubernatorial issues by 24 5 percent of the respondents (The question did not

Table 5. Three Highest Priority Issues for the Different Stakeholders According to Respondents

Governor	Legislature	System	Campus
Accountability	Accountability	Accountability	Graduation Rotes/ Minority Recruitment
School–to–work transition/Program duplication	Graduotion rotes	Graduation rates	Minority retention
Administrative bloot/ Time to completion	Teaching lood/ Program duplication	Minority retention retention	Accountability/ K–12 relations

Table 6. Percentage of Respondents Indicating that the Issue is a High Priority from the Perspective of a Particular Stakeholder
(bolded numbers are among the top three issues in that column)

	Governor	Legislature	System	Campus
Administrative bloot	**24.5**	32.1	11 3	7.5
Teaching lead	20.8	**35.8**	30 2	26.4
Accountability	**58.5**	**71.7**	**43.4**	**35.8**
Graduotion rates	18.9	**37.7**	**39.6**	**54.7**
K–12 relations	20.8	15 1	22.6	**35.8**
School–to–work transition	**34.0**	30.2	11.3	13.2
Tuition too high	22.6	30.2	30.2	28.3
Fees too high	15.1	22.6	20.8	17.0
Time to completion	**24.5**	22.6	28 3	28.3
Program duplicotion	**34.0**	**35.8**	26.4	7.5
Minority recruitment	9 4	13.2	30.2	**54.7**
Minority retention	9 4	9.4	**37.7**	**50.9**
Enrollment limits	5 7	5 7	13.2	22 6
Other	7 5	3 8	3 8	5.7

ask the respondents to rank the issues in order of concern to the various stakeholders. It asked them to indicate whether the issues were a high, moderate or low priority for particular stakeholders. (*See Tables 5 and 6.*)

Respondents also were most likely to view accountability as a top priority for legislatures (71.7 percent). The second most chosen issue was graduation rates, with 37.7 percent. Teaching load and program duplication were tied for the third place among legislative higher education issues, each with 35.8 percent.

The issue most often chosen as a high priority for system offices was accountability (43.4 percent). Graduation rates was the second most likely to be chosen, with 39.6 percent. Minority retention was the issue that was the third most likely to viewed as a high system priority, chosen by 37.7 percent.

The respondents chose both graduation rates and minority recruitment most frequently as high priority issues on campuses, each selected by 54.7 percent. Minority retention was the second most commonly chosen issue, with 50.9 percent. Accountability and relations with the K–12 sector were tied for third with 35.8 percent.

There were noticeable differences in the way in which respondents

ranked issues for the different stakeholders. Administrative bloat was viewed as a high gubernatorial and legislative priority by at least one-fourth of the respondents, but a high system office priority by a little over 10 percent, and on campuses by only 7.5 percent. This issue tied for third place for the governors.

Accountability was viewed as a high gubernatorial priority by 58.5 percent of the respondents, and a top legislative priority by 71.7 percent. However, only 43.4 percent viewed it as a high system office priority, and just over a third, 35.8 percent, saw it a high priority on campuses in their states. Accountability was the top ranked issue for all stakeholders except campuses, where it was tied for third place with K–12 sector relations.

Graduation rates were viewed as a high gubernatorial priority by 18.9 percent of the respondents, but a high priority legislative issue by 37.7 percent (making it the second highest ranked issue for this stakeholder). They were rated as a high priority for system offices by 39.6 percent, and a high priority campus issue by 54.7 percent. This issue was rated number two for legislatures and system offices, and number one for campuses, but did not make it to the top three among gubernatorial issues.

The school to work transition was viewed as a high priority for governors and legislatures for about one-third of the respondents, while 11.3 percent saw it as a high priority for system offices, and 13.2 percent ranked it a high priority on campuses. This issue was tied for second place with program duplication among governors' issues.

Program duplication was ranked as a high priority governors' issue by 34 percent of the respondents, and a high priority legislative issue by 35.8 percent of the respondents. It was seen as a high priority issue in the system offices by 26.4 percent of the respondents, but on the campuses by only 7.5 percent of respondents.

Minority recruitment was viewed as a high priority campus issue by slightly over half of the respondents, 54.7 percent, and this issue tied with graduation rates as the number one high priority issue at this level. However, it was viewed as a high system office priority in slightly less than a third of the states, 30.2 percent. It was viewed as a high legislative priority issue by 13.2 percent of respondents, and a high priority for governors by 9.4 percent of the respondents.

A similar picture emerges for the related issue of minority retention which was the number two ranked high priority campus issue, selected by 50.9 percent of respondents, but viewed as a high priority for somewhat over one third of the legislatures, 37.7 percent. Minority retention was the number two campus issue, and number three at the system office level. It was viewed as a high priority for 9.4 percent of the legislatures, and for the same percentage of the governors.

Enrollment limits were viewed as a high priority issue for 22.6 percent of the campuses, and 13.2 percent of respondents saw it as a priority at system offices. It was viewed as a priority issue for 5.7 percent of the governors, and the same percentage of the legislatures.

Areas Hurt by Funding Erosion

Table 7 shows the percentage of respondents who ranked each area of higher education operations or goals by the level of damage it had suffered from funding erosion. (Respondents were given the choice of indicating an area had suffered the highest, second highest, third highest or some general lesser degree of damage, and could decline to select any area.) The area most often selected as having suffered the highest level of damage was access, chosen by 24.5 percent of respondents, followed by faculty recruitment, selected by 22.6 percent, and "building maintenance," selected by 20.8 percent.

Program offerings was the area most often selected as having suffered the second highest level of damage, chosen by 26.4 percent, followed by

building maintenance (15 1 percent) and then access selected by 13 2 percent

The areas most often selected as having suffered the third highest level of damage were program offerings and building maintenance (22 6 percent each), faculty recruitment selected by 20 8 percent, and time to completion selected by 13 2 percent

The areas most often indicated by respondents as having suffered some lesser level of damage were grounds maintenance, chosen by 28 3 percent, staff turnover, picked by 26 4 percent, and senior administrator recruitment selected by 18 9 percent (Respondents could choose as many as desired in this category)

Many respondents did not check some categories indicating these areas were unaffected The area most often unchecked was other with 90 6 percent indicating that the list of areas presented was fairly comprehensive The next most unchecked category was staff turnover with 67 9 percent followed by senior administrator recruitment at 66 percent grounds maintenance with 58 5 percent and time to completion with 54 7 percent The area least likely to be unchecked was program offerings which was not checked by 22 6 percent of the respondent

Autonomy

Respondents to the State Representatives Issues Survey were asked about higher education autonomy initiatives in their states The majority of respondents indicated that the issue had not been raised with their governors (62 3 percent) or the legislatures (56 6 percent) Of those who indicated that the issue had been raised, about one third (34 8 percent) indicated it had received a positive response, the same percentage indicated it had received a negative response and 30 4 percent reported the initiative received no response

Of those 23 who indicated such an initiative had been made, 82 6 percent reported that the request had been for budget and resource allocation flexibility Exemption from state purchasing or other administrative rules was involved in 59 percent of the cases, and exemption from state salary and compensation rules was requested in 36 3 percent of the cases In 45 4 percent of the reported cases, the request involved an exemption from state administrative reporting rules Of the 22 who responded to the question asking whether an exchange of increased autonomy for static or decreased funding was part of the discussion only one said yes

Table 7. Respondents' Assessment of Damage Level Caused by Funding Erosion in Various Areas

(Numbers are, for each area, percentage of respondents who assessed the damage done at a particular level.)

	Highest damage	Second highest	Third highest	Affected	Not Affected	Total
Access	24 5	13.2	3 8	15.1	43.4	100
Time to completion	7 5	7 5	13 2	17 0	54 7	100
Faculty recruitment	22 6	9.4	20.8	15.1	32.1	100
Senior administrator recruitment	3 8	5 7	5 7	18 9	66.0	100
Program offerings	13.2	26 4	22.6	15.1	22.6	100
Building maintenance	20 8	15 1	27 6	11 3	30 2	100
Grounds maintenance	1.9	9 4	1 9	28 3	58.5	100
Staff turnover	0 0	1 9	3 8	26 4	67 9	100
Other	0 0	3 8	0 0	5 7	90 6	100

Highlights

- ✓ States had their most stable fiscal year since 1989
- ✓ State budgets increased by an average of 4.9 percent
- ✓ States cut taxes by $2.6 billion, mostly because sales, personal and corporate income tax revenue collections exceeded projections
- ✓ Average 1994 state year-end fund balances for fiscal year 1994 were 4.3 percent of expenditures. This is within the 3 to 5 percent range fiscal experts think is the minimum acceptable
- ✓ Medicaid spending is a continuing expenditure headache for states. It grew by 8.7 percent last year compared to the 4.9 percent state budget growth
- ✓ Higher education expenditures were up an average of 4.2 percent
- ✓ Federal Reserve Chair Alan Greenspan is predicting a recession which bodes ill for state fiscal conditions. Hal Hovey, publisher of *State Budget and Tax News* says, "The conditions are now in place for the worst combination of state fiscal crises since the 1980s."

What it means

State revenues are recovering at a pace slower than the general improvement in the economy. State tax revenue systems (i.e. the mix of property, sales, income and other taxes) don't necessarily collect from the growing parts of the economy (e.g., the service sector). Some prognosticators, like Hal Hovey, think this imbalance in state tax revenue systems, when combined with the politics of tax cutting, will result in fiscal disaster for many states. In all likelihood such an imbalance means things won't get much better for higher education any time soon. The good news is that state budget makers have been fairly conservative about revenue estimates and revenue collections are generally meeting or exceeding budget-making assumptions. This means that money allocated to higher education is actually being delivered and in most states there won't be any mid-year budget cutting. Mid-year budget cuts are particularly unlikely because most states have at least minimal cash reserves. That's an improvement from last year.

The uncommitted portion of most state budgets is not nearly large enough to meet all the spending demands. Higher education has been losing ground to other spending priorities since the early 1980s. It appears that this trend will continue. In 1992 Medicaid spending became a larger part of state budgets than higher education. Corrections spending already makes up a larger portion of the California and Florida state budgets than higher education. Other states are not far behind in corrections spending and it won't be long before more dollars are spent for corrections than higher education in a majority of states.

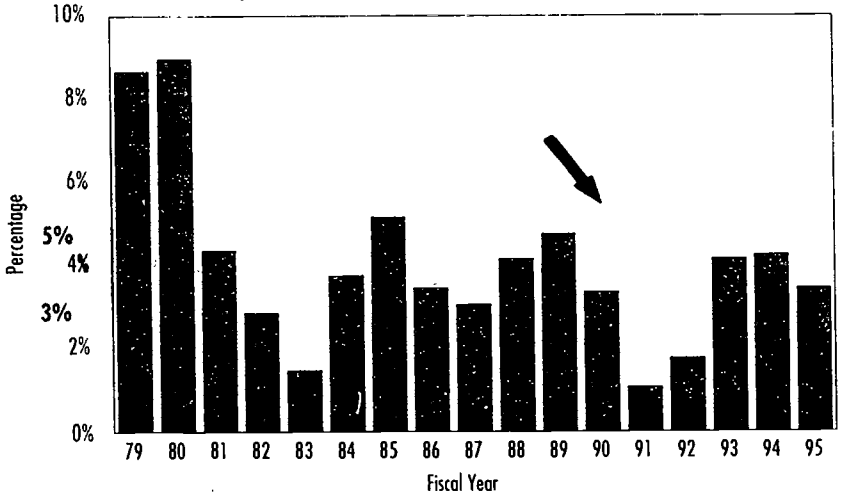
Findings

States have had a slight respite from the fiscal problems of the last few years. Only 10 states reduced their enacted budgets in FY 1994, and by a total of less than 1 percent of the total budgets. This is in contrast to the 22 states in FY 1993 and the 35 states in FY 1992 that had to reduce their budgets. The last time the number of states that underwent mid-year reductions was below 20 was in FY 1989, when it was 12.

Aggregate general fund budgets for FY 1994 increased 4.9 percent over the previous year. More than one-third of the states reported FY 1994 growth below 5 percent, and about half expect FY 1995 growth will be below 5 percent. (*See Graph 2.1*)

State tax actions for FY 1995 resulted in a decrease of $2.6 billion, an amount equal to less than 1 percent of overall state budgets. The willingness of the states to allow the first decrease in new revenues since FY 1986 may be related to the fact that revenue collections for sales, personal income and corporate

Graph 2. Total state year-end reserves FY 79 to 95, in percentages



Source: NASBO Fiscal Survey of States, 11.'94; Office of Association Research, AASCU

income taxes met or exceeded projections in almost all states in FY 1994 by about 1 percent overall (These three taxes are the most important components of states' general funds.) For FY 1994 tax collections were above estimates in 34 states, at estimated levels in nine, and below in eight. (The total is 51 due to the inclusion of Puerto Rico.)

Aggregate year-end budget balances were 4.3 percent of expenditures for FY 1994 and 3.5 percent for FY 1995. Balances are expected to improve between FY 1993 and FY 1995 in 20 states. Between FY 94 and FY 95 the number of states meeting the 3 percent standard will decline from 39 to 28, while the number meeting the 5 percent standard will decline from 21 to 18.

The major expenditure category for the states is Medicaid, whose rate of growth, though it has slowed down, still exceeds most other state expenditures and state revenues. Medicaid grew at a rate of 8.7 percent between FY 1994 and FY 1995, while overall state appropriations grew at a rate of 4.9 percent. (By way of contrast, higher education grew at a rate of 4.4 percent.) By FY 1990, Medicaid had surpassed higher education as the second largest component of state spending. All major state budget categories except Medicaid and corrections declined as a percentage of state budgets between FY 1987 and FY 1993. Medicaid accounted for 10 percent of state spending in FY 1987, and was at 18 percent in FY 1993. Forty-seven states used some cost containment measures for Medicaid in FY 1994.

The previous information delineates a situation where state budgets contain somewhat more money than they have had in the past few years, but have reserves no higher than before the early 1990s budget crises. Higher education, however, has not seen a sudden and complete reversal of the past few years' fiscal tightening. Aggregate FY 1995 appropriations for higher education were $42.8 billion, up 4.4 percent from FY 1994, and up 7.4 percent from FY 1993. It should be noted, however, that appropriations levels dropped in nominal terms (not adjusted for inflation) between FY 1991 and FY 1993. If the appropriations figures are calculated on a full-time equivalent student basis, to control for enrollment, they will show a steady increase in dollars per FTE between FY 1980 and FY 1994. However, if the effects of inflation are controlled for, the figures show that FY 1994 expenditures are slightly below those for FY 1980. (*See Graph 3.*)

The news on appropriations for individual states varied. Most states saw an increase, with only five of the 50 seeing a decrease (Alaska, Montana, New Jersey, Texas and Washington.) One state, North Dakota, was level-funded, seeing no change in appropriations. The smallest decrease was .91 percent in New Jersey, and the largest was 4.92 percent in Alaska. The smallest increase was .1 percent in Nevada, and the largest was 36.95 percent in Mississippi. (Six states saw double-digit increases: Alabama, Idaho, Mississippi, Missouri, New Mexico,

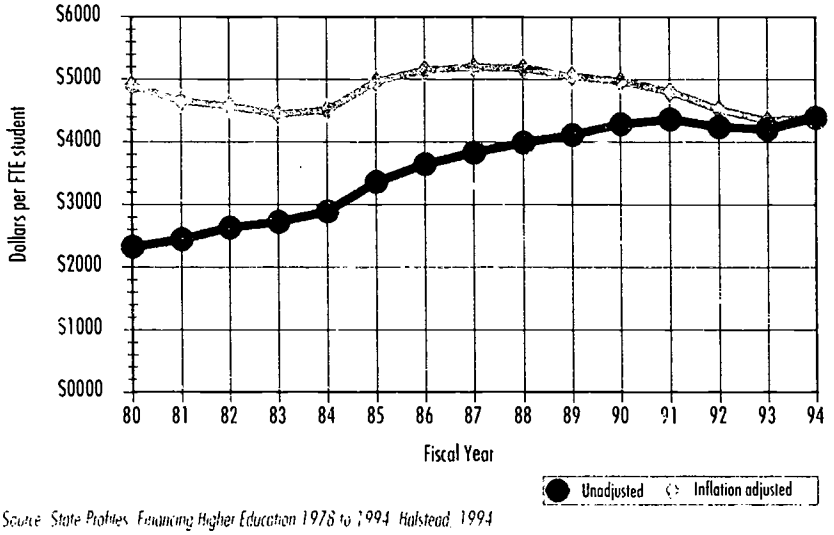
and Rhode Island ! (See *Graph 4 and Table 8.*)

The future for state budgets, and by extension state colleges, may not be as bright as the present. The editor of *State Budget and Tax News* foresees fiscal problems for the FY 1996 budget sessions, or by FY 1997 at the latest. The conditions are now in place for the worst combination of state fiscal crises since the early 1980s, says Hal Hovey.' It should be pointed out that states have reported that their spending will be in line for appropriations in FY 1995. This suggests that problems, if any, will not occur before the start of the next fiscal year at the earliest.

The same publication cited estimates that the current level of economic growth that has fueled the recent upturn in state finances will not continue, and that an economic slowdown will occur soon.' The author states that "A slowdown is coming, the only question is when. (Federal Reserve Chairman Alan Greenspan also shares this opinion.') Hovey also points out that no state took the proposed federal balanced budget amendment into account in its budgeting for FY 1995. Changes in federal spending could have serious implications for state budgets because the states receive a lot of matching federal funds for state expenditures. Some discussion is said to center around reducing the federal share of Medicaid expenditures.

Federal tax policy changes could also have an impact on state finances. Many state tax systems are based on the federal system, and therefore changes to the latter have an impact on the revenues of the former. Federal tax credits would not affect adjusted gross income, which is the basis for most state tax calculations, but some start with federal taxable income or with federal taxes owed. These latter states would have to make adjust-

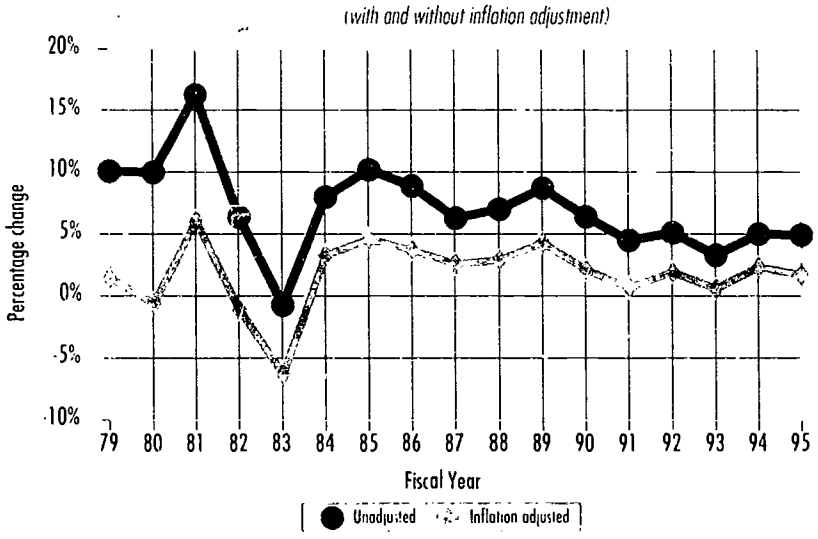
Graph 3. State appropriation per full-time equivalent higher education student, US average, FY 80-94



Source: State Profiles: Financing Higher Education 1978 to 1994. Halstead, 1994.

Graph 4. State Annual Budget Increases Fiscal 1979 to Fiscal 1995

(with and without inflation adjustment)



Source: The Fiscal Survey of States, National Governors' Association; National Association of State Budget Officers, Nov. 1994. AASCU Office of Association Research.

Table 8. State Appropriations for Higher Education in $Thousands, 1993 through 1995

	1992–93	1993–94	1994–95	95–94 Change	95–93 Change
Alabama	$823,940	$892,127	$1,016,104	13 90	23.32
Alaska	$174,118	$180,340	$171,460	–4.92	–1.53
Arizona	$608,935	$616,728	$665,462	7.90	9.28
Arkansas	$407,501	$418,119	$418,680	0.13	2.74
California	$5,054,996	$4,611,673	$4,748,746	2.97	–6.06
Colorado	$529,158	$534,418	$543,690	1.73	2.75
Connecticut	$433,973	$495,818	$500,315	0.91	15.29
Delaware	$122,469	$125,969	$137,432	9.10	12.22
Florida	$1,461,341	$1,585,927	$1,695,700	6.92	16.04
Georgia	$941,363	$1,034,858	$1,119,936	8.22	18.97
Hawaii	$367,430	$371,720	$386,023	3.85	5.06
Idaho	$190,593	$201,334	$226,908	12.70	19.05
Illinois	$1,731,010	$1,806,438	$1,894,531	4.88	9.45
Indiana	$896,603	$918,132	$923,508	0.59	3.00
Iowa	$606,751	$625,981	$641,207	2 43	5 68
Kansas	$468,030	$484,724	$502,355	3 64	7.33
Kentucky	$609,659	$630,650	$657,609	4.27	7.87
Louisiana	$575,641	$567,580	$589,578	3.88	2.42
Maine	$172,152	$172,451	$173,020	0.33	0.50
Maryland	$751,949	$748,687	$788,187	5.28	4 82
Massachusetts	$650,187	$826,995	$902,934	9 18	n/c
Michigan	$1,552,305	$1,559,304	$1,607,578	3.10	3 56
Minnesota	$965,288	$1,008,028	$1,030,819	2 26	6 79
Mississippi	$434,246	$458,989	$628,607	36 95	44.76
Missouri	$590,505	$610,670	$672,839	10 18	13.94
Montana	$123,228	$117,551	$113,156	–3 74	–8 17
Nebraska	$353,847	$358,249	$369,565	3 16	4 44
Nevada	$207,572	$194,719	$194,439	0 11	–6 33

Table 8. State Appropriations for Higher Education in $Thousands, 1993 through 1995 *continued*

	1992–93	1993–94	1994–95	95–94 Change	95–93 Change
New Hampshire	$74,026	$80,415	$85,324	6.10	15.26
New Jersey	$1,229,727	$1,270,865	$1,259,340	−0.91	2.41
New Mexico	$364,895	$393,353	$437,502	11.22	19.90
New York	$2,774,114	$2,950,911	$3,106,507	5.27	11.98
North Carolina	$1,541,926	$1,630,179	$1,723,312	5.71	11.76
North Dakota	$151,190	$143,864	$143,864	0.00	−4 85
Ohio	$1,378,612	$1,471,174	$1,559,722	6.02	13.14
Oklahoma	$557,531	$538,565	$540,887	0.43	−2.99
Oregon	$485,482	$428,099	$434,654	1.53	−10.47
Pennsylvania	$1,425,993	$1,514,498	$1,580,984	4.39	10.87
Rhode Island	$107,628	$112,911	$125,034	10 74	16.17
South Carolina	$618,408	$624,248	$634,463	1.64	2.60
South Dakota	$104,713	$111,031	$112,923	1.70	7.84
Tennessee	$761,543	$829,302	$864,461	4.24	13.51
Texas	$2,802,348	$3,188,362	$3,109,347	−2.48	10.96
Utah	$350,936	$366,493	$397,539	8.47	13.28
Vermont	$54,089	$52,936	$53,222	0.54	−1.60
Virginia	$934,990	$949,548	$976,899	2 88	4.48
Washington	$953,081	$962,625	$942,842	−2.06	−1.07
West Virginia	$284,606	$296,914	$303,874	2 34	6.77
Wisconsin	$902,988	$936,156	$979,269	4 61	8.45
Wyoming	$122,152	$124,694	$128,682	3.20	5.35
Total*	$39,785,768	$41,134,822	$42,821,039	4 10	7.63
Unweighted Average Change**				4 42	7.42
Weighted Average Change				4	8

* *Not strictly accurate for 2 year change, since Massachusetts data are not comparable for this period*

** *Massachusetts excluded for 2 year change figure*

Source: State Higher Education Appropriations 1994–95, State Higher Education Executive Officers, Denver, March 1995

ments to their revenue collecting systems to avoid any adverse impacts.

The fact that state reserves are still at a low level suggests that if the predictions of economic slowdown and subsequent state fiscal difficulties turn out to be correct, the states will be ill-prepared to absorb the blow. This has serious implications for public, four-year colleges, which depend on state appropriations for approximately half of their operating budgets. While states are not currently experiencing revenue problems, the expenditure demands that exacerbated their difficulties during the recession have not completely abated (a good example is Medicaid, whose growth continues to outpace the other state budget categories and the states' revenues), and many of these rising expenditures, such as Medicaid, are mandatory, leaving the states few options for reducing their magnitude. Once again, higher education, which this year did not see its aggregate appropriations rise at the same rate as overall state budgets, may find itself receiving more than a proportional share of the cutbacks. The possibility of state revenue problems has an impact on the probability of the occurrence of a new round of higher than average tuition increases. A survey of legislative leaders conducted in fall 1993 found that 82 percent agreed that increases in tuition had been substituted for lost appropriations to public colleges.[4] (This may be due to higher education's unique status as a major state budget category that generates approximately one quarter of its funding from fees.) One author refers to higher education as a "balance wheel of state finances." This refers to the ability of state colleges to raise funds through tuition and reduce workload through limiting enrollments, therefore taking on a more than proportional share of state fiscal cutbacks.[5]

Highlights

- ✓ Fall 1993 enrollments decreased by 1 1 percent This is the first substantial decline since 1986
- ✓ A declining pool of high school graduates, legislated enrollment caps and enrollment management policies, higher admissions standards, and budget cuts all played a role in the enrollment decline
- ✓ The National Center for Education Statistics predicts that college enrollments for all sectors will increase by 6 percent to about 15 9 million students by 2004
- ✓ As more of the cost of higher education is being shifted from the state to students in the form of loans, students and their families are more concerned than ever about cost and value
- ✓ Nearly 32 percent of college freshmen report they chose their college based on low tuition and or financial aid offers

What it means

Enrollment numbers are driven by demographics, market definition and access issues In the 1960s and early 70s the post war baby boom pumped up the high school graduation numbers and resulted in record enrollments for traditional-age college students Colleges and universities responded to declines from the record levels of traditional-age students by developing new markets to serve in the late 1970s and throughout the 1980s These new market "non-traditional" students allowed college enrollments to increase steadily despite receding numbers of high school age graduates Flexibility in student financial aid eligibility definitions and internal reallocations of resources from serving traditional-age students to serving non-traditional-age students also contributed to this period of higher education market expansion

From a demographic perspective, the baby bust that followed the baby boom is at its low point and is about to reverse itself into a growth trend extending into the middle of the first decade of the next century The new market development engineered by colleges and universities is well established and will continue to generate a stable or slightly increasing demand for higher education services in the foreseeable future The internal shifting of resources that helped make the development of a new higher education market segment possible is not available as an option to support new increases in the traditional-age high school graduate population Declining public support of higher education has resulted in increased cost to the student This has been exacerbated by a shift in student financial aid policy away from grants and toward loans This has resulted in the increasing price sensitivity finding highlighted above

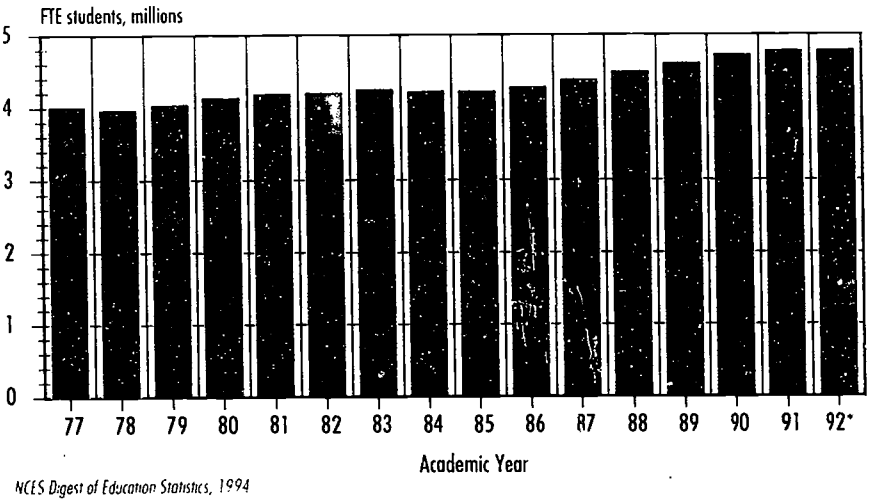
Access issues will have a considerable impact on the enrollment figures between now and 2004 Access to higher education services can be limited by constricting the availability of student financial resources and by raising admissions requirements Access can be increased by controlling the net cost of attendance (i e decreasing tuition and fees and/or increasing financial aid that does not have to be repaid). Initial policy choices have been in the direction of limiting access. As the Hispanic and Asian segments of the population continue to grow at much faster rates than the general population there is likely to be pressure to reassess those policy choices

Findings

Total enrollment decreased at public four-year institutions in fall 1993 for the first time in seven years dropping by 1 1 percent From fall 1991 to fall 1992 total enrollment was static Enrollment had been increasing by about 2 to 2 5 percent per year between 1986 and 1991 Respondents to the fall 1993 survey attributed the decrease in enrollment primarily to increased tuition costs local or state economic and fiscal conditions, smaller pools of high school graduates and higher

admission standards. In some cases, such as in the California and Wisconsin public higher education systems, which together represent approximately 12 percent of all public four-year enrollment, legislatively-mandated and self-mandated enrollment caps played a significant role in keeping enrollments down. These caps can also be traced in part to fiscal constraints imposed by either reduced state appropriations or appropriations that did not keep pace with inflation. (*See Graph 5.*)

Graph 5. Full-time equivalent enrollment at public, four-year colleges, 1977-92



NCES Digest of Education Statistics, 1994
** 1992 preliminary data*
AASCU Office of Association Research

Fall 1993 public, four-year enrollment totaled just under 5.8 million students, down from nearly 5.9 million students in fall 1991 and fall 1992. Full-time undergraduate enrollment, still the primary factor driving total enrollment (it constitutes 60 percent of total enrollment), fell by 1.1 percent this year. Previously, it had experienced six years of growth and then a marginal decrease of .3 percent in fall 1992. Part-time undergraduate enrollment for fall 1993 fell by 1.5 percent.

Estimated total enrollment at public, four-year institutions dropped by 1.1 percent to 5,780,289 in fall 1993. Enrollment between fall 1991 and 1992 was stable. This reverses the pattern for the prior six years (1986-1991), where total enrollment experienced an increase of approximately 2 to 2.5 percent per year. (Total enrollment encompasses undergraduate, graduate, first-professional and non-degree seeking (enrolled for credit but not for a degree) enrollment, although undergraduates constitute the major portion.) (*See Tables 9 and 10.*)

According to results published from the annual AASCU-NASULGC *Fall Survey of Student Charges at Public, Four-Year Institutions*, public institutions increased their tuition and fees by 14 and 10 percent in fall 1991 and fall 1992, respectively. (NASULGC is the National Association of State Universities and Land-Grant Colleges.) In fall 1993, undergraduate resident tuition and fees increased by 7.6 percent, however, possibly reflecting stabilizing appropriations as well as a realistic concern over public price-resistance. The shift in the burden of payment from state to student and the increasing dependency on loans is prompting students and their

Table 9. Total enrollment in public, four-year colleges including projections for 1993 and 1994
(in thousands)

1980	5,129
1981	5,166
1982	5,176
1983	5,223
1984	5,198
1985	5,210
1986	5,300
1987	5,432
1988	5,546
1989	5,694
1990	5,848
1991	5,905
1992	5,903
1993*	6,135
1994 (l)	5,944
1994 (m)	6,169
1994 (h)	6,394

**1993 is projected. High, medium and low estimates are provided for 1994.*

Source: NCES Projections of Education Statistics to 2005, 1995

Table 10. Four–Year, Public College Enrollments by State Fall 1992 and Fall 1993 (1)

	1992	1993
Alabama	127,893	128,741
Alaska	33,016	32,191
Arizona	97,155	95,346
Arkansas	64,873	64,421
California	517,166	492,251
Colorado	113,107	111,666
Connecticut	63,224	60,834
Delaware	21,137	21,735
District of Columbia	12,186	10,959
Florida	184,792	191,531
Georgia	133,837	136,285
Hawaii	23,292	23,663
Idaho	25,232	25,548
Illinois	199,727	197,193
Indiana	193,955	191,427
Iowa	66,890	65,818
Kansas	84,232	83,339
Kentucky	109,855	108,085
Louisiana	148,901	145,628
Maine	33,516	32,401
Maryland	117,052	116,437
Massachusetts	107,415	105,665
Michigan	263,889	260,112
Minnesota	126,819	120,230
Mississippi	57,441	56,459
Missouri	113,133	109,147
Montana	29,696	30,391
Nebraska	60,706	60,249
Nevada	31,118	31,684
New Hampshire	22,950	22,825
New Jersey	131,965	132,178
New Mexico	51,071	51,743
New York	334,476	333,193
North Carolina	145,879	146,497
North Dakota	28,801	28,865
Ohio	270,038	263,442
Oklahoma	96,715	95,804
Oregon	46,644	45,309
Pennsylvania	208,634	204,364
Puerto Rico	11,278	11,522
Rhode Island	25,289	24,434
South Carolina	78,642	78,857
South Dakota	28,049	28,292
Tennessee	115,307	115,515
Texas	362,957	362,951
Utah	62,738	63,707
Vermont	15,831	15,532
Virginia	154,945	154,874
Washington	82,097	83,454
West Virginia	67,859	66,759
Wisconsin	145,514	143,955
Wyoming	12,052	12,012

1 From AASCU/NASULGC Enrollment Survey

families to become both more cost–conscious and more value–conscious.

The *Fall 1993 Annual Freshman Survey* conducted by the Higher Education Research Institute at The University of California at Los Angeles (UCLA) found that students are more concerned than ever about financial issues. A record number of freshmen indicated that a very important reason for attending college was greater potential for earnings, or better job opportunities. And for the second year in a row, the survey reported a record number of freshmen basing their choice of colleges on low tuition (32 percent) and/or offers of financial aid (31.6 percent). Similarly, all–time high percentages of freshmen stated that they are relying on federal loans to help pay for college costs, that they intend to get a job to help pay expenses, and that they expect to work full–time while attending college. The Higher Education Act, reauthorized in 1993, also emphasized the public's concern that the cost of an education represent a fair investment with respect to the future employment of its graduates.

In response to the reduced state appropriations of the past three to four years and the ensuing campus budgetary problems, institutions decreased faculty numbers, deferred maintenance, reduced student services, and cut classes and programs, even as student enroll

ments increased. The resulting strain on institutional resources prompted many colleges and universities to implement enrollment caps in fall 1992, thereby stabilizing or decreasing their enrollments. Institutions had some type of enrollment management plan in place prior to the fiscal problems of recent years, however, in many cases the limits established in these plans had never been reached and therefore no action had been required. This year, fewer institutions reported enrollment caps as a reason for decreasing enrollment, as other factors took precedence. Approximately 22.2 percent of those institutions that reported a decrease in enrollment from fall 1992 to fall 1993 cited capping or system-wide redistribution of enrollments as a reason for the decrease, vs. 45.7 percent in fall 1992. "Increased tuition and fees" was the most frequently cited reason for decreasing enrollment this past fall (64.6 percent gave this reason), followed by "local or state economic conditions" (57.6 percent), and a "smaller pool of high school graduates" (53.5 percent). Enrollment management was again noted by the survey respondents as an important tool to achieve a balance between enrollment and resources.

The *Fall 1993 AASCU-NASULGC Survey of Student Charges at Public, Four-Year Institutions* explored the question of enrollment management and/or limits, asking respondents to describe their institution's plan when it was established, what student groups were targeted, and when and how, if applicable, limits were actually effected. Responses varied greatly, though some generalities can be made regarding origin, length of existence, implementation and target population. Enrollment limits seemed to come about in three ways: de facto due to physical space limitations, reduced class sections (due to budgetary constraints), or higher admissions standards, explicitly via a self-mandated or system-mandated plan in order to achieve an optimal enrollment in terms of available resources and cost containment, and de jure via a legislatively-mandated plan carrying funding penalties for enrollment fluctuations of more than a few percentage points. Although some plans had been in existence since the 1970s, most did not arise till the mid to late 1980s, and a few in the early 1990s. Many of the plans which predated the extreme fiscal problems of the 1990s set limits or goals that were closely adhered to each year. Other plans set limits which were never necessary to implement until the crisis of the last few years. Those plans, which arose during the 1990s, were largely a response to budget cutbacks. Plans varied from year-to-year constructions, to three-to-five year plans. In setting goals or limits, enrollment plans primarily targeted undergraduates, especially first-time freshmen and transfer students, though some applied to non-residents, students of particular programs or departments, or students by academic performance (i.e. GPA).

The decrease in enrollment experienced this past fall will probably be temporary, thus the question remains as to how to support the full instructional experience for additional and increasingly diverse enrollees. Many institutions, responding to survey questions regarding the expected enrollment of specific student populations (for example first-time freshmen, students age 25 and older, minority students, transfer students) at their campuses over the next two years, have predicted increases at both the undergraduate and graduate levels. The approaching maturation of the baby boomlet supports these expectations. Boomlet children were born during the late 1970s and early 1980s, and will begin graduating from high school in 1995. The implications of the baby boomlet are reflected in the National Center for Education Statistics' *Projections of Education Statistics to 2004*, which predicts a short-term drop in college enrollment during the mid-90s, followed by a steady rise through 2004.

According to "The Baby Boomlet Heads for College" (*American Demographics*, May 1994), an article by William Dunn based primarily on the NCES projections and titled the

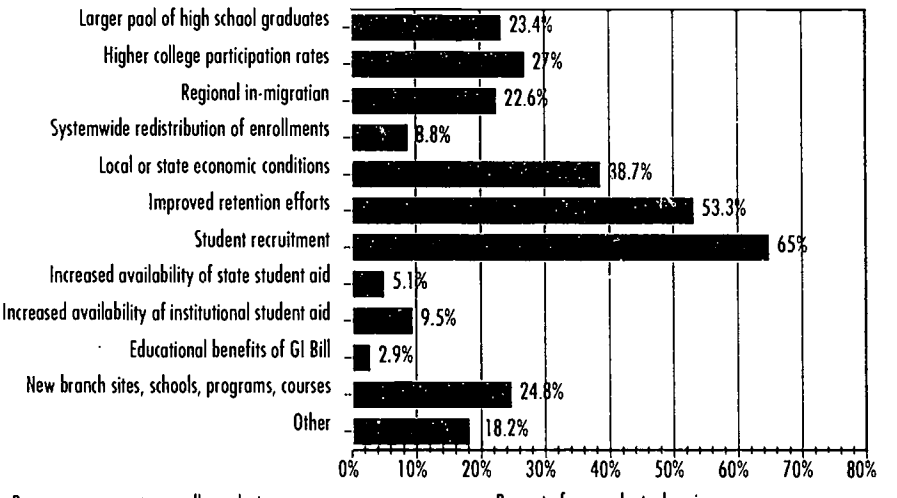
surge in the number of high school graduates produced by the baby boomlet, combined with increasing numbers of non-traditional and foreign students will push college enrollment up 6 percent to 15 9 million by 2004 For some institutions this increase will come as a welcome relief to the tough marketing days of the baby bust For other institutions such as those in fast-growing states like California Nevada Florida and Arizona, it will produce an enormous strain

Factors Affecting the Current (fall 1993) Level of Enrollment at Institutions

For institutions that experienced an *increase* in fall 1993 enrollment 65 percent cited student recruitment as a primary factor Student groups whose recruitment contributed to increased enrollment, as identified by respondents in order, were first-time freshmen transfer students, minority students graduate students, non-traditional students and foreign students Recruitment of graduate students was cited more frequently than that of non-traditional students this year, last year the order was reversed for these two groups Approximately 53 3 percent of the institutions identified improved retention efforts as an important factor in increasing enrollment this past fall followed by 38 7 percent citing local or state economic conditions 27 percent citing higher college participation rates, and 24 8 percent citing the addition of new branch sites, schools, programs or courses Almost 20 percent of the respondents chose "other" as a reason for the increase Other reasons listed were low tuition large grants received, new or improved facilities, new or continued availability of interactive television courses/ televised learning; increased interest in graduate, health and adult programs, and increased publicity and/or popularity. (*See Graph 6*)

For institutions that experienced a *decrease* in fall 1993 enrollment, the leading factors cited for the second year in a row were increased tuition and fees (64 6 percent), followed by local or state economic conditions (57 6 percent), and a smaller pool of high school graduates (53 5 percent) In fall 1990 and fall 1991, a smaller pool of high school graduates was the predominant reason selected for decreasing enrollments, while increased tuition and fees, and local or state economic conditions vied for second. The percent of respondents that identified increased tuition and fees as a primary reason for decreased enrollment in fall 1993 is down from 70 percent the previous fall Overall, over the past four years, the percentage of respondents selecting this as an important factor in decreased enrollment has been zigging and zagging. In fall 1991, the number that chose increased costs as a reason was 48.4 percent, and in fall 1990 it was 41 8 percent The

Graph 6. Reasons for Increase in Fall 1993 Enrollment

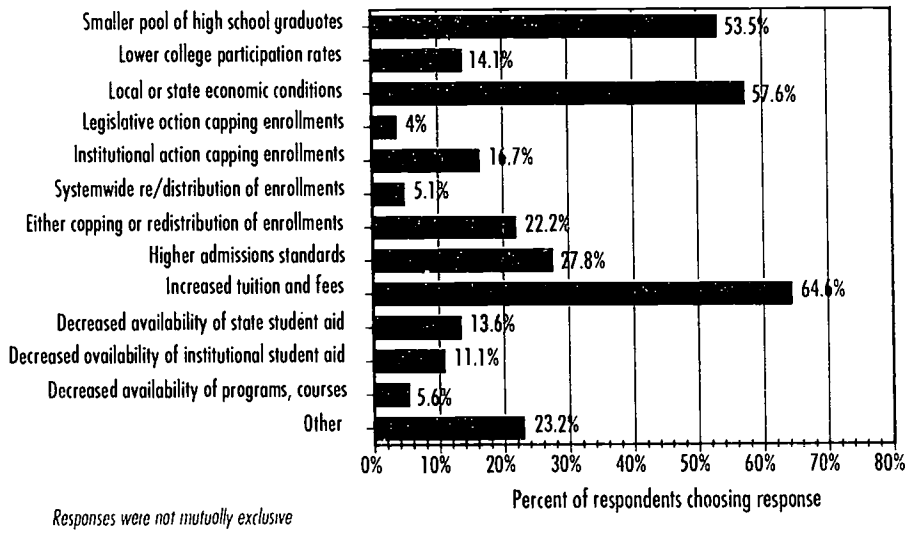


Responses were not mutually exclusive.
From AASCU/NASULGC Enrollment survey, fall 1993
AASCU Office of Association Research

percent citing local or state economic conditions is also down somewhat from 63 percent in fall 1992, although again the percent selecting this as a reason for the decrease was considerably lower in fall 1991 and fall 1990 (48.4 and 38.9 percent, respectively). In contrast, the percent that selected a declining pool of high school graduates as a related factor seems to have stabilized somewhat. It peaked in fall 1990 at 74 percent, dropping to 61.6 percent in fall 1991, 52 percent in fall 1992, and settling around 53 percent in fall 1993. Over one-fourth of the respondents reported that higher admission standards had contributed to the decrease in enrollment this year, while 22.2 percent referred to capping or system-wide redistribution of enrollments. Twenty-three percent of the respondents chose 'other' as a reason for the decrease. Interestingly, a number of institutions listed higher graduation numbers as a contributing factor. Other reasons were more regional in nature: depressed conditions in the Midwest due to the recent flood, the legal battle in Mississippi over parity of funding, the closing of military bases in the Northeast, and intensified competition for student recruitment—particularly in the case of those schools that formerly drew part of their enrollment from Georgia, but are now facing a Georgia tuition scholarship plan that makes it very attractive for students of that state to go on to college there. (Results from this survey do not match those of the previously mentioned UCLA survey. These two surveys draw on different populations (institutions vs. students) and the UCLA survey draws on students from a different group of institutions than the AASCU/NASULGC survey. Therefore the results cannot be expected to match.) (*See Graph 7*)

In addition, for institutions that reported *no change* in enrollment for fall 1993, one-third indicated that this was because of enrollment management or caps (versus almost half in fall 1992). The majority of these institutions further indicated that the enrollment policy was an institutional one, i.e. self-imposed. Other reasons given for stable enrollment levels generally fell into one of two categories: a stable population or environment, or a balancing effect produced by gains in some student cohorts and losses in others. On a positive note, a few schools pointed to improved retention rates as a reason for stabilized enrollment under adverse conditions. In contrast, other institutions attributed what they considered to be a stagnancy in enrollment to increased tuition costs, or to a bottoming out of the supply of eligible students in the education pipelines.

Graph 7. Reasons for Decrease in Fall 1993 Enrollment



Responses were not mutually exclusive
From AASCU/NASULGC Enrollment survey, fall 1993
AASCU Office of Association Research

Highlights

- ✓ Tuition and fees rose 6 1 percent up about $150 from fall 1993 to fall 1994
- ✓ Average public sector undergraduate tuition and fees for 1994 $2590
- ✓ Students in western states faced the biggest percentage increases
- ✓ Students in northeastern and mid–Atlantic states face the highest public tuition and fee dollar amounts
- ✓ Largest tuition percentage increases since 1989 California Wyoming, Connecticut New York, Massachusetts
- ✓ Room and board charges rose 3 6 percent from fall 1993 to fall 1994
- ✓ State appropriation increases are still not keeping pace with inflation plus enrollment growth
- ✓ Time–to–degree policy experiments are being developed in response to cost consciousness concerns

What it means

Inflation, as measured by the Higher Education Price Index (HEPI) rose 3 2 percent during FY 1994 State appropriations to higher education increased by an average of 4 2 percent Tuition and fees increased an average of 6 1 percent The level of tuition increase likely represents a modest attempt to recover some of the $7 7 billion loss in purchasing power experienced by higher education since 1990 The level of appropriation increase reflects improved revenue collections by the state and in some measure an attempt to restore previous budget cuts

Room and board charges, which are not subsidized by state appropriations, are running much closer to the HEPI Schools have real deferred maintenance problems in student residence halls and the percentage amount above the inflation rate will likely go toward roof repairs and building renovations

Public higher education costs, subsidized by state appropriations, are still a consumer bargain compared to consumer costs to attend private/independent colleges or universities State officials and university officials are increasingly being sensitized to keep costs affordable The declining rate of tuition increases combined with experiments to trim college costs are indications that the cries for price relief are being heard

Comparing percentages of tuition and fee increases by themselves does not give the whole picture of changes in the cost of higher education Although California experienced the greatest percentage increase in tuition and fees from 1989 through 1994 (137 percent), its average student charges are now $2,646 – $56 above the national average Vermonters, on the other hand, experienced increases of 49 percent over the same period Vermont's average student charges are now $4,651 – $2,041 above the national average. The dollar increase in California was $1,532 In Vermont it was $1,527 While students and their families pay dollar increases not percentages, the latter figure provides a measure of how much public colleges in a state have increased their charges starting from their original tuition and fees from the previous year

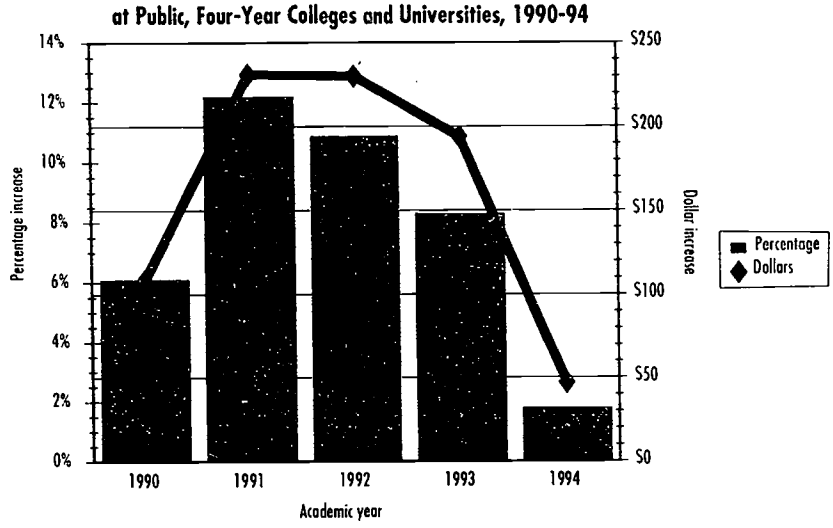
Findings

Introduction —College and university tuition and fees remain on the rise at public four–year institutions; however, the rates of increase for undergraduate, graduate and first–professional charges have again dropped from the previous fall's levels From fall 1993 to fall 1994, undergraduate resident tuition and fees rose from $2,441 to $2 590 per year, an increase of 6 1 percent From fall 1992 to fall 1993, tuition and fees increased by 7 6 percent This contrasts with the double–digit increases of the prior two years, when tuition and fees for undergraduate residents had increased by 10 4 percent (fall 1992), and 13 6

percent (fall 1991). Non-resident charges continue to increase at a slightly lower rate than that of resident charges, as they have for the past three years. Non-resident charges, however, on average are currently at least 2-to-3 times the amount of resident charges, and require a smaller increase to generate equal or greater amounts of revenue. An increased number of state institutions last year reported that they were moving toward full recovery of the cost of instruction from non-resident students. Room and board charges increased from an average of $3,461 in fall 1993 to $3,584 in fall 1994. This represents a 3.6 percent rise in cost from last year to this year, down from the 4.3 percent rise in cost from fall 1992-93. (*See Graph 8, Graph 9 and Table 11.*)

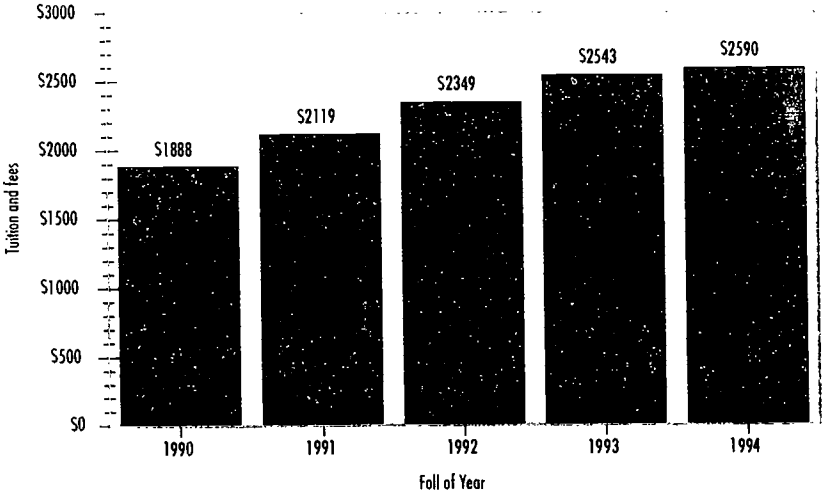
Recent data show most state economies making some recovery from the fiscal problems of the past few years. State higher education budgets were more stable in FY 1994 than in the previous three fiscal years. However, public higher education has not recovered the funding lost in the past three years, especially when the effects of inflation are taken into account. State budgets continue to face increasing demands for mandated expenditures such as Medicaid, prisons and K-12 expenditures, decreasing the likelihood of higher education making up prior losses. The actual impact of this on decisions to set student charges be-

Graph 8. Average Undergraduate Resident Tuition and Fees Increase at Public, Four-Year Colleges and Universities, 1990-94



NCES Digest of Education Statistics, 1994
1994 estimate from AASCU/NASULGC Student Charges report, fall 1994

Graph 9. Average Undergraduate Resident Tuition and Fees at Public, Four-Year Colleges and Universities, 1990-94



NCES Digest of Education Statistics, 1994
1994 estimate from AASCU/NASULGC Student Charges report, fall 1994

Table 11. Fiscal Conditions on Campus in Fall 1994

	Percentage of Respondents				
	Poor	Below Average	Average	Above Average	Excellent
How would you describe the fall 1994 fiscal condition of your institution?	2.2	19.8	55.2	19.6	3.2

comes clearer when one considers the fact that on average state appropriations share of public college revenues is over twice that of student charges, so that every one percentage point shortfall in expected state revenues would have to be offset by a *two* percentage point increase in student charges to cover the *dollar* amounts involved. The impact on campuses must take into account that affordability for students and their families is defined by dollar amounts, both of the increase and of the total charges, not percentages of increase. (*See Table 12 and Table 13.*)

The lower rates of increase in tuition and fees this fall may reflect generally stable or improved fiscal conditions in the states and on the campuses as well as reaction to and concern for an increasingly cost-conscious public. Whether the rate of increase in tuition and fees will remain stable or continue to drop is uncertain given that state appropriations for higher education though in better shape than previously, are still not keeping pace with inflation. Furthermore, while state revenues are now comfortably above projections for the most part, there is no guarantee that this will continue to be the case in the future.

One approach to relieving enrollment pressures in the face of restricted resources is to reduce time to graduation. Many states

Table 12. Fiscal Conditions on Campus Compared to Fall 1993

	Percentage of Respondents				
	Much Worse	Somewhat Worse	Same	Somewhat Better	Much Better
How does the fall 1994 fiscal condition compare to last year?	0.7	19.4	54.1	24.8	1

Table 13. Average Fall 1994 Undergraduate Resident Tuition and Fees by State

Alabama	$2,067	Montana	$1,950
Alaska	$1,816	Nebraska	$2,031
Arizona	$1,855	Nevada	$1,740
Arkansas	$1,893	New Hampshire	$3,762
California	$2,614	New Jersey	$3,612
Colorado	$2,228	New Mexico	$1,604
Connecticut	$3,458	New York	$2,955
Delaware	$3,116	North Carolina	$1,506
District of Columbia	$1,046	North Dakota	$2,061
Florida	$1,789	Ohio	$3,238
Georgia	$1,882	Oklahoma	$1,578
Guam	$1,534	Oregon	$3,063
Hawaii	$1,266	Pennsylvania	$4,196
Idaho	$1,545	Puerto Rico	$1,401
Illinois	$2,725	Rhode Island	$3,540
Indiana	$2,632	South Carolina	$2,846
Iowa	$2,460	South Dakota	$2,465
Kansas	$2,076	Tennessee	$1,877
Kentucky	$1,976	Texas	$1,560
Louisiana	$2,184	Utah	$1,941
Maine	$3,257	Vermont	$4,651
Maryland	$3,377	Virgin Islands	$1,650
Massachusetts	$3,716	Virginia	$3,730
Michigan	$3,473	Washington	$2,489
Minnesota	$2,836	West Virginia	$1,980
Mississippi	$2,354	Wisconsin	$2,275
Missouri	$2,586	Wyoming	$1,908

and/or institutions are beginning or considering strategies to accelerate student progress through the curriculum. In a fall 1994 State Higher Education Executive Officers publication summarizing Cheryl D. Blanco's study on time-shortened degrees, some of these strategies are noted:

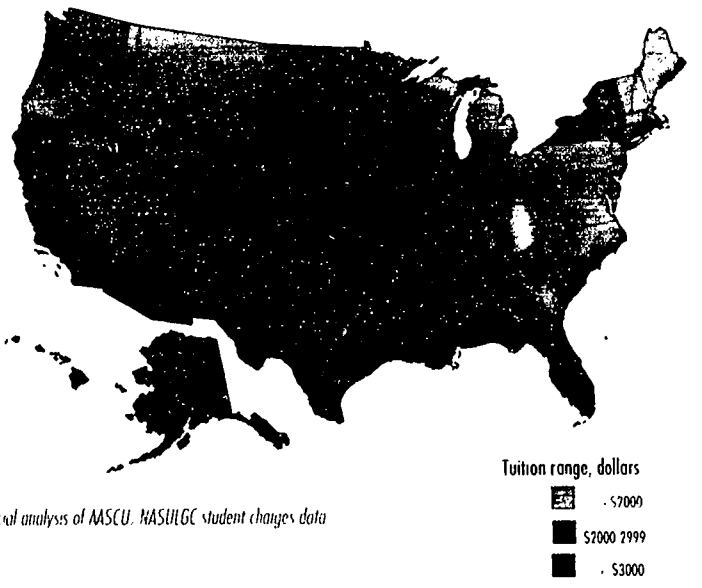
> *California has legislated a duplicate degree charge, assessed on students enrolled for a second degree at the same or lower level than their first degrees. Effective fall 1994, North Carolina undergraduates will be assessed a 25 percent tuition surcharge if they take more than 140 credits (110 percent) to complete a baccalaureate degree. Articulation agreements between high schools and colleges are becoming more common, allowing high school students to earn college credit. Oregon's College High Program, for example, offers courses to approximately 3,400 students who pay reduced tuition.*

The University of Wisconsin System is currently considering a tuition surcharge for credits taken over the necessary amount required for a baccalaureate degree. Alternatively, seven State University of New York campuses have received funding to develop new approaches to improve learning productivity and ultimately offer time-shortened degrees. SUNY-Brockport is researching student preferences for accelerated degree programs. SUNY-New Paltz is creating an integrated sequence of self-paced math courses, and SUNY-Empire State College is developing computerized adaptive testing competency assessment tools for its MBA program. (AASCU *Memo*, April 15, 1994)

Average 1994 Undergraduate Tuition by State

Reflecting a better financial picture for many states, in fall 1994 only five states reported double-digit increases in tuition and fees for undergraduate residents, versus 13 states in fall 1993. In 1994 and 1993 the majority of states experienced increases of between 4 and 7 percent. In fall 1992, not only was the variation in percent increases among states greater, but 18 states were reporting double-digit increases. The largest percent increases for fall 1994 were experienced in Wyoming (15.8 percent), California (15.3 percent), Washington (14.6 percent), Montana (13.0 percent), and South Dakota (10.1 percent). In fall 1993, the largest increases occurred in Louisiana (21.3 percent), Alaska (19.5 percent), District of Columbia (17.3 percent), California (16.3 percent), and Arizona (16.2 percent). California has had substantial increases in tuition and fees for the past three years, primarily because of the severity of the economic and fiscal situation in the state. The rate of increase has, however, slowed considerably from its peak of 29 percent in fall 1992. Montana, which experienced an increase of 18.2 percent in fall 1992 and 9.3 percent in fall 1993, has returned to double-digits again this

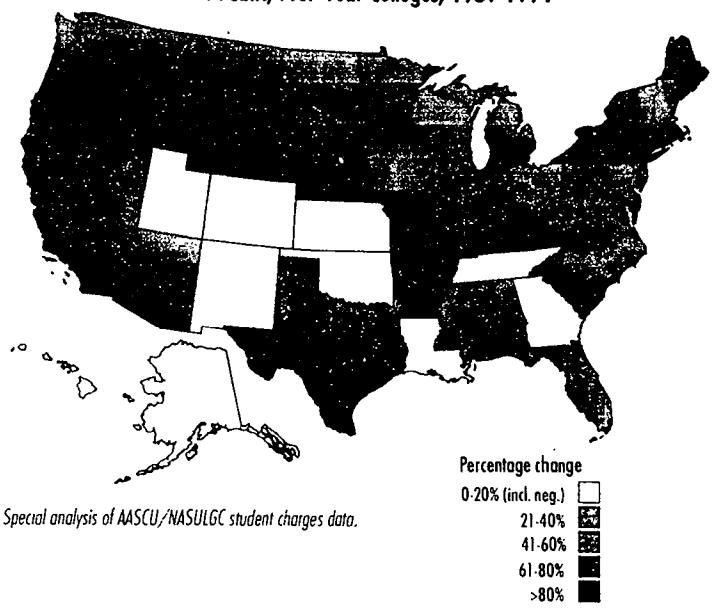
Graph 10. Fall 1994 Public, Four-Year College Tuition and Fees for Resident Undergraduates



Special analysis of AASCU, NASULGC student charges data

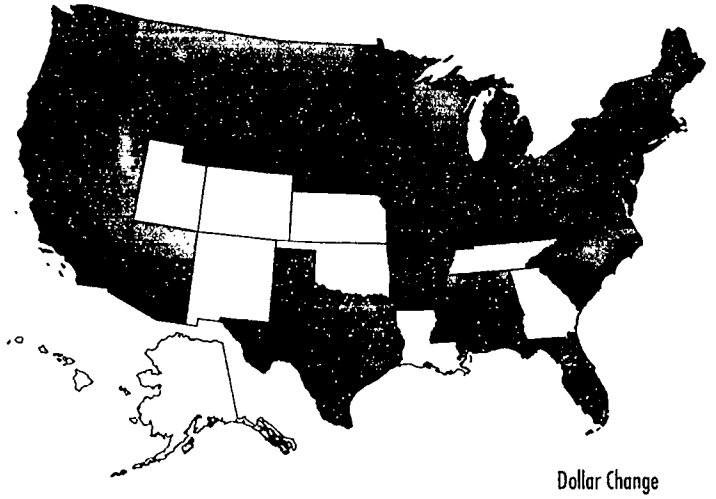
fall. A mid-year budget cut in state higher education appropriations for the 1993–94 academic year indicates the fiscal strain that Montana is under. According to the *Chronicle of Higher Education Almanac* (September 1, 1994) two of the states reporting large increases in tuition and fees this year have recently suffered major decreases in state appropriations. California's state appropriations for higher education have dropped by 25 percent between fiscal year 1991–92 and 1993–94, while Wyoming's state appropriations have dropped by 10 percent. (These figures are based on U.S. Department of Education data.) Puerto Rico and New York, which had rates of increase between 20–55 percent for fall 1991 and fall 1992, dropped dramatically in fall 1993 (to 4.7 and 1.0 percent, respectively) and have remained below the national average this fall." Exceptionally small increases for fall 1994 occurred in Louisiana (0.8 percent), Guam (0.9 percent), and Florida (1.2 percent). Higher undergraduate charges remain concentrated in the Northeastern and Mid-Atlantic states of Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, Pennsylvania and Virginia. Conversely, undergraduate resident charges remain under $1600 at public institutions in the District of Columbia, Guam, Hawaii, Idaho, North Carolina, Oklahoma, Puerto Rico and Texas. (*See Graph 10, Graph 11, Graph 12, Table 14, Table 15 and Table 16*)

Graph 11. Cumulative Percentage Tuition Changes at Public, Four-Year Colleges, 1989-1994



Special analysis of AASCU/NASULGC student charges data.

Graph 12. Cumulative Dollar Tuition Changes at Public, Four-Year Colleges, 1989-1994



Special analysis of AASCU/NASULGC student charges data

Table 14. Average Undergraduate Resident Tuition and Fees at Four-Year, Public Colleges in 1989 and 1994, with Percentage Change, by State

	1989	1994	Percentage Change
Alabama	$1,738	$2,451	41.02
Alaska	$1,078	$1,211	12.34
Arizona	$1,362	$1,872	37.44
Arkansas	$1,279	$1,893	48.01
California	$1,114	$2,646	137.52
Colorado	$1,748	$2,071	18.48
Connecticut	$1,533	$2,882	88.00
Delaware	$2,095	$3,116	48.74
District of Columbia	$664	$1,046	57.53
Florida	$1,247	$1,590	27.51
Georgia	$1,531	$1,669	9.01
Hawaii	$1,084	$1,219	12.45
Idaho	$1,129	$1,588	40.66
Illinois	$2,126	$2,725	28.17
Indiana	$1,822	$2,632	44.46
Iowa	$1,821	$2,460	35.09
Kansas	$1,472	$1,481	0.61
Kentucky	$1,262	$1,976	56.58
Louisiana	$1,632	$1,877	15.01
Maine	$1,987	$3,257	63.92
Maryland	$2,067	$3,194	54.52
Massachusetts	$2,874	$5,139	78.81
Michigan	$2,283	$3,476	52.26
Minnesota	$1,954	$2,836	45.14
Mississippi	$1,743	$2,369	35.92
Missouri	$1,554	$2,586	66.41
Montana	$1,394	$2,117	51.87
Nebraska	$1,457	$1,982	36.03
Nevada	$1,200	$1,740	45.00
New Hampshire	$2,569	$3,762	46.44
New Jersey	$2,362	$3,612	52.92
New Mexico	$1,208	$1,069	-11.51
New York	$1,645	$3,088	87.72
North Carolina	$1,037	$1,412	36.16
North Dakota	$1,464	$2,061	40.78
Ohio	$2,351	$3,095	31.65
Oklahoma	$1,279	$1,457	13.92
Oregon	$1,717	$2,956	72.16
Pennsylvania	$2,903	$4,220	45.37
Rhode Island	$2,013	$3,540	75.86
South Carolina	$2,009	$2,846	41.66
South Dakota	$1,781	$2,465	38.41
Tennessee	$1,361	$1,452	6 69
Texas	$939	$1,374	46.33
Utah	$1,382	$1,456	5.35
Vermont	$3,124	$4,651	48.88
Virginia	$2,533	$3,730	47.26
Washington	$1,595	$2,489	56.05
West Virginia	$1,269	$1,782	40.43
Wisconsin	$1,782	$2,776	27 72
Wyoming	$1,003	$1,908	90.23

Table 15. Average Dollar and Percentage Change in Resident Undergraduate Tuition and Fees at Public, Four-Year Colleges, 1984–1994[21]

Academic Year	Tuition	Dollar Change	Percentage Change
1984	$1,228	$80	6.96
1985	$1,318	$90	7.33
1986	$1,414	$96	7.28
1987	$1,537	$123	8.70
1988	$1,646	$109	7.09
1989	$1,780	$134	8.14
1990	$1,888	$108	6.07
1991	$2,119	$231	12.24
1992	$2,349	$230	10.85
1993	$2,543	$194	8.26
1994	$2,590	$47	1.85

Table 16: Average Undergraduate Resident Tuition and Fees Increases at Public, Four-Year Colleges, Fall 1991 – Fall 1994, with 1990 Base Tuition and Fees

State	Fall 90 Tuition	Fall 91 Dollar Change	Fall 91 Percentage Change	Fall 92 Dollar Change	Fall 92 Percentage Change	Fall 93 Dollar Change	Fall 93 Percentage Change
Alabama	$1,593	$106	6.65	$177	10.42	$107	5.70
Alaska	$1,382	$131	9.48	$182	12.03	$213	12.57
Arizona	$1,478	$50	3.38	$27	1.77	$264	16.98
Arkansas	$1,418	$122	8.60	$121	7.86	$147	8.85
California	$1,220	$228	18.69	$542	37.43	$388	19.50
Colorado	$1,919	$306	15.95	($5)	−0.22	$42	1.89
Connecticut	$2,313	$463	20 02	$471	16.97	$232	7.15
Delaware	$2,910	$354	12 16	$201	6.16	$219	6.32
District of Columbia	$664	$136	20.48	$30	3.75	$144	17 35
Florida	$1,337	$147	10.99	$219	14.76	$81	4.76
Georgia	$1,680	$83	4.94	$73	4 14	$58	3.16
Hawaii	$1,290	$62	4 81	$47	3.48	$56	4.00
Idaho	$1,189	$67	5.63	$159	12.66	$83	5.87
Illinois	$2,465	$102	4 14	$257	10.01	$205	7.26
Indiana	$2,067	$176	8 51	$205	9.14	$173	7.07
Iowa	$1,880	$164	8.72	$184	9.00	$124	5.57
Kansas	$1,569	$116	7 39	$116	6.88	$120	6.66
Kentucky	$1,444	$130	9 00	$130	8 76	$209	12 27

Table 16 continues on page 32

Table 16: Average Undergraduate Resident Tuition and Fees Increases at Public, Four–Year Colleges, Fall 1991 – Fall 1994, with 1990 Base Tuition and Fees *continued*

State	Fall 90 Tuition	Fall 91 Dollar Change	Fall 91 Percentage Change	Fall 92 Dollar Change	Fall 92 Percentage Change	Fall 93 Dollar Change	Fall 93 Percentage Change
Louisiana	$1,791	$3	0.17%	$37	2.06%	$351	19.17%
Maine	$2,263	$279	12.33%	$347	13.65%	$250	8.65%
Maryland	$2,287	$186	8.13%	$293	11.85%	$354	12.80%
Massachusetts	$2,580	$1,130	43.80%	$124	3.34%	$308	8.03%
Michigan	$2,635	$248	9.41%	$289	10.02%	$309	9.74%
Minnesota	$2,216	$187	8.44%	$259	10.78%	$118	4.43%
Mississippi	$1,927	$198	10.28%	$241	11.34%	$4	0.17%
Missouri	$1,733	$220	12.69%	$281	14.39%	$241	10.79%
Montana	$1,553	($6)	–0.39%	$286	18.49%	$57	3.11%
Nebraska	$1,592	$106	6.66%	$155	9.13%	$86	4.64%
Nevada	$1,275	$63	4.94%	$191	14.28%	$9	0.59%
New Hampshire	$3,110	$154	4.95%	$188	5.76%	$381	11.04%
New Jersey	$2,860	$274	9.58%	$217	6.92%	$167	4.98%
New Mexico	$1,409	$113	8.02%	$91	5.98%	$118	7.32%
New York	$1,587	$750	47.26%	$556	23.79%	$28	0.97%
North Carolina	$1,112	$112	10.07%	$41	3.35%	$144	11.38%
North Dakota	$1,930	$122	6.32%	($44)	–2.14%	$120	5.98%
Ohio	$2,622	$219	8.35%	$265	9.33%	$153	4.93%
Oklahoma	$1,340	$166	12.39%	$45	2.99%	$94	6.06%
Oregon	$1,906	$623	32.69%	$124	4.90%	$180	6.78%
Pennsylvania	$3,401	$397	11.67%	$243	6.40%	$275	6.81%
Rhode Island	$2,311	$534	23.11%	$305	10.72%	$252	8.00%
South Carolina	$2,317	$154	6.65%	$170	6.88%	$250	9.47%
South Dakota	$1,854	$89	4.80%	$128	6.59%	$217	10.48%
Tennessee	$1,518	$68	4.48%	$127	8.01%	$84	4.90%
Texas	$986	$158	16.02%	$212	18.53%	$147	10.84%
Utah	$1,524	$199	13.06%	$111	6.44%	$130	7.09%
Vermont	$4,092	$560	13.69%	$662	14.23%	$222	4.18%
Virginia	$2,691	$335	12.45%	$312	10.31%	$301	9.02%
Washington	$1,823	$169	9.27%	$78	3.92%	$267	12.90%
West Virginia	$1,543	$82	5.31%	$130	8.00%	$120	6.84%
Wisconsin	$1,951	$68	3.49%	$151	7.48%	$148	6.82%
Wyoming	$1,148	$145	12.63%	$137	10.60%	$218	15.24%

Source: NCES Digest of Education Statistics, 1991, 1992, 1994.

Highlights

- ✓ State grant aid to students increased by 12 6 percent from 1992–93 to 1993–94 but the increases were uneven across the states Five states averaged increases greater than 17 percent while all other states averaged 5 1 percent
- ✓ Nearly $3 billion, in all forms of state aid, was awarded
- ✓ The average aid award was $963 South Carolina had the highest average need–based award at $2,710 and Puerto Rico had the lowest average award at $294
- ✓ Average award increases in 24 states did not keep up with increased college costs
- ✓ Although only one–third of student grant recipients attended independent colleges they received nearly one–half of the grant dollars awarded

What it means

State funded student aid programs substantially benefitted by increasing state revenues in 1993– 94, but the commitment of states to funding these programs was quite uneven Funding adjustments in nearly half of the states did not keep pace with rising college costs While this year represents a turn -about for funding of state student aid programs it does not make up for ground lost in the last several years One of the conclusions to be drawn from this funding performance record is that states don't maintain political commitments to high tuition–high aid strategies Over time the funding performance of states yields a high tuition–low aid result

Another matter of policy interest is how state student aid dollars are distributed The use of price–sensitive models to determine need for aid means that if a college's tuition is high, its students will be awarded more money by these programs This reality is reflected in one–third of the award recipients receiving one–half of the aid dollars It is no surprise that they all attend high–tuition private institutions

Findings

The National Association of State Scholarship and Grant Programs (NASSGP) produces an annual report on state–funded scholarships and grants for postsecondary education When funds for the four basic grant categories (need–based and non–need–based grants for undergraduates and graduates/ professional students) are combined the collective increase for the states was 12 6 percent (The term 'states' in the NASSGP report refers to the 50 states plus the District of Columbia and Puerto Rico) Six states expect to award fewer dollars in these categories in 1993–94 than in 1992–93 Alaska, Connecticut, Massachusetts Montana, Rhode Island and South Dakota Alaska, Iowa, Montana and Rhode Island will award fewer total dollars than two years ago Forty–seven states will award more dollars in 1993–94 than in 1991– 92, but only 28 anticipate increases that will cover the rise in college costs (Four will award fewer dollars, while one will award the same amount of money)

The average increase in undergraduate need–based grants between 1991–92 and 1992–93 was 4 4 percent The increases ranged from a high of 85 4 percent in Montana, to a low of 0.3 percent in Tennessee The largest decrease was 31 3 percent in Indiana, while the smallest decrease was 0 3 percent in Colorado. No change was reported during this time period in two states the District of Columbia and Mississippi Eleven states decreased undergraduate need–based grants California, Colorado, Connecticut, Florida Idaho, Indiana Iowa, Michigan, Ohio, Rhode Island and Vermont (*See Table 17*)

States awarded a total of $2,927,572,000 in all forms of aid to postsecondary students (including aid administered by entities other than the agency that has the primary responsibility for aid, such as tuition waiver programs administered by states and institutions) There was an increase of 13 8 percent in this type of aid since 1992–93 Eleven states experienced a reduction in total aid dollars Alaska,

Table 17. Change in Average Undergraduate Need-Based State Grants, 1989-90 to 1992-93

State	1989-90	1990-91	1991-92	1992-93
Alabama	12.0	44.4	-63.2	3.6
Alaska	-2.0	10.1	-11.4	6.4
Arizona	9.3	-10.5	5.5	5.5
Arkansas	-1.2	-2.7	28.7	1.7
California	9.1	9.0	11.2	-13.0
Colorado	3.5	4.2	-4.2	-0.3
Connecticut	6.3	4.4	-11.5	-4.7
Delaware	-1.1	5.4	-8.3	2.2
District of Columbia	-2.4	-13.7	-20.9	0.0
Florida	-16.2	18.4	-8.2	-10.7
Georgia	0.9	3.7	28.7	6.2
Hawaii	42.1	-8.6	-10.1	31.7
Idaho	10.0	1.5	-24.2	-2.2
Illinois	8.7	5.6	-1.7	9.6
Indiana	41.0	-3.7	7.3	-31.3
Iowa	-2.2	2.8	-1.0	-2.3
Kansas	20.3	2.3	-3.2	3.9
Kentucky	3.2	15.5	-5.2	4.0
Louisiana	28.7	26.7	-2.7	7.7
Maine	-2.8	55.2	-4.5	0.5
Maryland	7.1	-0.8	1.2	13.8
Massachusetts	0.3	0.0	-34.3	21.9
Michigan	-12.3	-5.8	5.0	-4.1
Minnesota	17.2	6.7	3.4	2.3
Mississippi	1.8	-8.7	17.6	0.0
Missouri	-2.4	3.1	-1.6	6.6
Montana	12.7	-4.4	8.0	85.4
Nebraska	-5.0	2.9	-6.1	11.1
Nevada	0.0	0.0	-44.2	5.2
New Hampshire	4.3	-12.8	2.8	51.4
New Jersey	7.9	9.2	-1.0	9.7
New Mexico	-9.7	11.9	14.7	13.8

Table 17. Change in Average Undergraduate Need-Based State Grants, 1989–90 to 1992–93 *continued*

State	1989–90	1990–91	1991–92	1992–93
New York	4.4	0.4	36.6	9.6
North Carolina	65.5	–4.2	–5.0	6.6
North Dakota	25.3	0.2	–6.5	7.0
Ohio	2.8	–6.0	0.8	–5.1
Oklahoma	–1.2	9.6	–7.1	6.5
Oregon	19.9	7.4	3.2	3.9
Pennsylvania	6.0	7.3	6.0	9.0
Puerto Rico	6.3	0.0	–47.3	22.0
Rhode Island	13.0	1.5	–20.9	–16.2
South Carolina	11.6	6.0	–5.5	8.0
South Dakota	–3.3	–5.6	0.3	21.1
Tennessee	3.9	–6.9	19.0	0.3
Texas	4.8	0.3	6.2	1.0
Utah	–12.7	–9.7	–9.4	11.7
Vermont	19.2	–7.1	–2.0	–10.6
Virginia	–1.8	–0.1	–33.8	26.8
Washington	5.8	15.3	6.4	15.2
West Virginia	0.1	7.5	7.7	9.9
Wisconsin	0.0	7.8	1.0	3.6
Wyoming	13.8	0.0	–19.6	4.1
U.S. Average	6.4	3.4	–4.1	4.4

Source: Calculations based on NASSGP 24, Table 2, p. 41; NASSGP 22, Table 2, p. 22; and NASSGP 21, Table 2, p. 18

Connecticut, Iowa, Maine, New Hampshire, Oklahoma, Rhode Island, South Carolina, Texas, Utah and West Virginia. (*See Table 18.*)

The average undergraduate need-based grant for 1992–93 was $963. (This is the unweighted mean for all states.) The average increase amounts to 4.4 percent. This is a reversal of what happened between 1990–91 and 1991–92, when the average change was a decrease of 4.1 percent. The change in the average need-based grant between 1989–90 and 1990–91 was an increase of 3.3 percent, and it was an increase of 6.4 percent between 1988–89 and 1989–90. The highest average need-based grant in 1992–93 was $2,710 in South Carolina, while the lowest was $294 in Puerto Rico. (*See Table 19.*)

The average state spends an amount equal to about 5 percent of its higher education budget on grant

Table 18. $Millions Awarded in State Aid, All Levels and Types from 1989–90 to 1993–94

State	1989–90	1990–91	1991–92	1992–93	1993–94
Alabama	$11.907	$15.881	$13.191	$14.183	$16.883
Alaska	$2.212	$2.575	$2.630	$2.447	$2.389
Arizona	$3.400	$3.427	$3.328	$2.442	$3.504
Arkansas	$4.827	$5.107	$8.031	$7.304	$8.684
California	$162.003	$164.747	$221.368	$237.880	$361.497
Colorado	$20.442	$24.279	$26.294	$26.344	$32.579
Connecticut	$32.806	$36.167	$35.842	$36.105	$20.841
Delaware	$1.582	$1.848	$1.669	$1.550	$6.601
District of Columbia	$1.069	$0.974	$1.010	$1.068	$2.054
Florida	$56.313	$69.060	$72.674	$76.339	$88.037
Georgia	$22.273	$23.058	$21.913	$25.990	$60.595
Hawaii	$5.953	$0.611	$0.661	$0.724	$0.748
Idaho	$0.638	$0.730	$0.759	$1.012	$1.015
Illinois	$204.310	$203.083	$209.489	$225.141	$232.906
Indiana	$59.315	$47.454	$50.963	$56.191	$56.191
Iowa	$58.932	$40.169	$61.877	$64.109	$36.364
Kansas	$7.550	$6.666	$6.613	$6.993	$9.164
Kentucky	$13.858	$19.393	$27.519	$27.783	$29.604
Louisiana	$9.729	$4.966	$15.214	$7.666	$11.654
Maine	$2.008	$5.100	$5.044	$5.200	$5.170
Maryland	$21.422	$20.914	$22.236	$26.960	$30.286
Massachusetts	$88.314	$71.967	$39.989	$59.115	$59.580
Michigan	$77.311	$74.878	$83.477	$83.549	$92.643
Minnesota	$69.589	$77.794	$79.273	$83.190	$102.960
Mississippi	$1.991	$1.841	$1.246	$1.351	$2.515
Missouri	$17.617	$21.495	$19.900	$21.616	$22.125
Montana	$0.417	$0.383	$0.395	$0.418	$0.607
Nebraska	$2.037	$2.196	$2.352	$2.613	$2.686

Table 18. $Millions Awarded in State Aid, All Levels and Types from 1989–90 to 1993–94 *continued*

State	1989–90	1990–91	1991–92	1992–93	1993–94
Nevada	$0.400	$0.400	$0.377	$0.401	$0.402
New Hampshire	$1.735	$1.479	$1.544	$1.610	$1.598
New Jersey	$91.689	$102.080	$119.505	$129.073	$144.788
New Mexico	$8.259	$13.424	$13.841	$16.017	$17.367
New York	$423.092	$439.124	$463.543	$577.495	$666.833
North Carolina	$52.123	$58.425	$65.325	$70.406	$74.839
North Dakota	$1.622	$1.492	$1.924	$2.459	$3.186
Ohio	$76.683	$80.041	$85.668	$94.131	$110.891
Oklahoma	$32.545	$35.124	$38.828	$40.510	$21.488
Oregon	$10.770	$11.748	$11.852	$12.606	$23.995
Pennsylvania	$134.014	$145.576	$159.181	$173.376	$188.955
Puerto Rico	$20.198	20.198	$20.198	$25.433	$25.433
Rhode Island	$11.254	$10.615	$9.561	$9.923	$6.840
South Carolina	$19.772	$19.447	$18.224	$18.315	$17.861
South Dakota	$0.594	$0.558	$0.570	$0.677	$0.725
Tennessee	$20.027	$18.002	$19.291	$24.471	$30.414
Texas	$112.047	$118.368	$135.966	$131.220	$73.742
Utah	$10.527	$11.486	$11.838	$12.556	$2.856
Vermont	$11.384	$11.177	$11.302	$11.281	$11.323
Virginia	$26.373	$25.514	$26.620	$26.879	$73.475
Washington	$14.136	$22.040	$24.359	$24.570	$69.584
West Virginia	$11.877	$12.953	$14.723	$14.894	$6.782
Wisconsin	$41.060	$44.757	$45.722	$47.944	$51.063
Wyoming	$0.241	$0.241	$0.220	$0.225	$0.250
Totals	$2,092.247	$2,151.032	$2,335.139	$2,571.755	$2,927.572

(Source: NASSGP 25, Table 1, p. 42; NASSGP 24, p. 40, NASSGP 21, p. 17; NASSGP 22, p. 21; NASSGP 23, p. 43.)

Table 19. Average Undergraduate Need-Based State Grant, 1988-89 to 1992-93

State	1988-89	1989-90	1990-91	1991-92	1992-93
Alabama	$559	$626	$904	$333	$345
Alaska	$1,401	$1,373	$1,511	$1,338	$1,424
Arizona	$700	$765	$685	$723	$763
Arkansas	$417	$412	$401	$516	$525
California	$1,786	$1,948	$2,123	$2,361	$2,054
Colorado	$709	$734	$765	$733	$731
Connecticut	$1,209	$1,285	$1,342	$1,187	$1,131
Delaware	$791	$782	$824	$756	$773
District of Columbia	$1,396	$1,362	$1,175	$929	$929
Florida	$1,088	$912	$1,080	$991	$885
Georgia	$350	$353	$366	$471	$500
Hawaii	$672	$955	$873	$785	$1,034
Idaho	$429	$472	$479	$363	$355
Illinois	$1,405	$1,527	$1,613	$1,586	$1,738
Indiana	$992	$1,399	$1,347	$1,445	$992
Iowa	$1,669	$1,632	$1,678	$1,662	$1,623
Kansas	$1,191	$1,433	$1,466	$1,419	$1,475
Kentucky	$594	$613	$708	$671	$698
Louisiana	$600	$772	$978	$952	$1,025
Maine	$423	$411	$638	$609	$612
Maryland	$790	$846	$839	$849	$966
Massachusetts	$1,326	$1,330	$1,330	$874	$1,065
Michigan	$1,490	$1,306	$1,230	$1,291	$1,238
Minnesota	$915	$1,072	$1,144	$1,183	$1,210
Mississippi	$555	$565	$516	$607	$607
Missouri	$1,237	$1,207	$1,245	$1,225	$1,306
Montana	$323	$364	$348	$376	$697
Nebraska	$403	$383	$394	$370	$411

Table 19. Average Undergraduate Need–Based State Grant, 1988–89 to 1992–93 *continued*

State	1988–89	1989–90	1990–91	1991–92	1992–93
Nevada	$1,000	$1,000	$1,000	$558	$587
New Hampshire	$552	$576	$502	$516	$781
New Jersey	$1,376	$1,485	$1,621	$1,604	$1,759
New Mexico	$714	$645	$722	$828	$942
New York	$1,189	$1,241	$1,246	$1,702	$1,866
North Carolina	$635	$1,051	$1,007	$957	$1,020
North Dakota	$478	$599	$600	$561	$600
Ohio	$748	$769	$723	$729	$692
Oklahoma	$745	$736	$807	$750	$799
Oregon	$567	$680	$730	$753	$782
Pennsylvania	$1,041	$1,103	$1,183	$1,254	$1,367
Puerto Rico	$430	$457	$457	$241	$294
Rhode Island	$934	$1,055	$1,071	$847	$710
South Carolina	$2,245	$2,506	$2,657	$2,510	$2,710
South Dakota	$331	$320	$302	$303	$367
Tennessee	$610	$634	$590	$702	$704
Texas	$1,145	$1,200	$1,203	$1,277	$1,290
Utah	$636	$555	$501	$454	$507
Vermont	$894	$1,066	$990	$970	$867
Virginia	$908	$892	$891	$590	$748
Washington	$776	$821	$947	$1,008	$1,161
West Virginia	$915	$916	$985	$1,061	$1,166
Wisconsin	$747	$747	$805	$813	$842
Wyoming	$399	$454	$454	$365	$380
U.S. Average	$874	$930	$961	$922	$963

awards, with the median being 4 1 percent The total grant dollars in just six states amount to more than 10 percent of their total higher education operating appropriations Illinois, Iowa, Minnesota, New Jersey, New York and Vermont Higher education appropriations rose in 39 states, but grant appropriations rose in 41. Eight states increased grant expenditures but not higher education appropriations· California, Louisiana, Maryland, North Dakota, Oklahoma, Oregon, South Carolina and Vermont. In five states higher education appropriations rose while grants decreased· Alaska, Connecticut, Rhode Island, South Dakota and West Virginia [7]

Three quarters (75 7 percent) of the total grant aid constitutes need–based grants for undergraduates. Another 8 3 percent is in non–need–based programs for undergraduates Only 1 4 percent of total grant dollars go to graduate or professional students [8]

Funding for need–based grants for undergraduates is expected to amount to $2 216 billion for 1993–94, the first time this figure has exceeded $2 billion This total represents an increase of 12 2 percent over the $1 975 billion figure of 1992–93 [9] This growth rate is the highest since 1977–78 when it was 13 percent The average annual growth rate over the past 12 years was 7 6 percent The authors of the NASSGP report disaggregated the numbers behind the 1993–94 increase and found that five states accounted for almost two thirds of the total increase in funding The combined rate of increase for these five states (California, Georgia, New Jersey, New York and Washington) was 17 1 percent, while the rate for the remaining states was 5.1 percent [10]

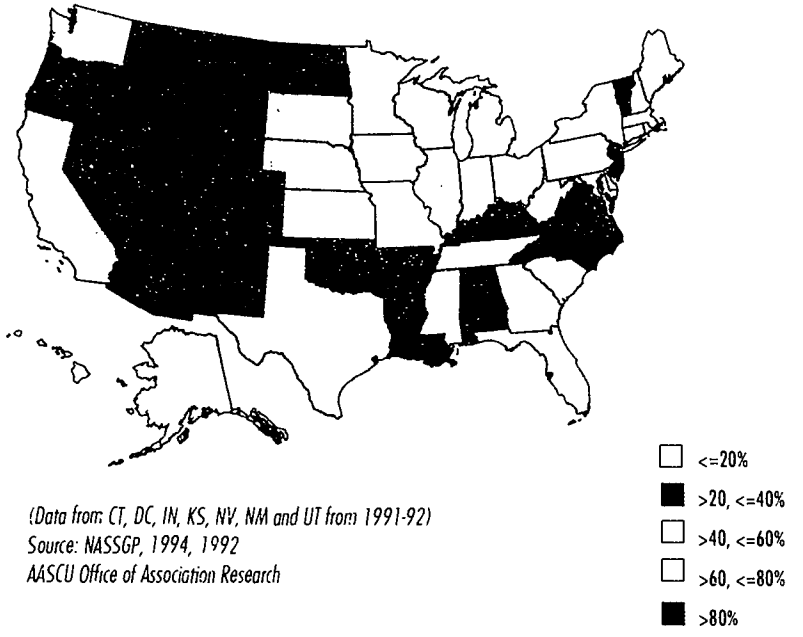
When the four basic categories of aid (need-based and non-need–based grants to undergraduate and graduate/professional students) are considered on a state–by–state basis, more details emerge. Eleven states awarded fewer dollars in 1992–93 than in 1991–92 (Alabama, Alaska, California, Florida, Iowa, Maine, New Hampshire, Oregon, Rhode Island, South Carolina and Washington) Between 1992 [illegible]3 and 1993–94, six states awarded fewer dollars than in the prior year (Alaska, Connecticut, Massachusetts, Montana, Rhode Island, and South Dakota) [11]

On a state–by–state basis, there was no improvement in the states' ability to increase these basic grants sufficiently to exceed the rate of inflation in college attendance costs Twenty–five states met this standard in 1992–93, while only 21 met it for 1993–94 A total of 47 states increased funding in these four basic grant categories between 1991–92 and 1993–94 Twenty-eight of them were able to keep up with inflation in college costs, while 19 anticipate increases that will not keep up Five expect no growth or actual losses (Alaska, Iowa, Montana, Rhode Island, and South Carolina) [12]

For 1992–93, the majority (64 8 percent) of undergraduate need-based grant recipients attended in–state public institutions. About one third (33.5 percent) attended in–state private institutions, and the remaining 1.7 percent attended out-of-state institutions. While recipients at in–state private institutions constituted about one third of the total, they received almost half of the grant dollars, 48.3 percent. This is attributed to the higher costs, which translate into greater financial need [13] (For a map presenting this information on a state–by–state basis see Graph 13. Readers should note that the data for Connecticut, Indiana, Kansas, Nevada, New Mexico and Utah in this graph were from 1991–92)

The above discrepancy between the number of private college recipients and their payout dollars received is due to the use of tuition–sensitive need analysis methodologies by the states The NASSGP survey identified the need analysis methodologies used for 125 programs The Federal Methodology [14] is used for 89 of these programs, over two thirds, and a modified version of this method is used for another 10 programs [15]

Graph 13. Percentage of State Need-Based Undergraduate Aid Dollars Going to In-State Public Colleges, 1992-93



(Data from CT, DC, IN, KS, NV, NM and UT from 1991-92)
Source: NASSGP, 1994, 1992
AASCU Office of Association Research

Table 20. Percentage of Awards and Dollars Going to In-State Public College Students

	Awards	Dollars
1992–93	64.80	50.90
1991–92	64.40	47.30
1990–91	62.90	45.70
1989–90	62.00	44.70

Sources: NASSGP 25, p. 92, NASSGP 23, p. 74; NASSGP 22, p. 55; NASSGP 21, p. 50.)

Table 21. Median Maximum State Award, 1988–89 to 1993–94

Year	Amount	Change
1993–94	$2,390	3.91
1992–93	$2,300	15.00
1991–92	$2,000	-6.54
1990–91	$2,140	3.38
1989–90	$2,070	5.08
1988–89	$1,970	---

Source: NASSGP 25, p. 16 and NASSGP 24, p. 17

Eight states make more awards to students at private than public institutions: Iowa, Kentucky, Michigan, Missouri, North Carolina, South Carolina, South Dakota and Texas. Twelve states award more dollars to students at private institutions than at public ones. They include the eight mentioned above, with the addition of Minnesota, New York, Pennsylvania and Vermont. In these 12 states, about 58 percent of the grant dollars go to private sector students. Thirty-five percent of the dollars awarded by the remaining 35 states go to private sector students." (*See Table 21.*)

The distribution of recipients of undergraduate need-based grants among institutions has not changed much over five years. In 1988–89, 59.5 percent of the recipients were at public colleges, and in 1992–93 60.8 percent were. In 1988–89, 30.2 percent of recipients were at private institutions, while 29.2 percent were at private institutions in 1992–93." The share of grant award dollars changed somewhat more. In 1988–89, 41.3 percent of dollars awarded were at public colleges, while by 1992–93, this proportion had changed to 48.5 percent. Private college students' share of the grant dollars declined from 48.5 percent in 1988–89 to 42.2 percent in 1992–93. The authors of the report attribute this in part to an increase in public college enrollment, and to the increased need among public college students as public college

tuition rose at a higher rate than private college tuition

The average recipient of undergraduate need-based grants is somewhat older than in past years with 25 percent of them age 26 or older. Twenty-one percent were this old in 1988-89 and 16 percent in 1984-85. The recipients are more likely to be independent or self-supporting as well. Forty-three percent of the recipients were independent in 1992-93, while 37 percent were in 1988-89 and 29 percent in 1983-84.

The median maximum annual grant award for all programs was $2,390 in 1993-94, an increase of 3.9 percent over the $2,300 reported for 1992-93. (See Table 20.) Slightly over half, 51.2 percent, of the programs have a maximum under $2,500, although there are a few that exceed $10,000.

Between FY 1993 and FY 1994, the mean funding change in the four basic grant categories (need-based and non-need-based grants to undergraduate and graduate/professional students) was an increase of 11.9 percent, while the change in undergraduate resident tuition and fees was an increase of 6.1 percent. (The tuition increase figure is based on NASSGP sources and will not necessarily agree with other figures cited in the *Report of the States*.) The percentage increase in aid funding was greater than the

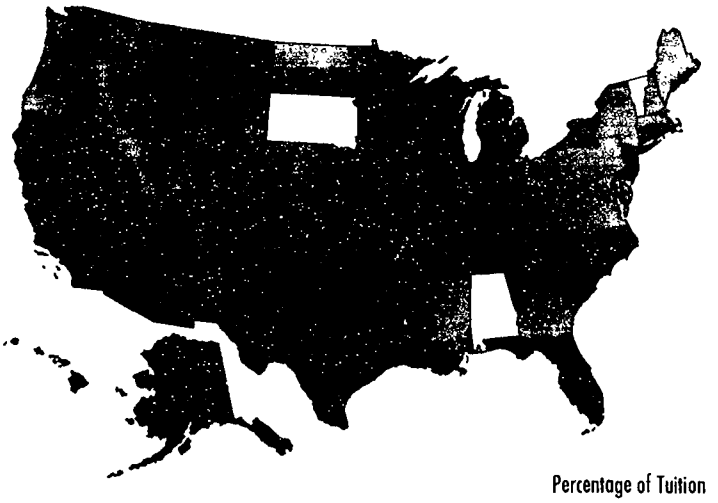
Table 22. Percentage Increase in Four-Year, Public College Resident Tuition and Fees and In Basic State-Funded Aid, FY 93 to FY 94, by State

State	Tuition	Aid	State	Tuition	Aid
Alabama	5.89	20.50	Nebraska	7.57	2.91
Alaska	4.49	-2.93	Nevada	4.50	0.00
Arizona	3.06	0.72	New Hampshire	4.67	4.29
Arkansas	9.93	18.13	New Jersey	6.83	19.79
California	15.26	39.10	New Mexico	6.01	11.12
Colorado	4.55	16.55	New York	4.27	3.81
Connecticut	6.79	-0.78	North Carolina	5.83	3.52
Delaware	5.38	18.68	North Dakota	5.26	0.86
District of Columbia	7.39	0.65	Ohio	4.89	19.37
Florida	1.25	26.96	Oklahoma	2.00	8.09
Georgia	3.63	140.50	Oregon	7.14	8.04
Hawaii	3.01	3.31	Pennsylvania	6.52	9.75
Idaho	5.32	0.40	Puerto Rico	4.94	0.00
Illinois	5.05	5.56	Rhode Island	9.19	-21.34
Indiana	7.17	0.00	South Carolina	5.06	0.52
Iowa	4.59	1.26	South Dakota	10.09	-1.64
Kansas	4.64	32.90	Tennessee	5.10	17.56
Kentucky	7.10	0.78	Texas	8.94	3.24
Louisiana	0.83	36.43	Utah	5.20	0.39
Maine	4.63	4.02	Vermont	4.05	0.73
Marylond	5.76	18.82	Virginia	3.27	6.34
Massachusetts	2.09	-1.70	Washington	14.65	99.24
Michigan	6.76	0.76	West Virginia	5.26	-0.05
Minnesota	4.88	21.54	Wisconsin	7.51	10.27
Mississippi	2.17	1.41	Wyoming	15.78	11.11
Missouri	8.98	3.18	Average	6.12	11.88
Montana	12.98	-6.96			

(Sources: NASSGP 25, p. 12, and AASCU Student Charges Report, 1994)

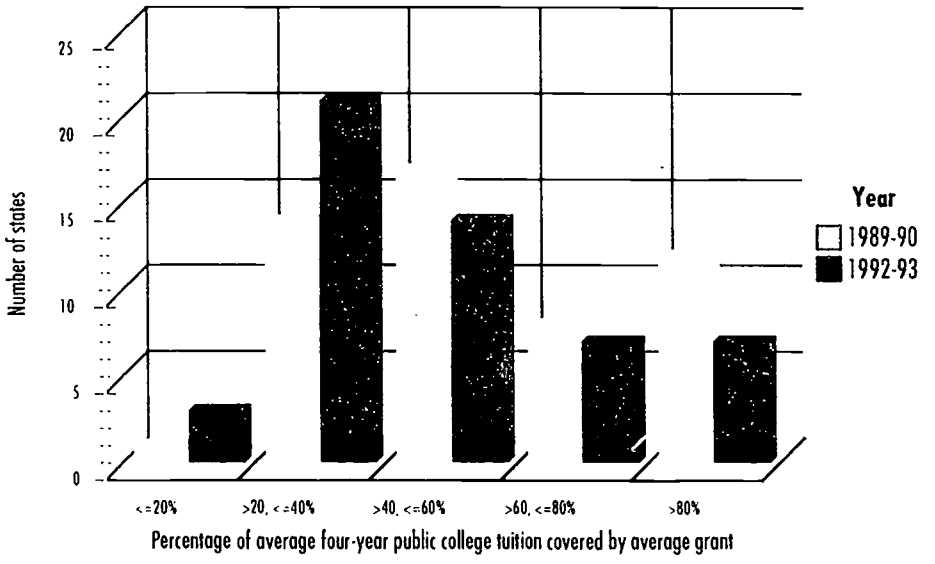
percentage increase in tuition and fees in 23 states, while it was less in 29 of them.[1] (For further information see Table 22.) Graph 14 shows the average undergraduate need–based grant as a percentage of average public, four–year resident college tuition and fees for 1992–93. This provides a general ratio as to what proportion of the tuition is shouldered by the average grant. For 1989–90, the average undergraduate need–based award was not equal to at least 50 percent of the average four–year public college tuition and fees in 25 states, while for 1992–93, this was true in 33 states. (Graphical representation of this is provided in Graph 15.)

Graph 14. Average Undergraduate Need-Based Grant as Percentage of Average Public, Four-Year Resident Tuition and Fees, 1992-93



Source: NASSGP, 1993, Table 5, and AASCU/NASULGC Student Charges Report, 1993
AASCU Office of Association Research

Graph 15. Distribution of states by percentage of average public four-year tuition and fees covered by average state undergraduate aid grant, 1989-90 and 1992-93



Source: NASSGP, 1993 and 1991, and AASCU/NASULGC Student Charges Report, 1993 and 1991
AASCU Office of Association Research

Independent Colleges and Universities

Highlights

- ✓ Most public and independent colleges across the United States experience positive relationships with each other, according to a study by William Zumeta, a professor at the Graduate School of Public Affairs and Institute for Public Policy and Management at the University of Washington
- ✓ Where inter-sector friction exists, it tends to focus on student aid, programmatic competition, or tuition and fees
- ✓ States spent nearly $400 million on direct institutional aid at independent institutions in 1992-93. This does not include state dollars received through student aid programs
- ✓ Very few states include independent institutions in state report cards or other accountability reports
- ✓ Most chief executives from both the independent and public sectors, report that a "high tuition–high aid" policy is not under serious discussion in their states

What it means

Public universities are increasingly in direct competition with independent colleges and universities not only for student aid dollars but for direct institutional aid as well. While overall relations between the sectors are basically good, declining pools of state budget resources may create much greater competitive pressure in the near future. That direct state payments to independent colleges exist in 25 states indicates the growth of public funding for independent institutions.

While serious discussion of high tuition–high aid strategies was not much of an issue for most states when the Zumeta study was conducted, times have changed. There are now "ability-to-pay" tuition proposals in three large states: California, New York and Wisconsin. This is not a dormant issue.

Findings

The theme of state policies and public higher education is woven throughout the *Report of the States*. In 1993–94, a study of the impact of these policies on independent institutions and the perspectives of the public sector on this additional aspect of higher education support was conducted by William Zumeta. The findings add some detail to persistent questions about state support of the independent sector and the way both sectors see their participation in the educational challenges faced by their state postsecondary resources.

Three groups of respondents were surveyed: state higher education agency heads, heads of statewide independent higher education associations, and public college or university presidents in states. Each survey was extensive. One important goal of the study was to compare perceptions and priorities across sectors and respondents. However, since some questions were not found in each survey, this goal was not attainable for each issue area.

According to the survey findings, the overall state of relations between public and independent sectors may be characterized as a positive one. Very few survey respondents (considered "knowledgeable observers" by Zumeta) described intersector relations "as more conflictual than cooperative," and improved cooperation was a theme noted by Zumeta in some of the responses. Still, where sectors agree they find conflict is around the issues of student aid, programmatic or geographic competition, and tuition/fees.

A set of questions relating to the issues of accountability reporting and data use displayed the relatively low level of activity between state higher education offices and independent association executives. State higher education executive officers (SHEEOs) reported they receive the data submitted by independent institutions to the National Center for Education Statistics (Integrated Postsecondary Education Data System, or IPEDS,

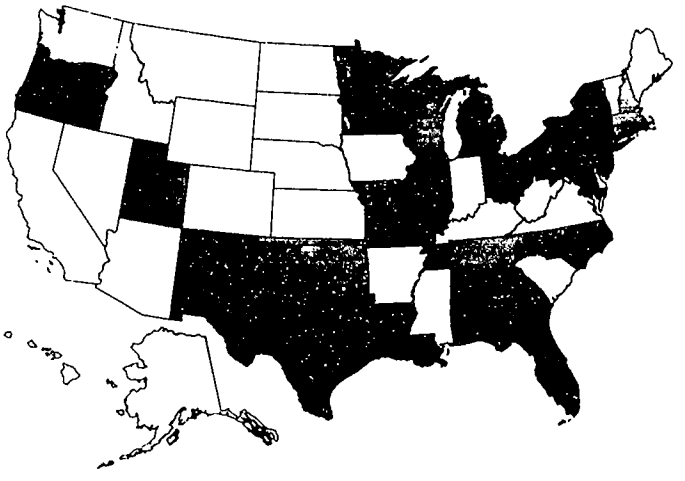
data) and tend to request information on state residency of students and active degree programs. However, less than a third of SHEEO respondents said they collect data on inter-institutional transfers. The Zumeta analysis points out the "apparent limited interest by SHEEOs in the educational outcomes of independent institutions. The data that is collected by SHEEOs is used chiefly for reporting to the variety of publics served by higher education. The author of the study and other assessment and accountability experts consider this use of data to be of somewhat lower impact compared with application of data to policy deliberations. A strong majority of SHEEOs and independent sector representatives said independent institutions are not included in the state report cards or other accountability reports.

The total reported state funding to independent institutions in 1992-93 approached $400 million. This represents 66 programs supporting a diverse set of fields, from education in health fields to research and technology development. Zumeta's study reports that nine programs in nine states involve general purpose state aid to independent institutions. Forty percent of all these general purpose state programs provide aid to both public and independent institutions. (*See Graph 16.*)

Zumeta found some striking differences in the identification of state-level policy issues by representatives from the public and independent sectors. The public representatives pointed to funding and productivity, statewide coordination and governance, and access and diversity as critical issues for their state's educational system. The independent sector representatives highlighted student aid, planning and capacity, and tax policies. Asked to describe the role they see for the independent sector in their states, public representatives mentioned meeting the demand for higher education and forming cooperative relationships or partnerships across sectors.

Strong differences exist on the definition of issues and the direction of policies in at least two areas of public concern: funding state student aid and tuition. For example, while about 85 percent of both independent and public representatives believe the goal of state student aid programs is "to assist students to attend college who could not otherwise attend," 88 percent of independent representatives and 45 percent of public representatives thought it should "provide students an affordable choice among public and independent colleges." Forty-four percent of independent representatives and 10 percent of public representatives said the goal should be "to provide

Graph 16. States with Direct Aid to Private Institutions
(From Zumeta, 1994)
AASCU Office of Association Research



incentives for students to enroll in independent colleges in order to reduce the demand for space in public institutions." SHEEOs tend to respond with greater similarity to the independent sector except on the latter goal and on the goal "to reduce the price to students and parents of college attendance

In states where responses on the same set of questions were received from all three groups almost twice as many independent sector representatives and SHEEOs as public representatives thought tuition differentials were "not at all" taken into account when the state makes policy decisions affecting the tuition and fee levels at public higher education institutions. Over 50 percent of responding independent association executives and over 60 percent of responding public executive officers said that a high tuition–high aid strategy is not under serious discussion in their states. At the time of the survey, over half of the public sector and over three-quarters of the independent sector representatives considered it "unlikely" that this policy direction would move forward in their states in the next few years

Highlights

- ✓ Current higher education accountability reporting requirements have been influenced by the assessment movement and performance indicator experiments
- ✓ Guiding principles and questions for accountability systems have already been developed
- ✓ It is possible to set up comprehensive and flexible accountability systems based on the experience of assessment and accountability efforts
- ✓ Performance indicator developers focus on creating specific indicators not data systems, and it is easy to become mired in the obstacles of data comparability and reliability
- ✓ Current state-mandated accountability reporting requirements lack clarity as to their purpose for overall planning, institutional accountability, budgeting or focused problem-solving

What it means

The following report is an evaluation of state report cards for higher education and an historical review of assessment and performance indicator development efforts. It would be fair to say that although we know why we want to have report cards for higher education, and that we know what questions we want them to answer, efforts to construct a report card that answers the questions posed have fallen short. The major criticism is that the focus of report cards has been on developing indicators rather than flexible data systems to answer current and future questions. Indicators have not yet been developed to give the kind of shorthand answers to complex problems hoped for by policy-makers. While progress has been made in assessment and the experience garnered from state and federal accountability reporting efforts is of value, we still can't grade higher education with an A, B, C, D or F with anything approaching assurance or fairness.

Findings

Background—Accountability systems is an area of data development and reporting that has seen intense activity in the past 10 years. As the expression implies, these are individual pieces of data and information arranged in ways that answer questions, in this case, about the components of an educational system. Systems of education have long been responsible for reporting on their conditions to state and federal authorities. Institutions as well periodically conduct their own reviews as individual units and as parts of a larger system. What has changed, however, is the national spotlight on goals achievement and efforts by national organizations to guide the development of accountability systems begun in the 1980s and continuing into the 1990s. This activity, many observers believe, has been met with corresponding attention within state higher education governance and monitoring offices. A description of the current state of the art of accountability reporting in the states must therefore take into consideration work at the national, state and institutional levels.

This section of the *Report of the States* reviews the recent history of accountability reporting, noting some key players and resources that have provided the impetus and some guidance for this trend. According to educator and researcher Richard Richardson, we have now reached a stage when efforts are or should be focused on reconciling the institutional emphasis on assessment and improvement and the state policy emphasis on accountability (Education Commission of the States, 1994). Where these aims intersect, the definition and use of indicators are very much the key to the reconciliation process. Before addressing that intersection, the following brief history illustrates the influence of these two different emphases on the current state of the art.

The Influence of the Assessment Movement

In the 1994 *Condition of Education* the following quotation from the first commissioner of education Henry Barnard sets the rationale for establishing a system of accountability.

> *"Why do we seek to know the condition of education? In the answer to this question will be found the reasons for the elaborate statistical record which forms a feature of all official school reports We take an account of education so that we may know whether it is sufficient in amount and good in quality"*

While one may debate the origin of the nation's concern with numerical indicators of the condition of education, since the 1984 report from the National Institute of Education (NIE) study group on higher education, *Involvement in Learning*, the notion of assessing the outcomes of higher education has been a persistent theme in the work of the U S Department of Education For over 120 years the U S Department of Education and its predecessor departments have been collecting data on the state of education and reporting them as factual, highly aggregated items of inputs and outputs In the 1980s the attention of policy makers, educators and the public turned to students and expanded and improved ways of describing the effects of higher education on students were sought A series of reports papers and conferences [for example, *Postsecondary Assessment, Report of a Planning Conference* (1986) *Performance and Judgment* (1988)] attempted to describe what existed as knowledge and tools to help colleges and universities plan and implement assessment efforts This was followed simultaneously by surveys of state-mandated assessment trends and handbooks on assessment from the national organizations representing state leaders and policymakers The national activity culminated in the establishment of an annual national assessment forum managed by the American Association for Higher Education A newsletter and numerous publications from major education publishers have advanced the field of assessment in theory and in practice, for students, for faculty and for administrators Recently, the research and forum activities in the assessment field have become more inclusive, addressing movements of Total Quality Management and continuous quality improvement for the institution

At the state level expectations for reporting results of education systems were driving an expanded effort to develop indicators that would both gauge the results of investments in education from year to year and be informative to the many stakeholders Lessons learned from the assessment movement about locating institutional data, coordinating its development and maintenance and using it to report the story of higher education were soon to become even more valuable, as states sought better indicators and comparable data across types of institutions and levels of institutions The demographics of students and their levels of participation in higher education were becoming important contextual information Therefore, what was learned about student satisfaction, employer satisfaction and program improvement through institutional assessment became relevant to state-level efforts At the same time, the language and methods of Total Quality Management applied to higher education combined many issues of assessment and accountability Finally, it was not surprising that a cross-fertilization of ideas and techniques occurred between the two fields Professionals in the assessment movement brought their knowledge and skills from the campus level to the next level of management concerns, that of accountability to the state and its public

The Promise of Indicators: National Perspective

The next stage in the development of current accountability systems is marked by a focus on indicators understanding what they are

developing good ones, and developing reporting contexts for indicators. An initial push in this direction came once again from the United States Department of Education. The core annual reports of the National Center for Education Statistics (NCES) shifted in the 1980s from publishing a simple compendium of statistics to two data presentations. One, *The Digest of Education Statistics*, was a virtually limitless set of data tables from NCES files and the other, *The Condition of Education*, was a carefully organized accounting of "debits and credits," a list of 30 indicators which covered student progression, context and resources. The education community assisted in developing these and the indicators themselves were comprised of available data. Over the past five years, NCES developed additional data sources to augment their initial set, expanding, for example, in the international indicators domain with the cooperation of the Organization for Economic Cooperation and Development (OECD). The current *Condition of Education* contains 60 indicators organized into access, participation and progress, achievement, attainment and curriculum, economic and other outcomes of education, size, growth and output of educational institutions, climate, classrooms and diversity in educational institutions, and human and financial resources of educational institutions.

In 1991, a National Center for Education Statistics study panel commissioned by Congress prepared a set of recommendations called *Education Counts: An Indicator System to Monitor the Nation's Educational Health*, the first comprehensive set of recommendations for reporting about all education levels. The work of this study panel straddled a period in which the National Goals Panel Resource and Technical Planning Groups were working on a set of indicators for the goals established by President Bush and the nation's governors. The NCES panel hoped to avoid the reflection of some particular policy agenda in its indicators, and its work resulted in the identification of two overarching goals: (1) the information from the indicators would be understandable to parents and educators and (2) the indicators could be clustered around major issues and concepts affecting schools, colleges and students.

The contribution of *Education Counts* in enumerating the current indicator developments efforts is substantial as is its description of the value of indicators and obstacles faced by developers, including:

- lack of agreement on a set of measures,
- validity and reliability of indicators currently available,
- achieving fairness in comparisons where student characteristics are the basis of indicators,
- the burden of reporting, and
- the corruptibility of indicators.

Six issue areas were identified in *Education Counts* to consider what matters in American education. The panel considered related questions and areas where data and indicators would build an inclusive picture of the issue, as follows: learner outcomes, acquisition of knowledge, skills and dispositions, quality of education institutions, readiness for school, societal support for learning, education and economic productivity, equity, and resources, demographics and students at risk.

At the same time, the National Goals Panel released its first report, *Building A Nation of Learners*. In the state report section, a page covering the (at the time) six goals was presented for each state and the education data for many of the goals was missing, because states did not have state level systems of data development and the national assessment efforts were not extensive enough in their sampling to support the production of state-level data. Also, the recommendations of the planning groups produced a core set of indicators that would help determine whether the

goals were actually being achieved and which could be updated at frequent intervals and regarded as "policy-actionable." By the most recent report, issued in 1994, it is noted in Appendix A that the "Goals Panel will formally organize a task force to work with federal, state and local data providers and users to develop strategies to fill the most critical data gaps." Of the 16 core indicators, it is noted that comparable data exist for nine and "not all states have data for all of these indicators." The 16 core indicators are part of a more comprehensive set for each goal which are reported in separate volumes of national and state data (*The National Educational Goals Report* 1994, p. 72). Thus even the impetus of the Goals Panel has not resulted in a set of indicators from which the public and policymakers can compare the nation's progress by state.

Observers of the trend toward better accountability systems can see the direct linkages between the areas of accountability and assessment and point to the effort of NCES to explore a national assessment system to measure progress towards the goal of increasing the proportion of college graduates "who demonstrate an advanced ability to think critically, communicate effectively, and solve problems," as an example of this linkage.

A sample-based system was proposed which would have been similar to the National Assessment of Education Progress (NAEP) for elementary and secondary education. Funds for implementation were not made available. However, much was learned in the exploration. There is an indication that an effort should proceed to develop "indicators of good practice" regarding the measurement of higher education outcomes. Addressing National Goal 5, the Goals Panel established a Resource Group which created a Technical Planning Subgroup report in June 1991, *Indicators of General Education Outcomes of College Education*, urging careful progress be made toward the creation of an indicator system which would recognize the diversity across institutions, students and the purposes of higher education. A series of papers and workshops were held by the NCES in 1992, summed up in *National Assessment of College Student Learning: Identification of the Skills to be Taught, Learned and Assessed*. Finally, leaders in the assessment movement were asked to address other sources of information about student outcomes, other than a standardized assessment instrument. The result was *A Preliminary Study of the Feasibility and Utility for National Policy of Instructional Good Practice Indicators in Undergraduate Education* (Ewell et al. 1994).

In this document, the authors start from the assumption that a direct approach to assessing abilities of college graduates would be "technically daunting and will be a long time in coming." The results of their work are summarized in a chart of potential indicators, classified by the categories of (1) institutional requirements, (2) instructional good practice, (3) student behavior, and (4) self-reported cognitive development. The contribution of this document to the art and science of developing accountability systems is found in its evaluation of the relevance of each indicator to reporting on the outcomes of student learning in higher education, the description of available methods for collecting the necessary data, and finally an assessment of the ease of data gathering and potential for the use of the indicator.

Another new report by The Educational Testing Service, *Learning by Degrees*, takes stock of the state of the nation's data on outcomes of higher education, and details:

- Syntheses of individual research studies showing the effects of collegiate experience on verbal and quantitative skills, oral and written communication, critical thinking, use of reason and evidence to address problems, and intellectual flexibility.
- Quantitative and analytic scores on the Graduate Record Exams and scores on the eight subject tests. Scores on the major preprofessional exams required to enter professional schools, such as business, law and medicine.

- Literacy assessment of all adults is now a regular, systematic function of NCES. In 1992 the first assessment was completed. Results are available by the level and control of institutions in which adults participated, which provides a direct tie to the outcomes of the collegiate experience and can determine differences by age ranges, which inform us about the difference in the collegiate experience of adults now retired, as well as younger generations of college participants and graduates.

- Successes of graduates regarding employment has been regularly assessed through the Recent College Graduate Surveys. The National Longitudinal Study and the High School and Beyond Surveys and follow-up surveys give us good descriptions of the importance of education in the lives of those who have participated in it. The most recent release of the 12-year follow-up report from High School and Beyond, for example, addresses degree attainment and work outcomes from the cohort of 1980 high school sophomores. "Baccalaureate and Beyond" will be the next survey effort sponsored by NCES to include this component of tracking students. This effort will supplant the Recent College Graduate Survey and follow the effort already begun with the "Beginning Postsecondary Student Study."

Characteristics of Indicators and Accountability Systems

At this point in the recent history of indicator and accountability system development, there have been some important lessons learned which should guide states as they proceed with their own efforts. First, experts working on the aforementioned reports emphasize that accountability systems must be based on a model of how the educational system actually operates. When this occurs, the indicators which are products of these systems reflect the complexity and interdependence of different elements of the system and can be interpreted singly and in tandem with others.

A second rule that applies is that an accountability system should take into consideration both the internally-directed and externally-directed nature of indicators. The internal ones address institutional concerns about students, the external ones about the clients of education, the interaction between the institution and the community or the state it serves.

The following principles presented as guiding questions for the development and use of indicators are abstracted and cited from four reports: *Creating Responsible and Responsive Accountability Systems* (OERI 1988), *Education Counts* (OERI 1991), *Community Colleges: Core Indicators of Effectiveness* (AACC 1994), and *Charting Higher Education Accountability* (ECS 1994).

1. Does the indicator address enduring issues, measuring what is important and not settling for what can be measured?

2. Is the indicator supported by a comprehensive information system? Can the data be obtained at a reasonable cost?

3. Is it part of a commitment to track important data over time, ensuring that documenting and improving effectiveness is a developmental process?

4. Is there a standard of comparison or a benchmark against which progress can be measured?

5. Is the ongoing reliability of the indicator regularly assessed? Are changes made when needed?

6. Is the indicator monitoring educational outcomes and processes wherever they occur?

7. Is the indicator credible to college personnel who are in a position to change institutional behavior?

8. Can the indicator be readily understood by external decision makers? Is it credible to them?

9 Is the indicator presentation such that the public can discern strengths and weaknesses and understand the system even if they are not experts?

10 Does the indicator provide information that will help the institution to improve? Does it encourage the institution to value the right things?

11 Does the indicator reflect the perspectives and concerns of multiple constituencies?

The Promise of Indicators: State Perspective

State governance and monitoring organizations have been working with many of these resources to assemble their accountability reporting systems. In 1905 what might be considered the first state report card was released by the Douglas Commission (*Report of the Massachusetts Commission on Industrial and Technical Education*) when the state carefully researched the combination of educational and labor factors which were barriers to its successful competition in the world markets. One of the driving forces behind this series of studies was the recognition that many children were not in school (high school completion was the terminal degree for most educational participants). The researchers found that parents did not believe the typical high school curriculum would prepare their children for available jobs created by the newly industrializing society. Noting that the high school curriculum was out of balance, the report recommended that proper training could improve the state's economic output. This is the first time the economic competitiveness of the country emerged as the real theme behind school (read curriculum) reform (Kliebard 1989). Inspired by the findings, researcher Leonard Ayers developed an Index of Efficiency to compare the relationship of the finished product—the student—to the raw material (Ayers 1909). The implications of such work led to subject standards, a focus on deficiencies, and the movement to embrace compulsory attendance.

Once seen in a historical perspective, the current state of accountability systems is surprising and understandable at the same time. States share a set of concerns and have access to the same resources, thus it makes sense that they would select similar indicators to describe the resources of their educational systems and the anticipated outcomes. However, the state of the art of indicator development has progressed only so far. At this point developers conceive of specific indicators, not data systems, and it is easy to become mired in the obstacles of data comparability and reliability. The reports issued are often limited in their flexibility and use when the driving force behind them is a public relations impact or the need to report the findings of a one-time special commission. A review of state histories of indicator and reporting systems by ECS (1994) and AASCU's own review of state report cards show similar indicators used as reference points. For example, a set of indicators in the domain of institutional financial impact on the state might include

- Direct spending by colleges and universities and the implications for state tax revenues,
- Number of jobs supported by public higher education,
- Number of dollars (new) generated by the state investment in higher education,
- Level of sponsored research at the state institutions and medical schools,
- Sources of funds (narrow or broad) for the general operating budget, and
- Funds raised by the institution from individuals, corporations foundations and other private organizations

A set of indicators intended to describe the human resources of the institution would include

- Distribution of instructional faculty by teaching, research and service activities
- Number of administrators compared with similar institutions and
- Pay for professors compared by mission of institution

A set of indicators intended to describe the student resources for the institution and for the state might include

- Number of students who graduate and stay in the state.
- Overall level of education of the state residents, related to the institutions from which they graduated
- Origin of the students in the state institutions.
- Diversity of students in terms of the state's population
- Percentage of undergraduates who enter as first-time freshmen compared with transfers from in-state and out-of-state institutions.
- Retention rates of returning freshmen, and
- Graduation rates and the profile of entering students

The ECS study of state accountability systems and Richardson's analysis point to at least 10 states "in the vanguard" of outcomes assessment regarding educational systems. Yet even among these states, Richardson finds a lack of clarity as to their purpose, that is, for overall planning, institutional accountability, budgeting, or focused problem-solving. If you review available state report cards as evidence of the indicators and the use of the accountability systems in specific states, you come to a similar finding. Report cards are developed to answer specific questions and do not allow for the recombination of elements around other issues, as was suggested, for example, by *Education Counts*. Distinguishing among input, output and outcome indicators, Richardson offers a different conceptual model addressing the problem of accountability reporting, offering hope of reconciliation between the goals of states and institutions.

The Third Stage: Quality as a Reconciling Dimension

Richardson advises that an accountability system is most useful when it incorporates "requirements for planning, institutional improvement, and accountability" in its design. When accountability systems reflect the nature of postsecondary education, indicators will be developed which can be sorted and resorted to respond to each of these important system activities. In much the way *Education Counts* recommends organizing indicators around issues, Richardson recommends organizing these measures of educational institutions and systems into categories he calls cost/benefit, process-based, product-based, and user-based. The flexibility which is the result would serve the needs of the multiple contributors and users of the system.

It is not unusual, over the history of a movement, for a number of individuals to come to the same conclusions, expressed differently. That the guiding questions and principles for accountability systems have been clearly stated is good news. It is possible to set up comprehensive and flexible accountability systems, using the lessons learned from institutional assessment and state and federal accountability efforts. Once such a system is in place, the focus of policy-makers and data developers alike can turn to the questions of value about which so many are interested, and away from the often cited behavior "What is valued gets measured, and what is measured gets valued."

Resources on Assessment and Accountability Systems

Assessment

■ Publications of the Office of Educational Research and Improvement, U.S. Department of Education

- *From Reports to Response* 1986
- *Assessment in American Higher Education* 1986
- *Postsecondary Assessment: Report of a Planning Conference* November 20 1986
- *Performance and Judgment: Essays on Principles and Practice in the Assessment of College Student Learning* 1988
- *National Assessment of College Student Learning: Issues and concerns: A Report on a Study Design Workshop*. 1992
- *National Assessment of College Student Learning: Getting Started* 1993
- *The National Assessment of College Student Learning: Identification of the Skills to Be Taught, Learned, and Assessed* 1994
- *A Preliminary Study of the Feasibility and Utility for National Policy of Instructional "Good Practice" Indicators in Undergraduate Education* 1994

■ Publications of National Organizations

- Education Commission of the States. *State Initiatives in Assessment and Outcome Measurement: Tools for Teaching and Learning in the 1990s* May 1990
- American Association for Higher Education. *The Assessment Forum Report 1991: Reprints of Two Papers Treating Assessment's History and Implementation*
- The Council on Postsecondary Accreditation Project on Accreditation for Education Effectiveness. *Assessment Tools for Improvement: Perspectives on Assessment and Accreditation and Accreditation for Educational Effectiveness*. February 1993

Accountability and Indicators

■ Publications of the Office of Educational Research and Improvement, U.S. Department of Education

- *Creating Responsible and Responsive Accountability Systems: Report of the OERI State Accountability Study Group*. 1988
- *Education in States and Nations: Indicators Comparing U.S. States With the OECD Countries in 1988* 1993
- *Education Counts: An Indicator System to Monitor the Nation's Educational Health*. 1991

■ Publications of National Educational Organizations

- American Association of Community Colleges. *Community Colleges: Core Indicators of Effectiveness* 1994
- Education Commission of the States. *Charting Higher Education Accountability* 1994
- The National Education Goals Panel. *The National Education Goals Report* 1991, 1992, 1994
- Educational Testing Service. *Learning by Degrees: Indicators of Performance in Higher Education* 1995
- Southern Regional Education Board. *Report Cards for Education Accountability Reporting in SREB States* 1991
- Southern Regional Education Board. *Educational Benchmarks* 1992

Highlights

- ✓ In 1994 AASCU and Sallie Mae conducted a third survey of AASCU members to study institutional retention results
- ✓ AASCU member institutions graduate 40 percent of a freshman class after six years
- ✓ At AASCU institutions 44 percent of female students complete college in six years compared to 37 percent of male students
- ✓ On average, more students who transfer into a college complete in the same time frame than those who start and complete at the same school

What it means

In the not too distant past one of the indicators of a college's academic quality and rigor was the percentage of the freshman class that was "washed out." Thus the first year in college was conducted as a gate-keeping experience to cull out those who did not belong in higher education. Students who survived became part of the "merit system" of the academy.

Times have changed, however, and the focus for determining who should be in college and who shouldn't has been front-loaded onto the admissions process. No longer is it acceptable to policy-makers and funders to determine access via performance in college. Rather, the burden on higher education is to accurately predict those who belong and to admit only those "likely to benefit." Benefit has come to mean only one thing in policy-maker's eyes—completion of the program.

Colleges and universities are adjusting to this policy and practice change but have not made a complete transition to the new policy emphasis. In addition, the efforts being made are not uniform. When the AASCU surveys began, a small percentage of colleges and universities had established retention goals from freshman to sophomore status and a smaller group had established completion goals. There has been considerable growth in the past three years in tracking student progression. The AASCU/Sallie Mae National Retention study will provide foundation information. Participating colleges and universities should be able to roughly calibrate where they think their performance should be. They should also be able to begin to focus support and administrative efforts to predict retention success and track the outcomes of admissions decisions.

Program profiles submitted to AASCU by its members indicate that the emphasis on retention and completions has not resulted in the exclusion of students who might be considered high-risk. These institutions have maintained their historic commitment to access and have continued to seek ways to retain all groups of students. In addition, the tracking efforts have resulted in new public conversations about student completion and in improved communication about this topic with higher education stakeholders and consumers.

Findings

In 1991, the American Association of State Colleges and Universities, concerned about the academic success of underrepresented groups in higher education, initiated a research project on retention. Its goal is to help state colleges and universities improve their retention and graduation rates for all students, but especially those from traditionally underrepresented populations. AASCU is one of a few higher education organizations working with members to develop a national database on current cohort graduation rates that is representative of its sector.

The focus of the AASCU/Sallie Mae retention project is on institutional characteristics and resources, as opposed to the focus on the students' behavior that characterizes most of the research in this area. The project allows schools to take action regarding retention and measure its effects at an organizational level.

Retention

With support from Sallie Mae (the Student Loan Marketing Association) AASCU administered surveys to member institutions in 1992 and 1993. These surveys elicited information regarding institutional strengths and weaknesses in retention efforts, policies and practices, and graduation and retention rates. The 1993 survey asked for the actual numbers behind the rates so that AASCU staff could analyze the data in the aggregate.

Using the data collected in the surveys, AASCU selected 75 institutions to participate in a program to disseminate good retention practices and to improve institutional practices in this area. Regional retention conferences are held each year, hosted by leaders in student retention. A national advisory panel of retention scholars was established to provide expertise in research and practice, and consult with project participants on activities, outcomes and dissemination of project results. A session on retention is also held at the AASCU Annual Meeting to increase dialogue and learning on the topic. Table 23 shows the results of three successive surveys to document graduation rates.

Each survey effort in the National Retention Project has sought to enhance the understanding of campus conditions that support retention of students to graduation. In 1992 and 1993, data collection focused on goals and conditions. In 1994, examples of model programs were collected. Compendia of these programs have been prepared to support institutions' information needs.

Table 23. Six-Year Graduation Rates at participating AASCU institutions*

	1985 Freshman Cohort	1986 Freshman Cohort	1987 Freshman Cohort
Number of responding institutions	170	188	213
Range	6.5 to 80.6	9.5 to 75.9	3.3 to 75.3
Average	**	40.6	40.5
Male	15.4 to 51.0	36.6	35.8
Female	15.6 to 82.9	44.0	43.7
Black, Non-Hispanic	**	27.5	28.0
American Indian/Alaskan Native	**	25.1	24.5
Asian/Pacific Islander	**	43.2	41.9
Hispanic	**	29.9	30.9
White, Non-Hispanic	**	43.8	42.6
All Minorities	**	30.1	**

*Surveys were conducted in 1992, 1993 and 1994. The first survey requested that institutions provide their own graduation rate estimates. In the two succeeding surveys, a form was used that was based on the National Center for Education Statistics pilot Student-Right-to-Know Graduation Rate Survey, collecting actual cohort numbers.

**Data not available at this level of detail

In 1993, participating institutions were asked whether they had numerical graduation/retention goals, and 46 of them (24 percent) indicated they did. Of those, 45 percent reported they had numerical goals for the freshman cohort graduation rate, one third reported numerical goals for freshman-to-sophomore retention, 26 percent indicated they were planning or developing goals, and 9 percent indicated they had numerical goals for the retention and graduation of students from traditionally under represented groups.

Seventy-two percent of the respondents indicated that state funds were the primary source of funding for retention programs. Sixty-seven percent of the respondents indicated that changes in state appropriations were a threat to the continuation of retention programs. Four key strategies were identified for institutionalizing retention.

programs on campuses receive top administrative support (76 percent), fund by institutional base budget (70 percent), build into strategic planning efforts (58 percent), and track in institutional self-study (49 percent)

Retention programs with the best chance of success were those that addressed the culture and environment of the campus and the role they play in student retention and graduation The survey of participants addressed this by asking about campus climate and administrative arrangements regarding retention and graduation. Respondents at 75 4 percent of the campuses indicated that the statement "retaining and graduating more students" was one of the top three priorities of their campus administrators was "descriptive" or "very descriptive" of their campus A statement that "outreach staff provide community college transfer students with accurate and timely advice about course planning, financial aid and transfer requirements" was rated the same by 67 8 percent of the respondents (However only 38 percent found a statement that "administrators meet regularly with their community college counterparts to assess the preparation of transfer students" to be descriptive or very descriptive of their campuses) A statement that "the institution maintained ties to the K-12 community to support adequate preparation of students" was found to be descriptive or very descriptive of 54.6 percent of responding campuses Less than half, 47 percent, responded the same regarding a statement that the institution has an office that coordinates the assessment of student achievement, faculty development and program improvement "

One of the key conclusions of the 1993 study was "Research on student retention suggests administrative commitment, strategic planning and assessment, early, direct and frequent feedback to students; commitment to student success, and a focus on teaching improvement are effective campus strategies to improve retention and graduation rates at state colleges and universities However, most AASCU respondents *do not* integrate key academic and social conditions in a systemic approach that would improve retention and graduation rates as well as the campus culture. Instead, an isolated programmatic approach continues to be used to change administrative, instructional and advising practices Typically there is no routine program evaluation "

Technology[42]

Highlights

- ✓ Nearly half of the AASCU institutions have adopted institution-wide goals for academic uses of information technologies and more institution-wide plans are under development
- ✓ Institutional communication via technology is the most often identified goal of these plans, followed by student mastery and then faculty mastery
- ✓ Networks link faculty, staff and administrators at almost all campuses and nearly half include classroom links on the network
- ✓ Adequate financial resources is the biggest barrier to achieving the goals, followed by competing academic priorities
- ✓ Most institutions do not have explicit expectations for faculty to develop information technology competencies
- ✓ The vast majority of institutions provide a variety of services to support faculty development of information technology competencies

What it means

Higher education is beginning to mature in its use of and expectations for information technologies. The benefits to communication within the institution are readily apparent and relatively easy to implement. An important aspect of this is student communication with faculty. Such access to faculty is enriching learning environments. The development of formal plans means that institutions want tangible returns on their acquisition investments. Not surprisingly, institutions are focusing on student and faculty mastery of the communication technologies. Significant resources are now being directed to fund services that support faculty mastery of these skills. This investment in the human resources of the campus will result in more comprehensive use of these technologies and eventually more sophisticated uses of the technologies to support learning.

Findings

American state colleges and universities as a group are just beginning to explore the possibilities of technology within higher education. Within the past five years, interest in using information technology (IT) for teaching, research and service has grown across all facets of the higher education community.

In response to the growing interest and subsequent need for information on the topic, the American Association of State Colleges and Universities (AASCU) conducted a survey on the use and management of information technology at its member colleges and universities. The 1994 survey defined information technology (IT) as the application of electronic and other technologies, e.g. computers, communications satellites, fiber optics, video-recording, etc., to help produce, store, retrieve and distribute analog or digital representations of information. Part one of the questionnaire asked the respondents to provide information on any goals and expectations for the use of IT, and availability, management and institutional support of information technology for instruction. The second part was distributed to faculty and administrators so they could submit profiles on technology efforts or initiatives at their institution.

Out of the 369 members of AASCU, 230 institutions responded. It was noted during the analysis of the data that the size of an institution was a key factor in its approach to using and managing information technology. Therefore, respondents were divided into three categories based on enrollment size: small (under 5,000), medium (between 5,000 and 12,000) and large (12,000 and over). Seventy-one responding institutions fall in the small category, 98 are in medium and 61 fit into large.

Slightly less than half (47 percent) of all the respondents have adopted a plan specifying institution-wide goals regarding the academic uses

of IT. Twelve percent of responding institutions said a plan was under development. (Size categories were used where the differences in percentages amounted to 15 percentage points or more.)

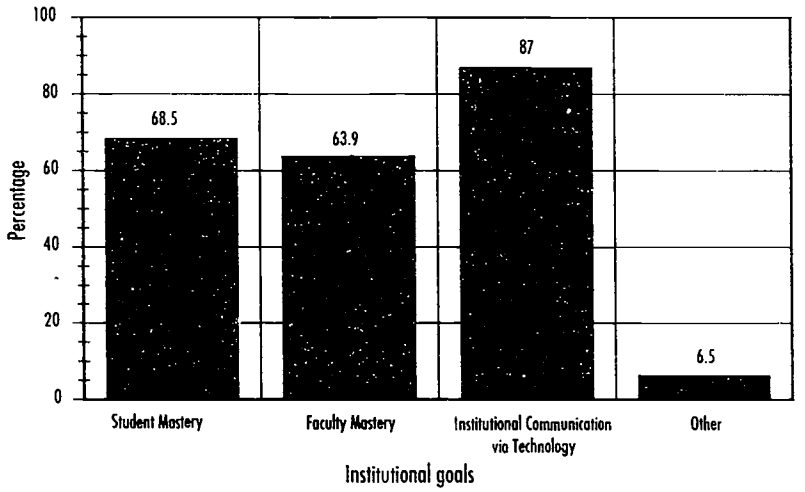
As indicated in Table 24, institutional communication via technology was most often identified as a primary goal of the plan. Eighty-six percent of all the institutions stated this was a goal in their plan. (See also Graph 17.)

The respondents were asked to identify what, if any, barriers to their plans they were facing. Not surprisingly, 85 percent of the institutions reported a lack of adequate financial resources as the primary barrier to achieving their goals. Table 25 illustrates the types of impediments institutions encounter by their size.

Faculty members at most institutions, regardless of size, are expected to assess their own technology competency levels. Approximately 89 percent of the responding schools do not have an institutional effort to measure faculty abilities in technology. Furthermore, about four-fifths of the respondents say there are no explicit expectations for faculty in developing their own IT competencies.

Campuses do provide support for the faculty's development of their technology skills, however. Table 26 shows the percentage of institutions

Graph 17. Percentage of Institutions Reporting that Goals Address the Following Issues



Source: AASCU Technology Report 1995
AASCU Office of Association Research

Table 24. Percentage of Institutions Reporting that Goals Address the Following Issues

Student Mastery	68.5
Faculty Mastery	63.9
Institution Communication via Technology	87.0
Other	6.5

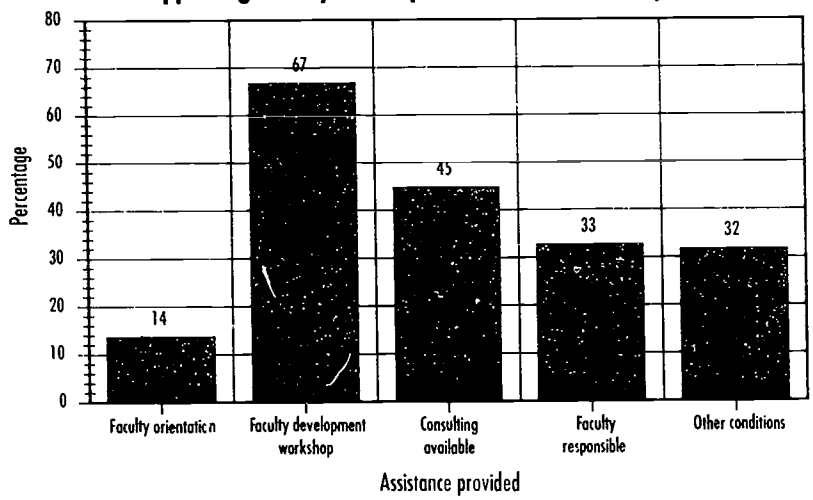
Table 25. Percentage of Institutions Reporting Barriers that they are Encountering in Attempting to Meet the Goals, by Size

	All	Small	Medium	Large
Lack of adequate financial resources	85.0	84.6	88.9	75.0
Inadequate faculty participation	16.8	30.8	16.7	14.3
Lack of student interest	0.9	0.0	1.9	0.0
Competing academic priorities	52.3	50.0	59.3	39.3
Other	15.0	11.5	13.0	21.4

Table 26. Percentage of Institutions Reporting Conditions Supporting Faculty Development of Info Tech Competencies

Faculty orientation to info tech provided	52.6
Faculty development workshops/courses are provided	75.2
Consulting is available when needs identified	73.9
Faculty are responsible for own development	37.0
Other conditions	7.0

Graph 18. Percentage of Institutions Reporting Conditions Supporting Faculty Development of Info Tech Competencies



Source: AASCU Technology Report, 1995
AASCU Office of Association Research

Table 27. Percentage of Institutions Reporting that Specific Information Technology Requirements Exist for Students

Admission to institution	0.9
Admission to specific major	13.5
Graduation from specific programs	58.3
Graduation from the institution	21.7
Other	13.9

that offer such support and the means by which it is offered (See also Graph 18.)

AASCU also asked campuses to report on their requirements for students. Over two-thirds of the returned surveys indicated goals for student mastery existed in the institutional IT plan. The most common area for these expectations to be in place is in a specific program as a requirement for graduation (Table 27).

Less than 3 percent of the surveyed campuses require all undergraduates to provide their own computer and more than three-fourths believe campus access to computers is sufficient. The median number of computers available for student use at small campuses is 150, at mid-sized 300 and 545 at large institutions. Table 28 lists the types of software available to students in general access computer labs by institution size.

Ninety percent of the responding institutions have campus-wide computer-based networks in place. These networks link faculty, staff administration and department offices, as well as computer labs and libraries in 90 to 99 percent of the campuses, regardless of size. Approximately half of all the institutions have classroom links. Residence halls are the least likely to be hooked up to the network.

Table 28. Percentage of Institutions with the Following Applications Available to Students, by Size of Institution

	All	Small	Medium	Large
Computer–based instruction	52.4	50.7	47.4	62.3
Internet/BITNET access	79.0	62.0	86.6	86.9
Spreadsheets	98.3	95.8	99.0	100.0
Access to online databases	54.1	40.8	52.6	72.1
Word/text processing	97.8	97.2	96.9	100.0
Other	21.4	23.9	16.5	26.2
Statisticol analysis	89.5	80.3	89.7	100.0
Database management	86.5	83.1	87 6	88.5

Endnotes

1 National Governors Association, National Association of State Budget Officers *Fiscal Survey of States* Washington, D C November,1994 Page3

2 Ibid , page 9

3 Ibid , page 44

4 Ibid , page 14

5 Ibid , pp vii, 5.

6 *State Budget and Tax News* Vol 14, No 1 (January 9, 1995), p 4.

7 *State Budget and Tax News*, Vol 14, No. 2 (January 19, 1995), p 2

8 *State Budget and Tax News*, Vol 14, No 3 (February 3, 1995), p 3

9 "Greenspan Sees a Recession", *Detroit Free Press* June 8, 1995, page 1E

10 Ibid , pp 4, 12

11 *State Budget and Tax News*, Vol 13, No 24 (December 21 1994), p 10

12 *State Policy Reports*, Vol 13, No 1 (January, 1995), p 19

13 National Conference of State Legislatures *Issues Outlook* 1994 *a Survey of Current Legislative Priorities* Denver January, 1994 p 11

14 *State Policy Reports* Vol 11, No 8 (April, 1993), p 18

15 This section of the report draws heavily on the AASCU/NASULGC enrollment report The survey and summary, *Estimates of Fall Enrollment at Public, Four-Year Institutions*, was an annual project jointly produced by the American Association of State Colleges and Universities (AASCU) and the National Association of State Universities and Land-Grant Colleges (NASULGC) (This project is no longer done) The survey was mailed in November 1993 to 568 public, four-year institutions of higher education in the United States and its territories approximately 93 percent, or 528 colleges and universities, responded These colleges and universities included 300 AASCU members, 104 NASULGC members, 36 members of both AASCU and NASULGC, and 88 non-affiliated institutions Survey data are reported by academic level and attendance status for four groupings institutions by 1994 Carnegie Classification institutions by geographic region institutions by association membership, and institutions by HBPCU (Historically Black Public College or University) identification

*Survey forms are preprinted with the previous fall data so that respondents may correct figures. Note when comparing the results of the current survey with those released in prior years' reports, that corrections made by institutions sometimes result in adjustments to the previous year's figures. Guidelines developed for the survey seek a consistency of response by following, as closely as possible, the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS) definitions for identifying and reporting appropriate enrollment cohorts. To ensure consistency in the estimated total enrollment and overall percent change from one year to the next, missing data for the previous year is filled in using the IPEDS data file, and the estimate for the current year is then based on a full data set from that previous year.

The enrollment report was compiled by Heather Strand and Laura Stapleton of AASCU's Office of Association Research.

16. American Association of State Colleges and Universities, National Association of State Universities and Land-Grant Colleges. *Student Charges at Public, Four-Year Institutions, Fall 1994*. Washington, DC, September, 1994. This chapter is based almost entirely on the aforementioned report, which was written by Heather Strand. Readers desiring further details should consult the original report, available from AASCU's Publications Office.

17. Student charges figures for Table 13 are taken directly from the Fall 1994 Student Charges report. Tuition figures in subsequent tables that are cited as coming from the AASCU/NASULGC survey are from the complete Student Charges files of the Office of Association Research, which contain figures for schools that reported too late to be included the written report. These figures will not match the earlier tables, nor the text that accompanies the latter. The later, more complete figures are used to provide a fuller picture of the situation, but the Student Charges report material has been retained in its original form so it will match the report from which it was drawn. Where AASCU/NASULGC figures for more than one year are used, the data have been adjusted to exclude schools that were not in all the years covered. This is to insure that the figures are the results of year-to-year changes, and not variation in which schools responded from year-to-year.

18. Cheryl D. Blanco, "Doing More With Less: Approaches to Shortening Time to Degree", *SHEEO Redesign Extra*. Denver: State Higher Education Executive Officers, Fall 1994.

19. It should be noted that the increase calculated for New York reflects the impact of a recent policy in the CUNY System implemented in 1992. According to this policy, new (first-time) students pay higher charges per year than students who enrolled prior to 1992 (continuing students). The lower rate for continuing students is being phased out as these students graduate. Thus, the 1992 and 1993 average charges and percent changes for New York were based on the lower "continuing student" rate, which more closely reflected the composition of the student body at that time, while the 1994 average charges and percent changes for New York are based on the higher, "new student" rate, since the majority of the "continuing students" have moved on.

20. A 100 percent response was not achieved in each state; thus actual state averages may differ from these calculations. Note that with a smaller base tuition and fees amount, a relatively modest change in the dollar amount can produce a large percentage change.

Endnotes

21 National Center for Education Statistics *Digest of Education Statistics*, 1994 Washington, D C

22 Jerry S Davis, Deborah Nastelli and Kenneth E Redd. NASSGP 25*th Annual Survey Report*, 1993-94 *Academic Year, State Funded Scholarship/Grant Programs for Students to Attend Postsecondary Educational Institutions* Harrisburg, Pennsylvania National Association of State Scholarship and Grant Programs May, 1994 p 2

23. Jerry S. Davis, Deborah Nastelli and Kenneth E Redd NASSGP 24*th Annual Survey Report*, 1992-93 *Academic Year, State Funded Scholarship/Grant Programs for Students to Attend Postsecondary Educational Institutions* Harrisburg, Pennsylvania National Association of State Scholarship and Grant Programs March,1993 p. 43.

24 Davis, Nastelli and Redd, 1994 op cit., p. 42

25 Davis, Nastelli and Redd, 1993, op cit p. 41

26 Davis, Nastelli and Redd 1994, op. cit., p 2

27 Ibid . p. 4

28. Ibid . p 4.

29 Ibid . p 5

30 Ibid . p 13

31 Ibid . p 13

32 Ibid . p 20

33 The Federal Methodology (FM), the 1992 Higher Education Act Amendments' successor to the Congressional Methodology (CM) is 100 percent tuition sensitive, i e . it results in higher aid eligibility in direct proportion to tuition costs In states using CM, FM or modifications of these means tests, the substantially higher cost of attendance at private institutions results in dramatically high levels of need in that sector, often despite the fact that private sector students' family resources are also substantially higher than those in the public sector. This, in turn, causes the phenomenon discussed here, i e . that students in the private sector, despite their greater economic resources and fewer numbers, receive almost half of the dollars of state needbased aid (This explanation courtesy of Barmak Nassirian, Office of Governmental Relations and Policy Analysis, American Association of State Colleges and Universities, personal communication)

34 Davis Nastelli and Redd 1994 op cit p 17

35 Ibid . p 20

36 Ibid., p 21

37 Ibid., p 22

38 Ibid., p 21

39 Ibid., p 16

40. Ibid., p. 12, and American Association of State Colleges and Universities, National Association of State Universities and Land-Grant Colleges *Student Charges at Public, Four-Year Institutions, Fall* 1994. Washington, DC. September, 1994. Readers should note that the average change in the basic aid categories, like any calculation of the mean, will be greatly effected by extreme values. For example, if one calculates the average percentage change between 1992-93 and 1993-94 but leaves out Georgia, which had an increase of 140.5 percent in this time period, the figure declines from 11 88 percent to 9 36 percent If one also excludes the state of Washington, which had an aid increase of 99.24 percent during the same interval, the nationwide average would be 7 56 percent

41 American Association of State Colleges and Universities AASCU/Sallie Mae National Retention Project, 1993 Survey Results, page 16. Washington, DC 1994 Pamela Arrington

42 This chapter was written by Rachel Taylor of the Office of Association Research and is a synopsis of "Results from the AASCU Survey on the Use and Management of Information Technology for Instruction." The report concentrates on six areas

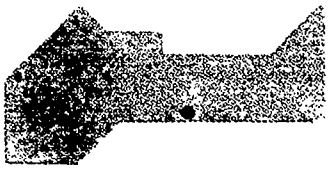
- Student Access and Competencies
- Distance Education
- Institutional Expectations for Faculty
- Institutional Goals and Plans
- Connecting the Campus
- Managing and Financing IT

For a copy of the complete report or the profiles directory, which details the use of information technology for instructional purposes on member campuses, contact AASCU's Publications Office at 202/293-7070

Puerto Rico

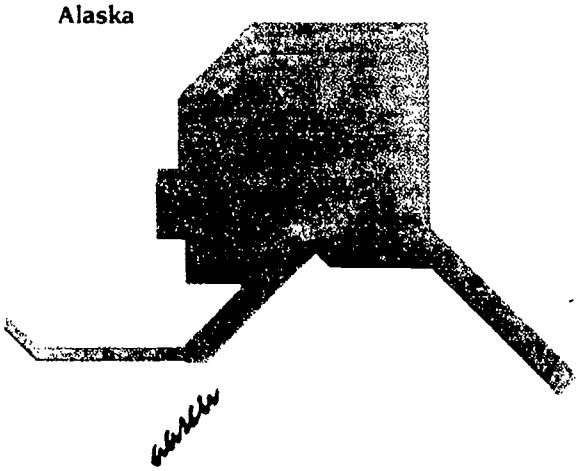
Virgin Islands

Guam

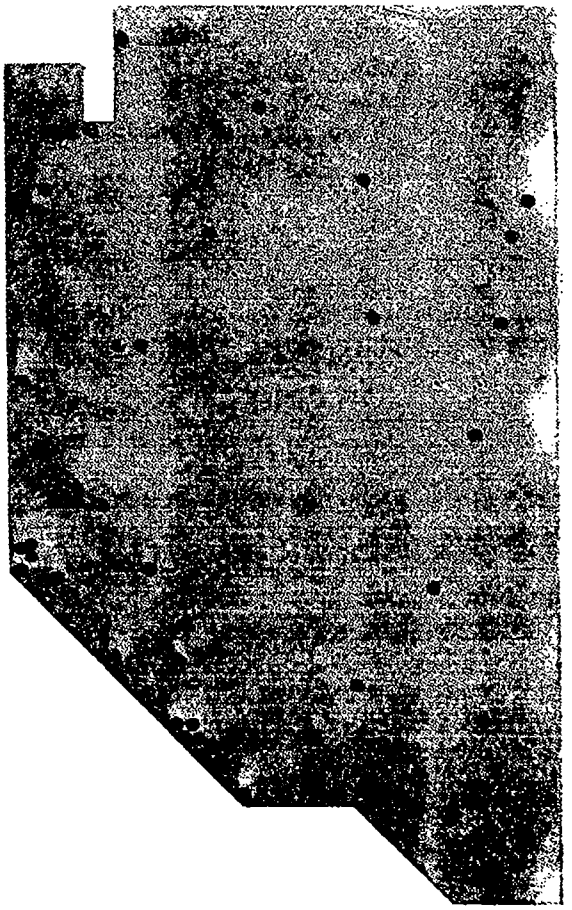


Hawaii

Alaska



Continental United States



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