State Higher Education Finance

FY 2003

SHEEO

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

Copies of this report are available from SHEEO. Visit our website at http://www.sheeo.org/publicat.htm for more information.

State Higher Education Finance

FY 2003

A project of the staff of the State Higher Education Executive Officers (SHEEO)

Principal contributors:
Paul E. Lingenfelter
Hans P. L'Orange
Susan B. Winter
David L. Wright

Additional contributors and collaborators:
Tara Bisel (Data management and report generation)
Tricia Coulter (Development of the Higher Education Cost Adjustment)
Dianne Peterson (Report generation and proofreading), and
Penny Austen (Editorial Consultant)

SHEEO

Preface & Acknowledgments

SHEEO's State Higher Education Finance (SHEF) report contributes to a long tradition of studies giving policy makers and educators perspective on state higher education finance in the United States. The surveys of various federal agencies, including the National Center for Educational Statistics and the Bureaus of Economic Analysis, Labor Statistics, and the Census, provide a rigorous foundation and a reference point for such work. Over the years a community of policy analysts has utilized federal surveys, collected supplemental data, and performed a wide range of analytical studies to address questions of interest to policy makers. Directly and indirectly the SHEF report is indebted to all those who have contributed to this field.

SHEF builds directly on a twenty-five year effort by Kent Halstead, a prolific scholar of state policy for higher education, who conceptualized and implemented a report on state finance for higher education and created a file of state financial data that extends back to 1972. Halstead's data have been frequently used in the states as a resource to inform policy decisions. While he never described it as such, his survey became widely and popularly known as the "Halstead Finance Survey." Dr. Halstead ceased publishing his study after the 1998 edition and in 2000 agreed to transfer his historical data to the State Higher Education Executive Officers association, whose members expressed interest in resuming and perpetuating such an annual study.

While this edition includes changes, and future editions of SHEF will continue to evolve, Kent Halstead's contributions to higher education policy analysis in the United States will endure. It is a pleasure to acknowledge his contributions and an honor to build on his work.

SHEF also directly uses the surveys and analytical tools provided by federal agencies and the long-standing *Grapevine* survey established in 1962 by M.M. Chambers and maintained by his successors, Edward Hines and currently James Palmer, at Illinois State University. Their work helps make this project possible and gives it important reference points for cross-validation.

The SHEEO staff is grateful for advice during the development of this study from state higher education finance officers (SHEFOs) and Joe Marks, who conducts the Southern Regional Education Board Data Exchange. And finally, we are deeply indebted to the staff of state higher education agencies who have provided the data for this report. The names of those providing data for the fiscal 2003 report are listed in *Appendix C*.

Paul E. Lingenfelter
Executive Director
State Higher Education Executive Officers

Table of Contents

List of Figures & Tables

Figures:

Tables:

Appendix Tables:

Overview and Summary of National Trends and Interstate Comparisons

Overview

The State Higher Education Finance (SHEF) report is a tool to help policy makers and educators address broad public policy questions such as:

- What level of state funding to colleges and universities is necessary to achieve the educational goals required for the economic and social well-being of the American people?
- What tuition levels are appropriate given the costs of higher education, its benefits to individuals, and the desirability of encouraging participation?
- What amounts and forms of student financial assistance are required to provide meaningful educational opportunities to students from low and moderate-income families?
- To what extent might colleges and universities increase productivity or reduce expenditures without impairing the quality of services to students?

While no report can answer such difficult questions, SHEF seeks to inform policy deliberations with information and perspective on financial issues and national trends. The report includes the following chapters:

- "Making Sense of Interstate Higher Education Finance Data," a discussion of technical limitations and appropriate uses of interstate financial comparisons;
- "Funding Sources and Uses," an overview of all state revenue sources supporting higher education (state and local taxes, lotteries, royalties, and state-funded endowments) and the uses for which they are employed;
- "National Trends and Interstate Comparisons," an analysis of state funding and net tuition revenues per full-time-equivalent (FTE) student; and
- "Perspectives on State Tax Capacity, Tax Revenue, and State Support of Higher Education," an analysis of state wealth and tax revenues per capita, and the states' allocation of revenues to higher education.

The report also provides three technical essays that discuss: a) the Higher Education Cost Adjustment (HECA) used by SHEF to estimate the effects of inflation on higher education; b) SHEF's analytical adjustments for interstate differences in the cost of living and the proportion of enrollments among types of institution; and c) the differences between various sources of information on state higher education finance. Appendices to the study provide data on individual states and other supporting information.

Summary of National Trends and Interstate Comparisons

Recent declines in state support for higher education have received substantial public attention. Some suggest that states are abandoning their historical commitment to public higher education, and are expecting parents and students to pay a larger share of the cost. A national view stretching back to 1970 and a more detailed look within

states over the past dozen years, however, indicates that such a conclusion is superficial and premature. As demonstrated in the following list of findings, states have substantially increased support of higher education, even though they struggle to keep pace with enrollment growth and inflation, especially in times of recession.

1. Higher education enrollments nearly doubled–a ninety-eight percent increase–from 1970 to 2003. During this period, state funding kept pace both with enrollment growth and the Consumer Price Index (CPI). Constant dollar state funding per student varied from year to year, at times dramatically, but grew modestly when inflation is measured by the CPI. Constant dollar state support per student nearly kept pace with more appropriate measures of inflation for higher education, such as the Higher Education Cost Adjustment (HECA) developed by the State Higher Education Executive Officers (SHEEO) for the SHEF report. [1]

2. In the short term, national economic downturns tend to depress state funding per FTE student because state budgets are constrained while enrollment grows rapidly. This pattern can be observed several times from 1970 through 2003. Following previous downturns, state support per FTE student rebounded when state revenues increased and enrollment growth moderated. Conceivably, this pattern of rebounding state support after a downturn may not be repeated in coming years. Yet, both history and the growing demand for higher education suggest that the states' commitment to higher education will continue.

3. From 1991 to 2003, enrollments in public institutions increased by 18.7 percent. Half of this increase occurred since fiscal year 2001, the beginning of the current downturn. The percentage increase in FTE enrollment for public postsecondary institutions since fiscal 2001 has already outstripped that of the previous two decades.

4. In constant 2003 dollars adjusted by the HECA, educational appropriations per FTE in public institutions dipped during the early 1990s recession and recovered by 2000. However, recent constant dollar decreases in educational appropriations per FTE student result in a net decrease of 7.3 percent from $6,283 in 1991 to $5,823 in 2003. In inflation-adjusted terms, the average appropriation per student in 2003 is roughly equivalent to the 1994 amount. Both state budget shortfalls and substantial enrollment growth contributed to these results.

5. In public institutions, net tuition tends to grow as a percentage of total educational spending when the state appropriation per student decreases in economic downturns. Nationally, net tuition accounted for 26.2 percent of total educational funding in 1991; it grew to thirty-one percent by 1993, remaining at that level until 2003, when it increased again to thirty-three percent.

6. Total educational funding per FTE in public institutions remained virtually constant from 1991 to 2003, outpacing inflation (HECA adjusted) by 2.1 percent. This was achieved because net tuition revenues per FTE increased by 28.6 percent while educational appropriations per FTE decreased by 7.3 percent.

7. The national trends mask substantial variation among states. Between 1991 and 2003, public institution enrollment growth ranged from 76.5 percent in Nevada to a decline of 3.5 percent in Rhode Island. Educational appropriations per FTE (in constant dollars) grew 22.3 percent in Georgia and declined 42.6 percent in South Carolina. In fiscal 2003, net tuition revenues per FTE ranged from $9,154 in Vermont to $959 in California.

While these data defy sweeping generalizations, a general pattern does emerge–Americans are increasingly interested in enrolling in higher education. The states have recognized and responded to this demand in varying ways

[1] *The CPI is an inadequate measure of the cost increases colleges and universities must pay. As an alternative, the SHEF report employs the Higher Education Cost Adjustment (HECA), which is based on two federal indices of inflation - the Employment Cost Index for white-collar occupations excluding sales, and the Gross National Product Implicit Price Deflator. The difference between the CPI and HECA varies from year to year to year, but HECA generally is half to one percent higher.*

and amounts. When state resources fail to keep pace with enrollment demand and inflation (e.g., during a recession), tuition has grown and students have had to shoulder a greater portion of the financial burden.

Over the past half-century, state and national policy makers and educators have sought to use public policies to foster educational and economic opportunity by establishing a working balance among institutional appropriations, tuition, and financial aid. The "right" balance has always been and will continue to be a matter of debate. This edition of the SHEF report is provided to inform these important public policy deliberations. SHEEO intends to continue monitoring and reporting on these trends annually.

Making Sense of Interstate Higher Education Finance Data

Valid Comparisons – More or Less

While financial analysis is inevitable and necessary, it can be deceptive. This essay and the accompanying technical papers are intended to help readers understand the uses and limits of comparative financial data.

Comparing institutions and states in expenditures per FTE student is a difficult task. States are different from each other. They have different climates, energy costs, housing costs, population densities, growth rates, and degrees of economic diversification. Some have a relatively homogenous, well-educated population, while others have large numbers of disadvantaged minorities and recent immigrants. Most states have pockets of poverty; these vary in their extent and concentration.

State higher education systems also differ; some have many small institutions, some a few large institutions, some have more privately controlled ("independent") institutions, and some have more research universities, community colleges, or four-year universities. Interstate tuition varies, as do the amounts and types of financial aid. Some institutions offer high-cost medical education and/or engineering programs, while others provide substantially more funding for research.

In addition to these differences, technical factors can make interstate comparisons misleading. For example, states differ in how they finance employee benefits, including retirement. Some pay all retirement costs to employee accounts when the benefits are earned, while others defer part of the costs until the benefits are paid. Some pay benefit costs from a state agency, while others pay from institutional budgets. Many studies of state finance try to account for such factors, but no study, including this one, can assure a flawless comparison.

Still, the SHEF report provides data on the most significant analytical issues: all state and local revenues used for institutional operating expenses, state higher education agencies, and student financial assistance including revenues from taxes, lottery receipts, royalty revenues, and state-funded endowments. The SHEF funding analysis reflects enrollment growth and provides a means of examining the effects of inflation over time, differences in the enrollment mix among the major institutional sectors, and interstate differences in the cost of living, research funding, medical education, and agriculture extension services.

The SHEF report can help educators and policy makers:

- Understand the extent to which state resources for colleges and universities have kept pace with enrollment growth and inflationary cost increases;
- Examine and compare how state spending for higher education is allocated for different purposes;
- Assess trends in how much students are paying for higher education;
- Gain a perspective on the funding of their state's higher education system in the context of other states; and
- Assess the capacity of their state economy to generate revenues to support public priorities.

These comparisons claim only to be "valid, more or less." Analysts with knowledge of particular states might know of other factors that could mislead a comparative analysis. SHEEO continues to welcome any efforts to improve the quality of its data and analytical tools.

What is the Point?

While a financial analysis that specifies "appropriate" or "sufficient" funding would be helpful, the words are meaningful only in the context of states' objectives and circumstances. This study does not aim to define "appropriate" or "sufficient," but to provide decision-makers with additional tools for making decisions regarding higher education finance.

A state satisfied with its postsecondary education system must consider what is required to sustain its scale and quality. Other states (and countries) are working to catch up with and surpass the leading states. Similarly, a state that seeks to improve its postsecondary system must define its priorities and targets for improvement. Whether the objective is to sustain competitive advantage or to improve the postsecondary education system, however, money is always an issue.

With additional resources, educators can serve more students at higher levels of quality. More spending does not, however, necessarily yield a proportional increase in quantity or quality. Of critical importance are what resources are provided, the purposes to which they are applied, and the effectiveness with which they are employed. States and educators must work together to set goals, develop a strategy to achieve those goals, and determine the amount and allocations of funds required for success.

Efficiency is a thorny issue in educational budgeting; educators always can find good uses for more funding, and resources are always limited. Despite this conundrum, most thoughtful educators recognize that it is highly desirable, and necessary, to achieve widespread educational attainment more cost-effectively. Increasing educational productivity without compromising quality would benefit both individuals and society. Achieving authentic productivity increases, however, is a complex task requiring sustained effort. Productivity gains require both incentives and innovation, and real progress is likely to come gradually.

So the question, "How much funding is enough?" has no easy answer. This study offers policy makers and educational leaders a number of ways to look at higher education finance, but does not eliminate the need for judgment and budget negotiations. Good policymaking requires an analysis of the past, an understanding of the present, and a vision for the future.

In making funding decisions, a state must answer the following key questions:

- What kind of higher education system do we want?
- What will it take, given our circumstances, to obtain and sustain such a system?
- Are we making effective use of our current investments?
- What can we afford to invest in order to meet our goals?

Fiscal analysis cannot answer such questions, but it can help. The SHEF report is intended to help educators and policy makers work together to answer those questions.

Funding Sources and Uses

This section provides information on all sources of state and local government support for higher education operations and grants, including non-tax revenue and lease income. It also reports major uses of that support, including state support of independent and public institutions. Source and use data are available only for fiscal years 2000 through 2003. For detailed information on states' sources and uses of higher education funding for fiscal year 2003, see *Tables A1-A6* in *Appendix A.*

Sources of State and Local Government Funding

State and local governments provided $67.9 billion to higher education in 2003. Of this total:

- State tax appropriations accounted for 85.4 percent.
- Local appropriations accounted for 9.3 percent. Twenty-nine states had some local tax support for higher education.
- State appropriations from non-tax sources such as lotteries accounted for 1.5 percent. Georgia reported the greatest reliance on such support, at 18.8 percent of state and local revenue. Endowment earnings accounted for another 0.3 percent.
- Oil and mineral extraction fees or other lease income (generally not appropriated) accounted for 0.2 percent. Wyoming reported the greatest reliance on such support, at 21.6 percent of state and local revenue.

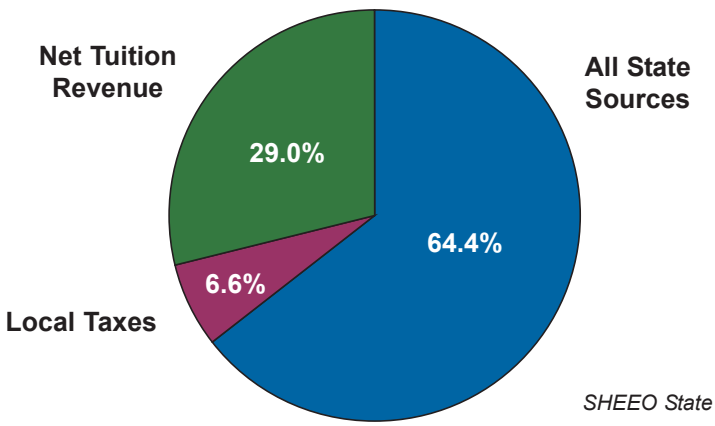
Tuition Revenue

Gross tuition and mandatory fee assessments in public postsecondary institutions totaled $33.3 billion in fiscal year 2003. After subtracting state-funded public financial aid and tuition discounts and waivers, the net tuition revenue available for general operations was $27.7 billion, or eighty-three percent of gross assessments.

- Net tuition revenue brought the combined funds from state (64.4 percent), local (6.6 percent), and student sources (29.0 percent) to $95.5 billion (see *Figure 1*). Tuition revenue accounted for the greatest share of combined funding (72.8 percent) in Vermont, and the smallest share (11.9 percent) in California.

Figure 1

Distribution of State, Local, and Net Tuition Revenue, U.S., Fiscal 2003



Source:
SHEEO State Higher Education Finance (SHEF)

Uses of State and Local Government Funding

In fiscal 2003, $53.5 billion (78.8 percent) of state and local dollars were used for the general operation of public postsecondary institutions nationwide. Another 14.2 percent was dedicated to the operation of research, agricultural, and medical programs and services, ranging from 33.9 percent in New Jersey to zero in Rhode Island. The national total of $9.7 billion in research/agricultural/medical funding was divided as follows:

- 36.2 percent for medical schools, and 21.7 percent for teaching hospitals and public patient care.
- 22.5 percent for research centers, laboratories, and institutes.
- 19.6 percent for agricultural experiment stations and cooperative extension services.

The remaining seven percent was earmarked for other uses, including:

- Four percent of state and local funds went towards state-funded financial aid for public institution tuition and fees.
- Three percent of state and local funds went towards in-state independent institutions and their students (financial aid and institutional operations). The percentage of the state budget dedicated to independent institutions ranged from zero in many states to 10.7 percent in Pennsylvania.

National Trends in Sources and Uses of State and Local Government Funds

SHEEO has collected data on the various sources and uses of state and local government support since fiscal year 2000 (see *Table 1*). Funding from all sources grew from $62.0 billion in 2000 to $69.0 billion in 2002, and then dropped to $67.9 billion in 2003. While these data are insufficient to draw conclusions about enduring trends, they should prove useful in determining any changes in the sources of state funding for higher education, and in the allocation of funds to different purposes.

Sources of Funds

Local government support accounted for a slightly greater share of resources in 2003 than in 2000. The state share decreased from 91.8 percent to 90.7 percent of total state and local funds over this same period. Non-tax appropriations, mostly from state lotteries, made up a small but rapidly growing portion of state funds, increasing from $764 million in fiscal 2000 to $988 million in fiscal 2003.

Uses of Funds

The most rapidly growing use of state and local funds between 2000 and 2003 was student financial aid. Public student assistance grew from 2.2 to 3.9 percent of total usage, and student aid at independent institutions grew from 2.2 to 2.6 percent

All Sources of Revenue for Public Institutions

The SHEF data include $95.5 billion in fiscal 2003 revenues for the operation of state higher education systems, drawn from state appropriations (64.4 percent), local taxes (6.6 percent), and net tuition (29.0 percent) (see *Table 2*). These comprise the principal revenue sources for instructional programs at public institutions; a portion also support research and service activities. Other non-state and non-tuition revenue sources are the principal means of funding for auxiliary enterprises, research, hospital operations, and other non-instructional programs.

Table 1

Major Sources and Uses of State and Local Government Support, Fiscal 2000-2003 (current dollars, in thousands)

Sources	2000	2001	2002	2003
State				
Tax Appropriations	55,716,209	59,442,365	61,745,169	57,981,171
Non-Tax Appropriations	764,029	775,808	832,093	987,776
Non-Appropriated	90,251	136,149	108,431	106,470
Endowment Earnings	159,128	190,059	195,196	223,394
Other [1]	194,137	223,411	257,412	2,265,501
State Total	56,923,756	60,767,792	63,138,301	61,564,312
Local Tax Appropriations	5,059,118	5,373,615	5,892,815	6,303,767
Total	$61,982,873	$66,141,407	$69,031,115	$67,868,080
Uses	**2000**	**2001**	**2002**	**2003**
Research-Agric-Medical	9,406,548	9,727,084	10,070,342	9,658,792
Public Student Aid [2]	1,384,030	1,510,138	1,582,584	2,667,844
Out-of-State Student Aid	10,759	13,769	13,968	25,490
Independent Student Aid [3]	1,367,065	1,521,779	1,617,850	1,760,322
Independent Institutions [4]	213,559	237,492	866,908	261,774
General Public Operations	49,600,911	53,131,145	54,879,464	53,493,857
Total	$61,982,873	$66,141,407	$69,031,115	$67,868,080

(Percentages)

Sources	2000	2001	2002	2003
State				
Tax Appropriations	89.9%	89.9%	89.4%	85.4%
Non-Tax Appropriations	1.2%	1.2%	1.2%	1.5%
Non-Appropriated	0.1%	0.2%	0.2%	0.2%
Endowment Earnings	0.3%	0.3%	0.3%	0.3%
Other [1]	0.3%	0.3%	0.4%	3.3%
State Total	91.8%	91.9%	91.5%	90.7%
Local Tax Appropriations	8.2%	8.1%	8.5%	9.3%
Total	100.0%	100.0%	100.0%	100.0%
Uses	**2000**	**2001**	**2002**	**2003**
Research-Agric-Medical	15.2%	14.7%	14.6%	14.2%
Public Student Aid [2]	2.2%	2.3%	2.3%	3.9%
Out-of-State Student Aid	0.02%	0.02%	0.02%	0.04%
Independent Student Aid [3]	2.2%	2.3%	2.3%	2.6%
Independent Institutions [4]	0.3%	0.4%	1.3%	0.4%
General Public Operations	80.0%	80.3%	79.5%	78.8%
Total	100.0%	100.0%	100.0%	100.0%

Notes: *Percentages may not add to 100 due to rounding.*

1. Administered funds and portions of prior multi-year appropriations used in the current year.

2. State appropriated student financial aid for public institution tuition and fees. Some respondents could not separate aid for tuition from aid for living expenses.

3. Includes student aid grants intended solely for use at in-state independent institutions and the independent sector's portion of the state financial aid programs.

4. State support of independent institutions for capital outlay (new construction and debt retirement) and operating expenses.

Source: *SHEEO SHEF*

Table 2

SHEF Revenues by Fund Source, Fiscal 2003, (in thousands)

Source	Amount	Percent of Total
Government Support	67,868,080	71.0%
State	61,564,312	64.4%
Local	6,303,767	6.6%
Net Tuition Revenue	27,673,876	29.0%
Total	$95,541,956	100.0%

Source: *SHEEO SHEF*

In fiscal 2000, fifty-eight percent of *total funding from all sources* at public degree-granting institutions came from state and local governments, tuition, and fees (see *Table 3*). The proportion of revenues from state/local sources and net tuition varied by institution type–forty-nine percent for doctoral-extensive research universities, seventy-six percent for other public four-year institutions, and eighty-four percent for public two-year institutions. Even in research universities, state/local support and tuition were the predominant revenue sources for instructional programs. Other sources were associated with sponsored research and contracts, auxiliary enterprises, and hospitals–activities that complement and enhance instruction, but are typically expected to be mostly, or entirely, self-supporting.

Table 3

Current Fund Revenue Distribution for Selected Types of Public Degree Granting Institutions, by Sector and Fund Source, Fiscal 2000 (percentages)

Fund Source	All Public	All Public Four-Year	Doctoral Extensive	Other Public Four-Year	Public Two-Year[3]
Tuition & Fees[1]	18.5%	18.1%	17.0%	32.1%	20.4%
State Governments	35.8%	33.8%	31.4%	42.3%	45.0%
Local Governments	3.8%	0.6%	0.3%	1.7%	18.2%
Federal Government[2]	10.8%	12.0%	13.5%	4.6%	5.3%
Private Gifts, Grants & Contracts	4.8%	5.6%	6.3%	2.3%	1.1%
Endowment Earnings	0.7%	0.9%	1.2%	0.3%	0.1%
Educational Activities	3.1%	3.6%	3.9%	1.4%	0.8%
Auxiliary Enterprises	9.6%	10.5%	11.1%	13.1%	5.7%
Hospitals	8.9%	10.9%	11.2%	0.0%	0.0%
Other Current Income	3.9%	4.0%	4.1%	2.1%	3.5%
Total Current Fund Revenue	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:
1. Includes federally supported aid received through students.
2. Includes appropriations, grants, contracts, and revenues associated with major federally funded research and development centers. Excludes Pell Grants.
3. Excludes tribal colleges.

Source: *National Center for Education Statistics, "Digest of Education Statistics," 2002, Table 334*

National Trends and Interstate Comparisons

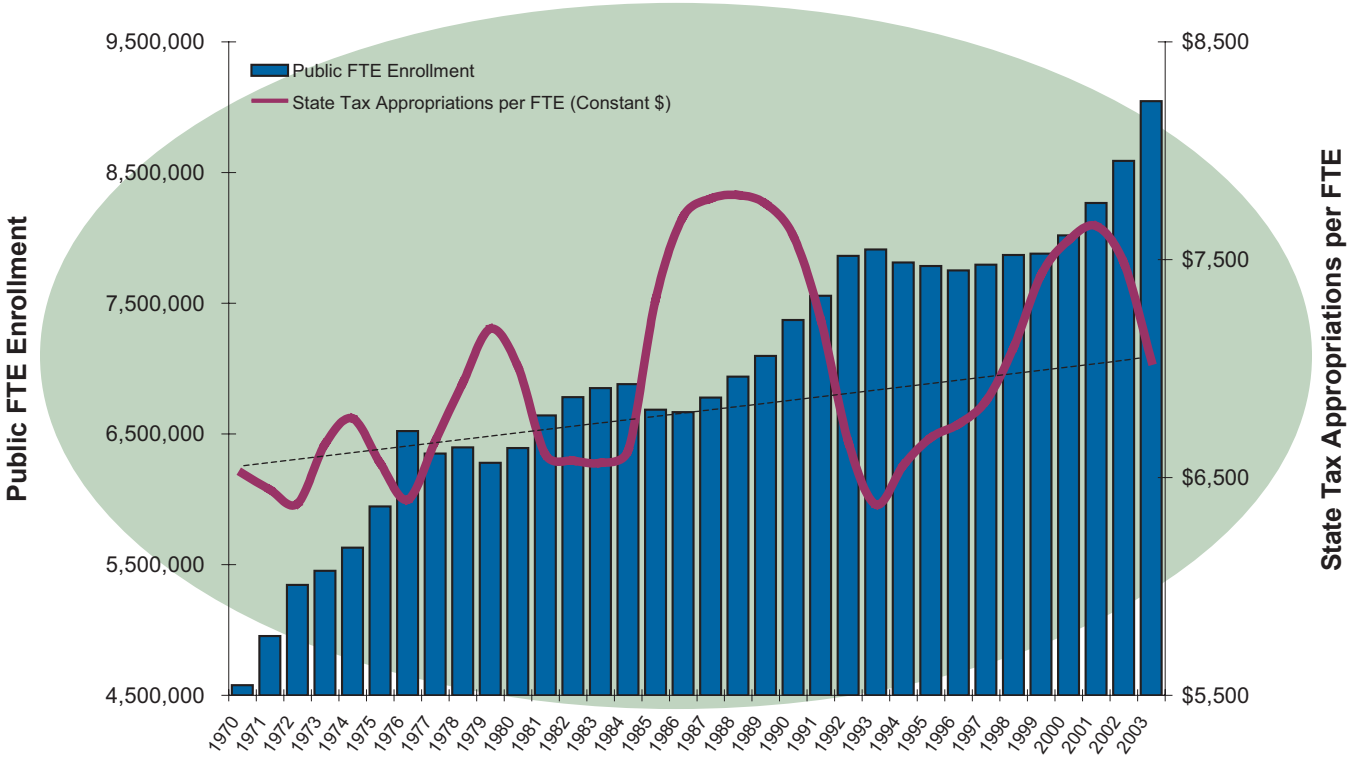
National Trends

Trends since 1970

While the data fluctuate widely over short time periods, state appropriations per FTE student have gradually increased in constant dollars over the last thirty-five years. Adjusted by the Consumer Price Index for Urban Consumers (CPI-U), the average annual rate of increase in constant dollar state tax appropriations per FTE was 0.2 percent from fiscal 1970 to 2003 (see *Figure 2*). During this period, enrollments virtually doubled from 4.5 to nine million students.

Figure 2

State Tax Appropriations per FTE, U.S.,
Fiscal 1970-2003, Constant 2003 Dollars Adjusted by CPI-U



Sources: *Enrollment data from NCES "Digest of Education Statistics." Funding data from "Grapevine" database of state tax support for higher education, Center for the Study of Education Policy, Illinois State University.*

This long-term analysis uses *Grapevine* state tax appropriation figures for the numerator, fall term FTE enrollment data from the Integrated Postsecondary Education Data System (IPEDS) for the denominator, and the CPI-U to adjust for inflation. SHEF data and a more appropriate index of inflation for higher education expenses were unavailable for such an extended time series.

During economic recessions, a decrease in funding per FTE tends to occur alongside enrollment increases, apparently because a tight employment market increases the attractiveness (and decreases the opportunity cost) of further education. As *Figure 2* demonstrates, the nation entered such a period in fiscal 2000.

Recent Trends, 1991-2003

SHEF data from fiscal 1991 to 2003 are available for a more detailed analysis of recent trends in annual FTE enrollment data as well as all sources of state and local support for public institutions.

Table 4 presents data on public higher education FTE enrollments and state and local support in current dollars for selected years 1991-2003. During this period FTE enrollments grew from 8.1 million to 9.6 million, and total state and local support grew from $42.1 billion to $65.8 billion. Net tuition revenues grew from $12.4 billion to $27.7 billion, and total funding from these sources (tuition plus state and local appropriations) grew from $54.6 billion to $93.4 billion.

Appropriations for research, agricultural extension, teaching hospitals, and medical schools grew from $7.2 billion in 1991 to $9.7 billion 2003 but have diminished as a percentage of total funding. The remaining funds allocated to "Other Educational Programs" in *Table 4* are labeled "Total Educational Funding" in subsequent tables and figures in these section of the SHEF report. Support for research, agriculture extension, teaching hospitals, and medical schools (as well as related FTE enrollments) are excluded from "Total Educational Funding" because in these expenditures vary widely among the states.

Table 4

Public Higher Education Support in Current Dollars, U.S., Selected Years Fiscal 1991-2003

(Dollars in Billions)	1991	1996	2001	2003
State Support	39.1	43.6	58.6	59.5
Local Appropriations	3.0	4.1	5.4	6.3
State and Local Total[1]	$ 42.1	$ 47.7	$ 64.0	$ 65.8
Net Tuition Revenue	12.4	18.5	23.5	27.7
State & Local plus Net Tuition[1]	$ 54.6	$ 66.2	$ 87.5	$ 93.4
Allocated to Research-Agricultural-Medical	7.2	8.1	9.7	9.7
Allocated to Other Educational Programs[2]	$ 47.4	$ 58.1	$ 77.8	$ 83.8
FTE Enrollment	8,118,384	8,246,005	8,835,631	9,636,680
Net Tuition Revenue per FTE	$ 1,531	$ 2,242	$ 2,660	$ 2,872
Total Educational Funding per FTE	$ 5,838	$ 7,050	$ 8,802	$ 8,694

Notes:
1. Totals may not add due to rounding.
2. Hereafter referred to as Total Educational Funding.

Source: *SHEEO SHEF*

These current dollar figures are adjusted for inflation using the Higher Education Cost Adjustment in subsequent tables and figures. (See *Technical Paper A* for a more detailed description of the rationale and method for developing the HECA).

Fiscal year 1991 is used as the analysis baseline because it was near the long-term slope of state support per student (see *Figure 2*). Obviously, choosing a "peak" or "valley" as the baseline year could lead to dramatically different observations about enrollment growth and state support levels.

The following are the most significant trends during the period:

1. Enrollment grew by 18.7 percent. At the turn of the century, the nation entered another period of rapid enrollment growth. Based on SHEF data, FTE enrollment from fiscal 2001-03 has already outstripped that of each of the previous two decades, increasing by 9.1 percent compared to 6.2 percent in the 1990s and 8.5 percent in the 1980s.
2. Educational appropriations [1] per FTE fell by 7.3 percent. In constant 2003 dollars, educational appropriations per FTE dipped during the recession of the early 1990s, but recovered by 2000. The recent growth in enrollments, unmatched by increased appropriations, produced a 7.3 percent decrease in educational appropriations per student (from $6,283 to $5,823)–an example of the classic convergence of state revenue shortfalls and enrollment growth because of a recession.
3. Net tuition revenue [2] per FTE grew by 28.6 percent. In contrast to educational appropriations, net revenues per student increased 28.6 percent (from $2,233 to $2,872). The most rapid tuition revenue increases occurred during the recession of the early 1990s–net tuition revenue per FTE increased 18.4 percent (from $2,233 to $2,644) between fiscal 1991-94, but increased less than one percent (from $2,850 to $2,872) between 1998 and 2003. [3]
4. Total educational funding [4] per FTE grew by 2.1 percent. The net result of the overall downward trend in appropriations and upward trend in tuition revenue was that total educational funding per FTE remained relatively unchanged from fiscal year 1991 to 2003. In constant 2003 dollars, total educational funding per FTE increased 2.1 percent (from $8,516 to $8,694).

---

[1] *Educational appropriations are defined as state plus local appropriations minus appropriations for research centers and institutes, agricultural experiment stations and cooperative extensions, teaching hospitals, and medical schools.*

[2] *Net tuition revenue is defined as gross tuition and mandatory fee assessments by public institutions minus discounts and waivers, medical school tuition revenues, and state-appropriated student financial aid.*

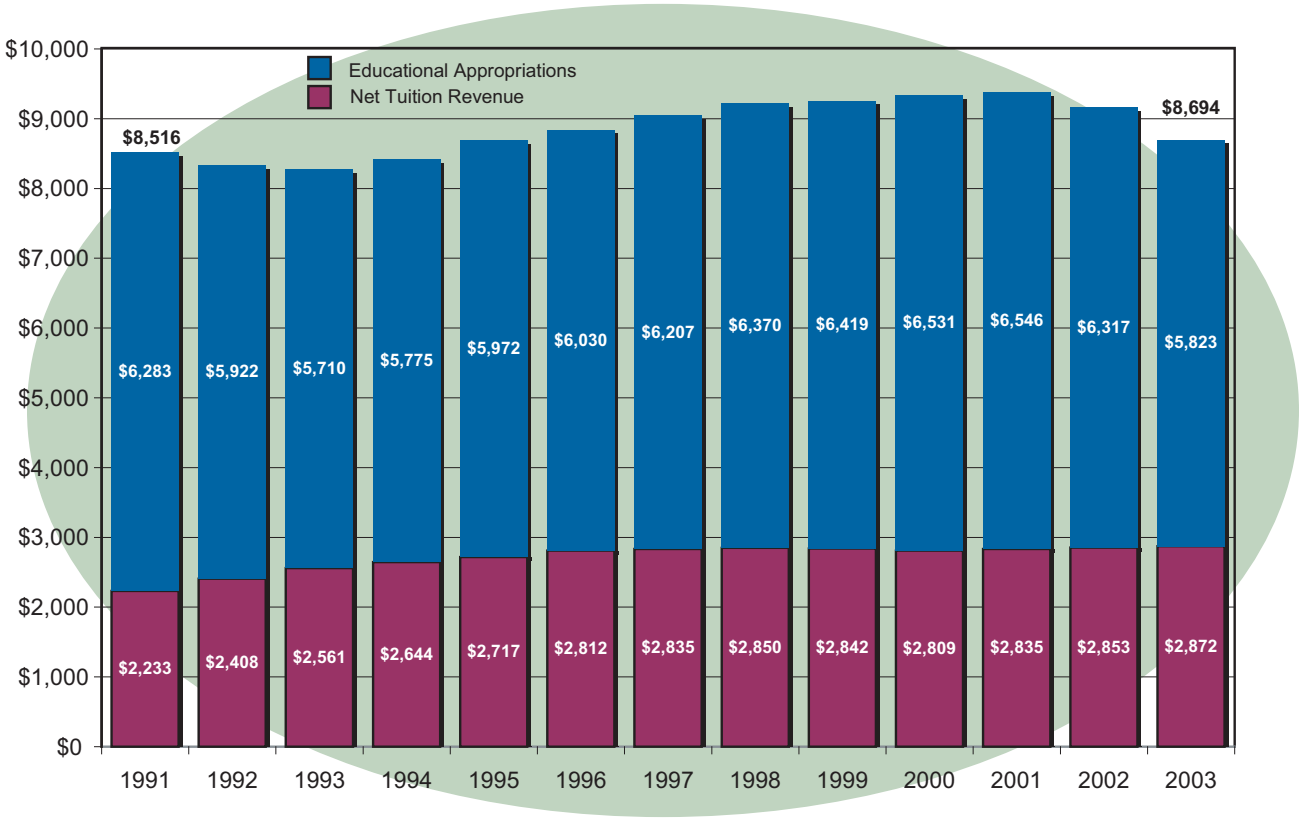
[3] *While tuition charges have generally increased faster than inflation since 1998, net tuition revenues per student on a constant dollar basis have not. One reason for this is that the majority of recent enrollment growth has occurred in lower-tuition institutions. Another is increased funding for student financial aid programs by states and increased tuition discounting by institutions, both of which are subtracted from gross tuition assessments to arrive at net revenues.*

[4] *Total educational funding is defined as educational appropriations plus net tuition revenue.*

Figure 3 shows the combined effects of trends in state appropriations and net tuition on total educational funding.

Figure 3

Total Educational Funding per FTE, by Component, U.S., Fiscal 1991-2003



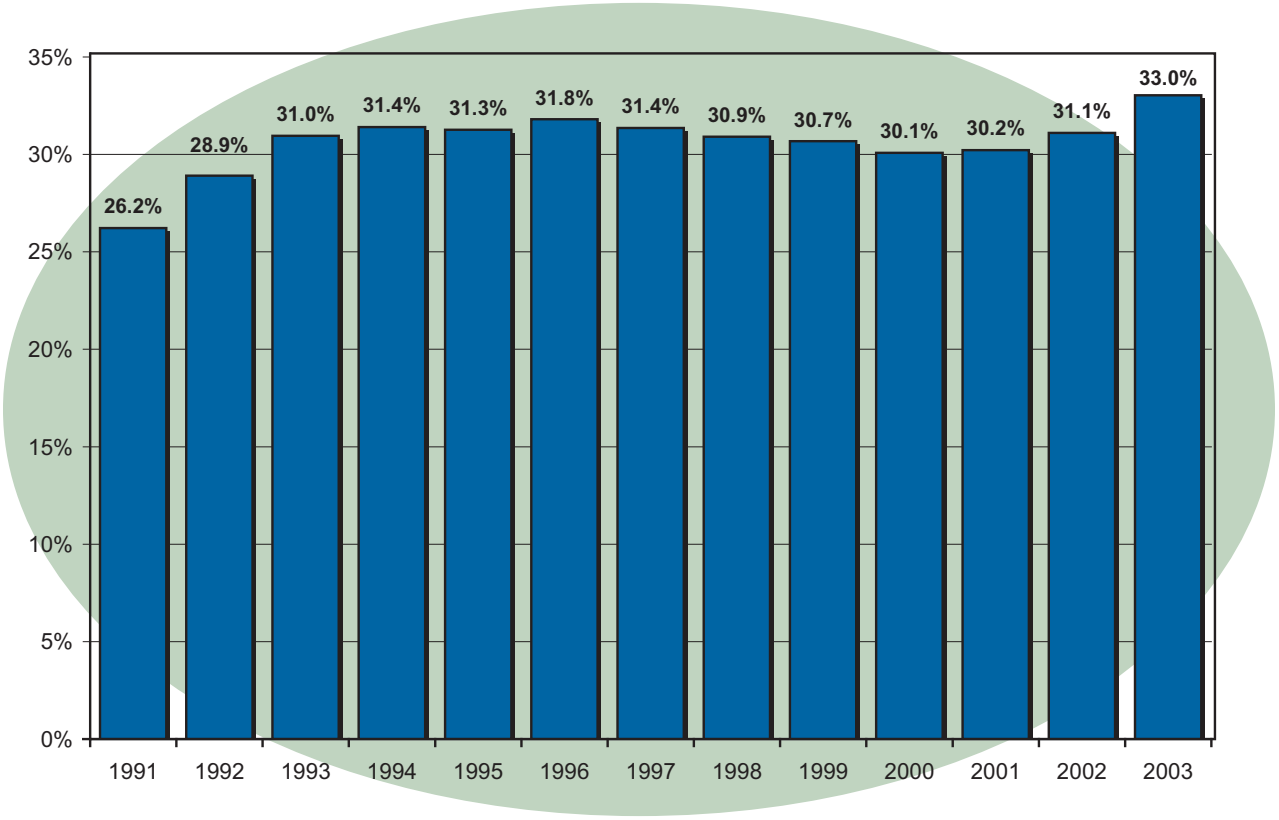
Note: *Constant 2003 dollars adjusted by SHEEO HECA.*

Source: *SHEEO SHEF*

By examining the two components of total educational funding–educational appropriations and net tuition revenue–it is possible to compare state and local government contributions with those of students. Nationally, the share of total educational funding represented by net tuition revenue increased from twenty-six percent in 1991 to thirty-one percent in 1993, hovered at this level from 1993 to 2002, then increased again to thirty-three percent in 2003 (see *Figure 4*). [5]

Figure 4

Net Tuition Revenue as a Percentage of Total Educational Funding, U.S., Fiscal 1991-2003



Source: *SHEEO SHEF*

[5] *While net tuition revenues per FTE decreased on a constant dollar basis between 2002-2003, educational appropriations decreased even more, causing net tuition as a percentage of total educational funding to increase.*

Interstate Comparisons

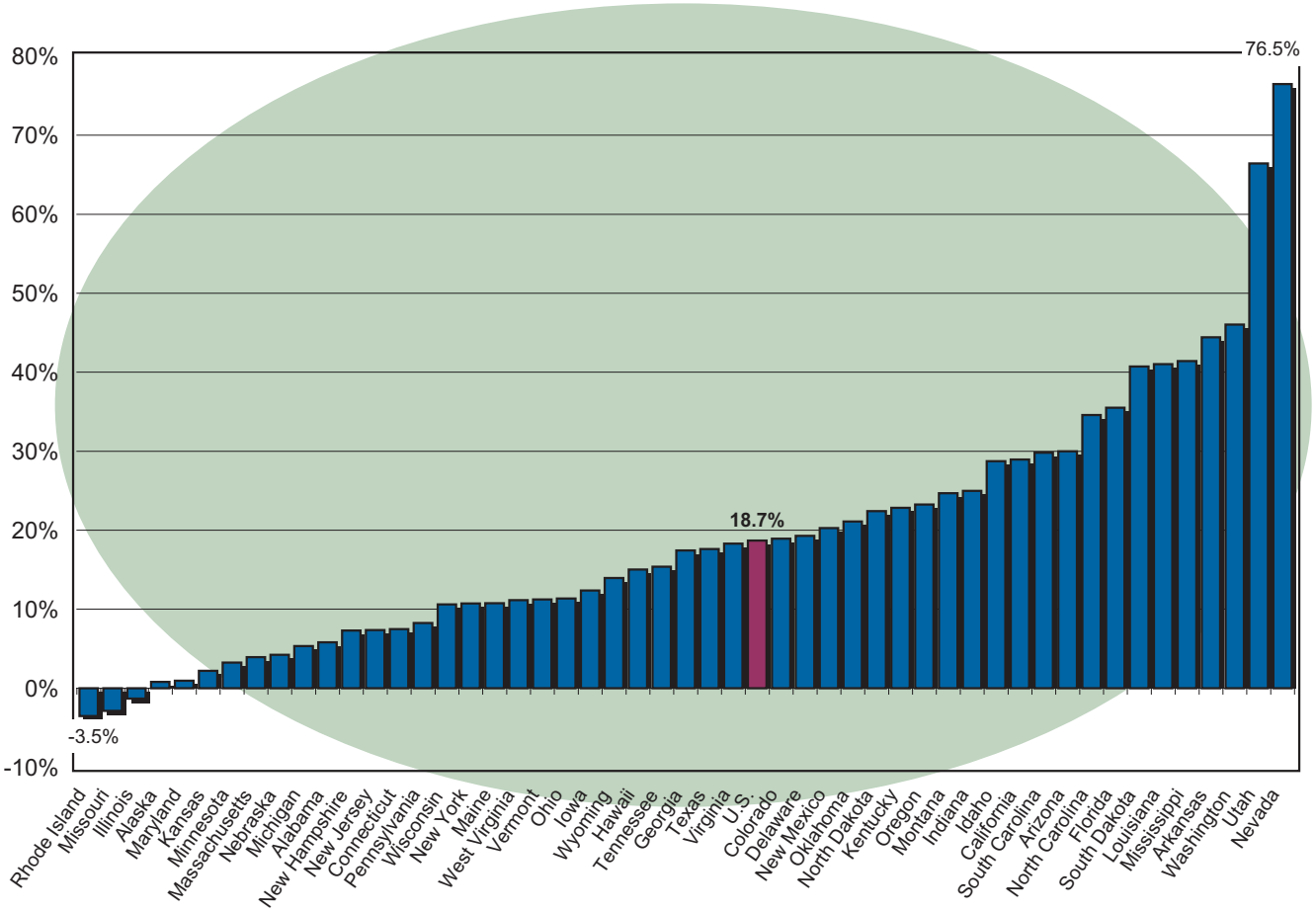
Trends From 1991-2003

The factors that yielded relatively stable national total educational funding–rapid enrollment growth, decreases in per student appropriations, and increases in net tuition revenues–are atypical of every state. *Figures 5, 6, 7 and 8* show enormous variation among states.

1. Enrollment. All but three states experienced increases in FTE enrollment, contributing to the national increase of 18.7 percent. Changes in enrollment levels ranged from a 76.5 percent increase in Nevada to a 3.5 percent decrease in Rhode Island. Thirty-five states experienced enrollment growth of ten percent or more, and twenty states realized growth of twenty percent or more.

Figure 5

Full-Time Equivalent Enrollment,
Percent Change by State, Fiscal 1991-2003

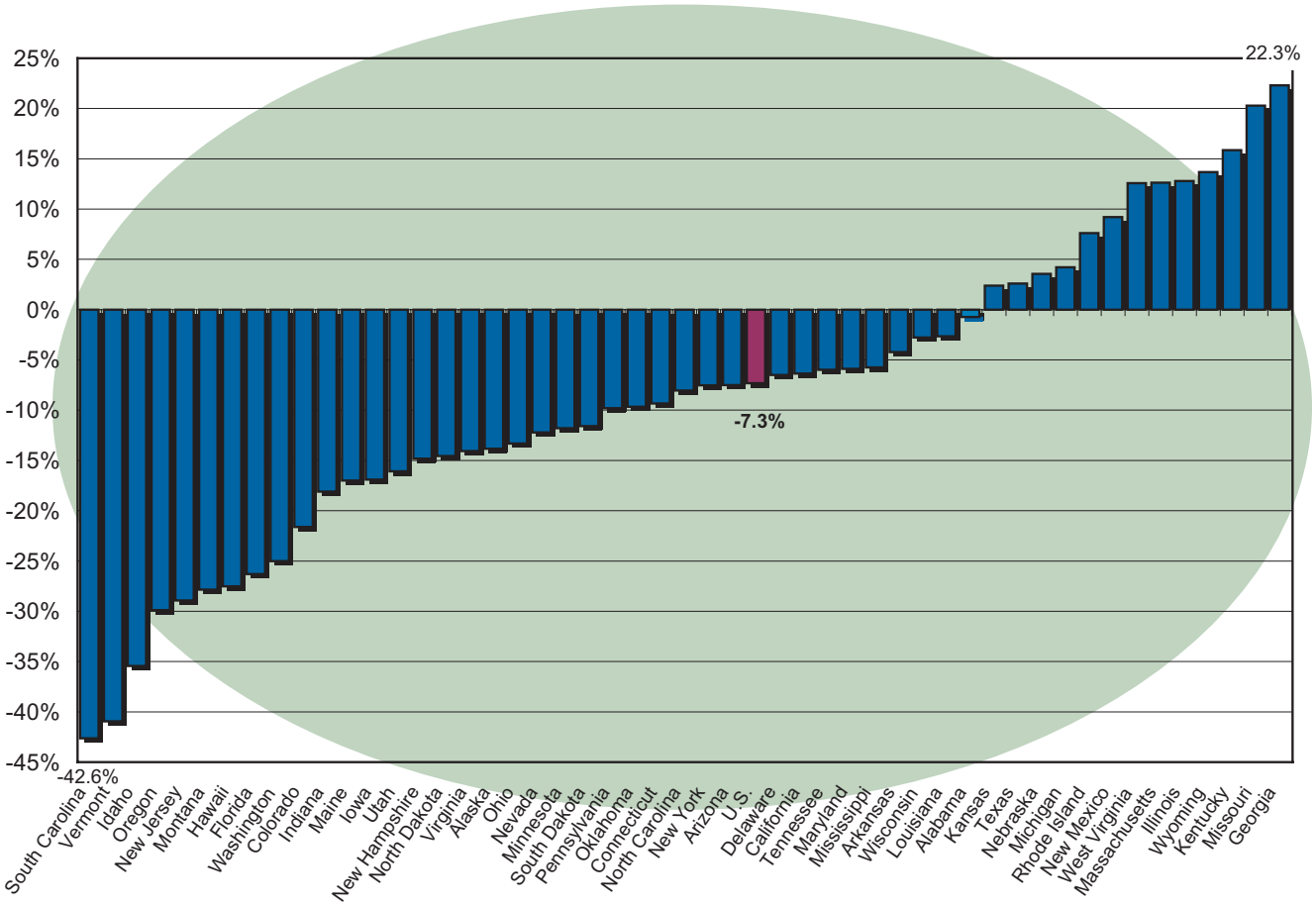


Source: *SHEEO SHEF*

2. Educational Appropriations. Constant dollar educational appropriations per FTE decreased 7.3 percent on average for the period, ranging from a 42.6 percent decrease in South Carolina to a 22.3 percent increase in Georgia (see *Figure 6*). Educational appropriations per student increased in thirteen states, and decreased in thirty-seven (although the decrease in Alabama was less than one percent). Enrollment trends influence the amount of support per student. Eleven of the thirteen states with growth in appropriations per student had less than the national average enrollment growth (18.7 percent), and six of the thirteen grew less than five percent. Only Kentucky and New Mexico had increases in educational appropriations per student and above average enrollment growth.

Figure 6

Educational Appropriations per FTE,
Percent Change by State, Fiscal 1991-2003



Notes: *Educational appropriations is the sum of state plus local minus research-agricultural-medical. Constant 2003 dollars adjusted by SHEEO HECA.*

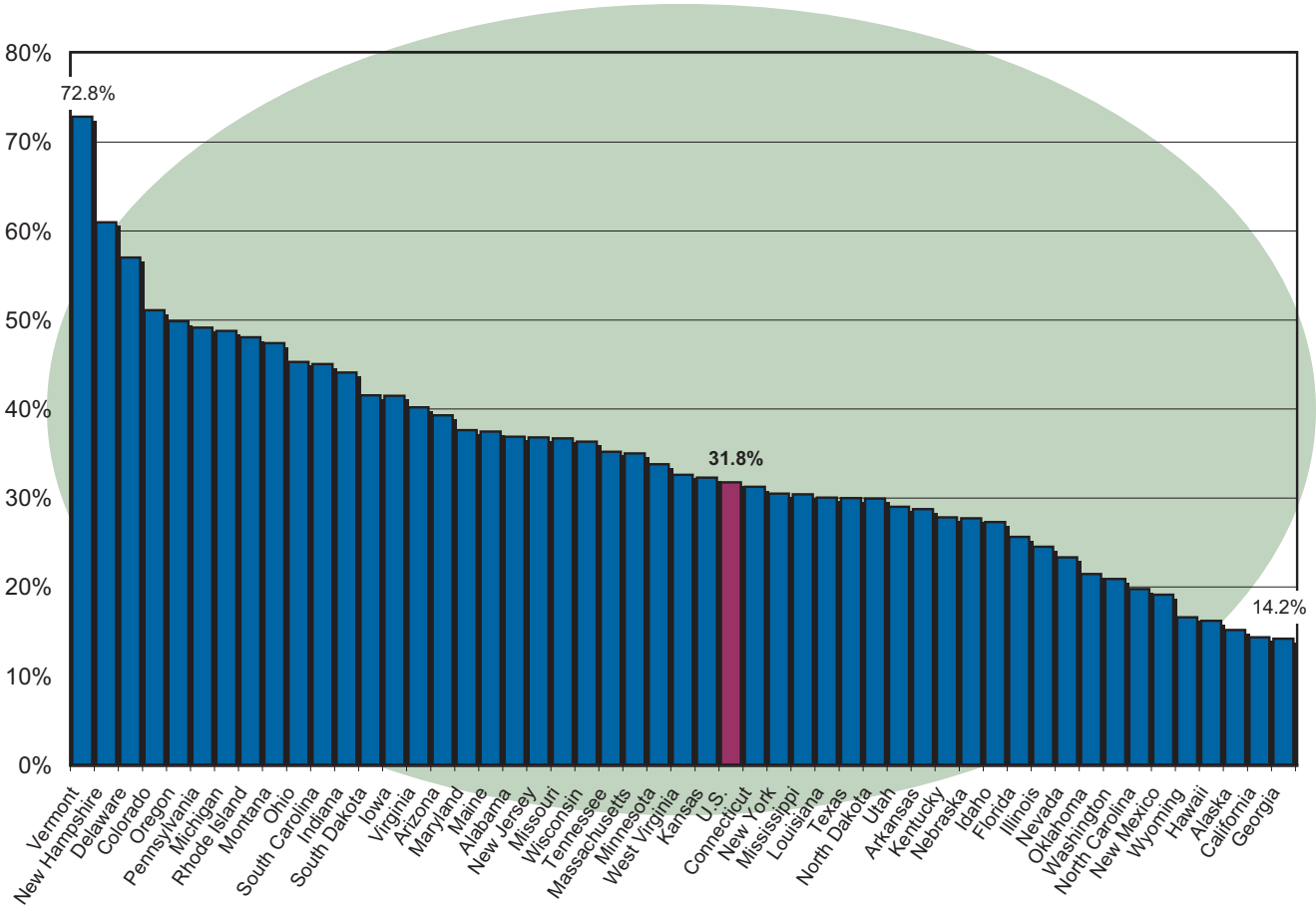
Source: *SHEEO SHEF*

3. Net Tuition Revenue. Constant dollar net tuition per student increased in forty-five states (28.6 percent on average). The most substantial increases for the most part occurred in states with relatively lower tuition.

The average share of educational funding represented by net tuition in fiscal year 2003 was 31.8 percent. Reliance on tuition as a revenue stream varied widely by state, ranging from a high of 72.8 percent in Vermont to a low of 14.2 percent in Georgia (see *Figure 7*). Midwestern states and New England tended to exceed the national average, Western states lagged beneath it, and Southern states were near it.

Figure 7

State Reliance on Net Tuition as a Source of Public Higher Education Revenue, by State, Fiscal 2003



Notes: *Reliance is Net Tuition Revenue divided by the sum of Net Tuition Revenue and State Appropriations. State Appropriations include research-agricultural-medical dollars.*

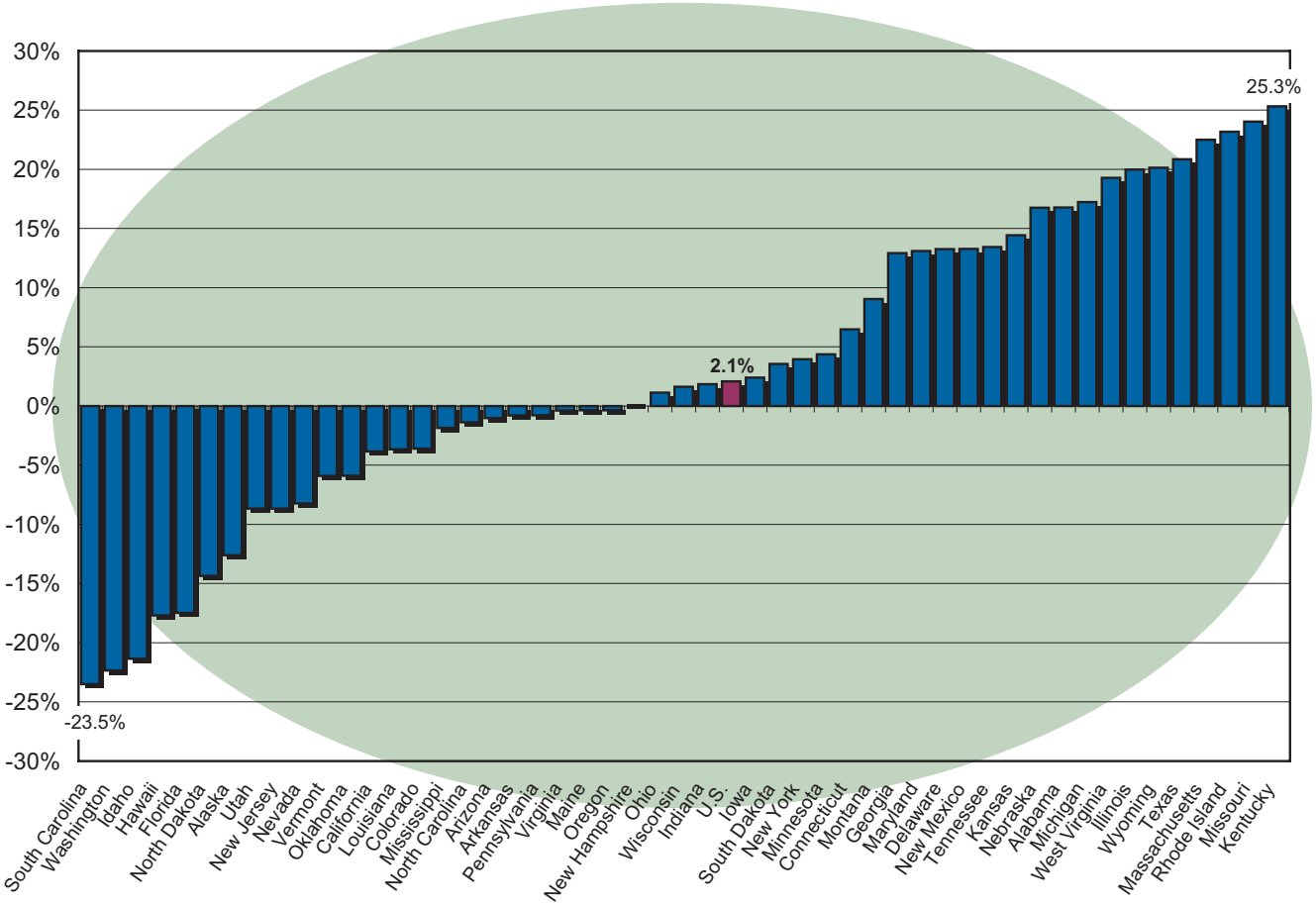
Source: *SHEEO SHEF*

States differ in their vulnerability to state appropriation decreases. State funding reductions naturally have a greater impact on institutional revenues in states with lower tuition rates. Based on 2003 SHEF data, a one percent decrease in state appropriations in Vermont could have been replaced by a net tuition revenue increase of only 0.4 percent. In Georgia and California, on the other hand, tuition revenue would have had to increase six percent to compensate for a one percent appropriations cut. Nationwide, net tuition revenue would have had to increase 2.1 percent to offset a one percent decrease in state appropriations.

4. Total Educational Funding. State data on total educational funding per FTE from fiscal 1991 to 2003 vary substantially, ranging from a 25.3 percent increase in Kentucky to a 23.5 percent decrease in South Carolina (see *Figure 8*). When aggregated nationally, the data show that increases in net tuition revenue offset decreases in state appropriations per FTE to yield an average 2.1 percent increase in total educational funding per FTE.

Figure 8

Total Educational Funding per FTE,
Percent Change by State, Fiscal 1991-2003



Notes: *Total Educational Funding is the sum of Educational Appropriations plus Net Tuition Revenue. Constant 2003 dollars adjusted by SHEEO HECA.*

Source: *SHEEO SHEF*

Interstate Comparisons, Fiscal 2003

The cost of living varies between states, most dramatically in housing costs. Because colleges and universities must consider the local cost of living in determining faculty and staff compensation, it is important to take this variable into account in any interstate comparisons. Further, each state is unique in its mix of postsecondary institutions (with varying instructional expenses per student), and the distribution of enrollments. The SHEF project uses separate analytical adjustments for each state's relative cost of living and public postsecondary system enrollment mix (see *Technical Paper B*).

Table A-7 in *Appendix A* shows the impact of these adjustments on fiscal 2003 interstate comparisons of total educational funding per FTE. While these adjustments tend to draw states toward the national mean, the size and direction vary among states.

- In states where the cost of living exceeds the national average, dollars per FTE are adjusted downward (e.g., Massachusetts). In states where the cost of living is below the national average, dollars per FTE are adjusted upward (e.g., Mississippi).
- If the proportion of enrollments in higher cost institutions exceeds the national average, the dollars per FTE are adjusted downward (e.g., Delaware). In states with a relatively inexpensive enrollment mix, the dollars per FTE are adjusted upward (e.g., California).
- Dollars per FTE are adjusted upward the most in states with an inexpensive enrollment mix and low cost of living (e.g., Arkansas). The reverse is true for states with a more expensive enrollment mix and high cost of living (e.g., Colorado). In some states, the two factors cancel each other (e.g., Oregon).

Putting the Pieces Together

In this section, SHEF data are plotted along two dimensions to bring recent state fiscal policy findings and trends into sharper relief.

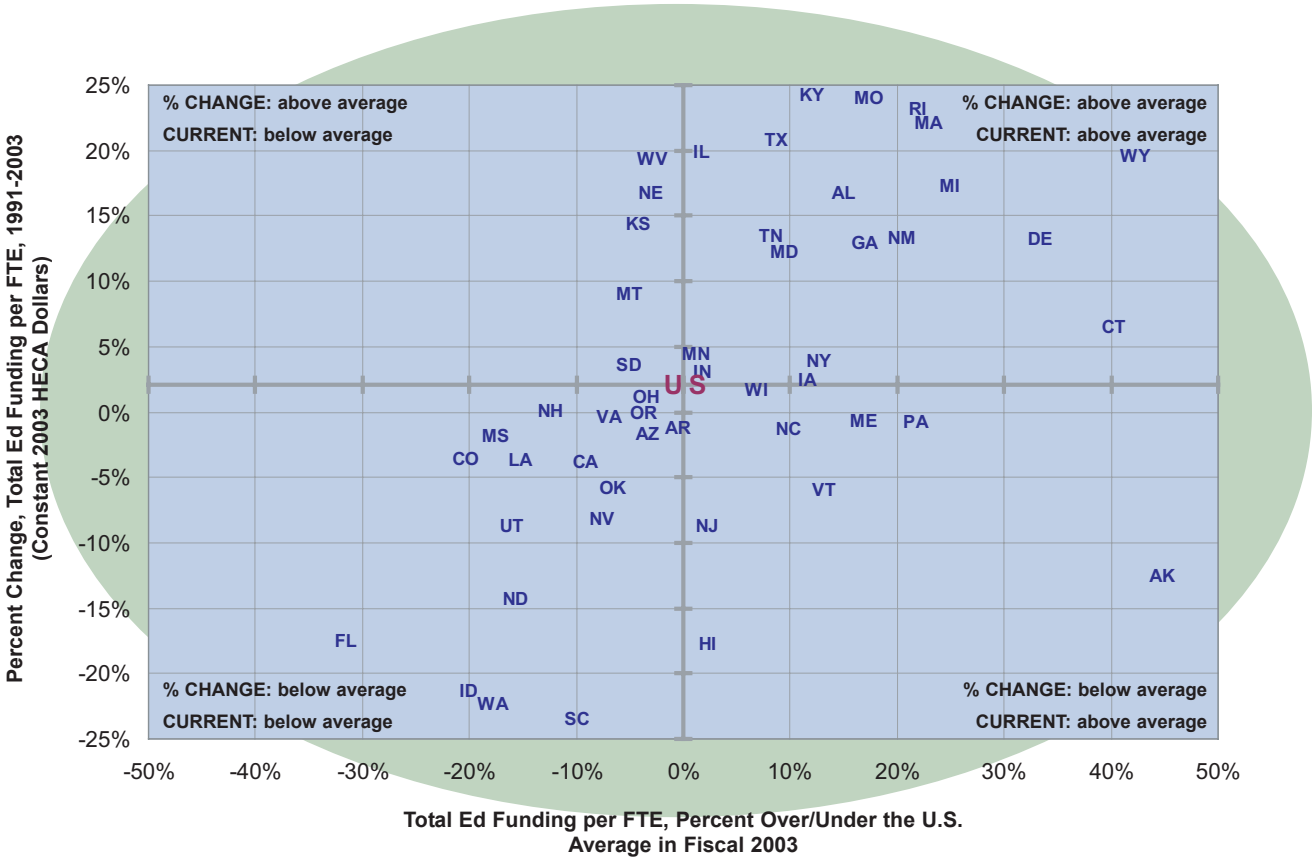
Educational Funding 1991 - 2003

The first such analysis displays changes in each state's public institution educational funding per FTE since 1991 (see *Figure 9*). State data points along the horizontal axis compare each state's total educational funding per FTE in fiscal 2003 (adjusted for the cost of living and enrollment mix) to the national average. Data points on the vertical axis indicate the extent to which constant dollar public institution educational funding per FTE has grown or declined in each state over the last thirteen years.

- States in the upper right quadrant: Total funding per FTE exceeded the national average in 2003, and increased faster than the national average between 1991 and 2003.
- States in the lower right quadrant: Total funding per FTE exceeded the national average in 2003, and increased slower than the national average between 1991 and 2003.
- States in the lower left quadrant: Total funding per FTE lagged the national average in 2003, and increased slower than the national average between 1991 and 2003.
- States in the upper left quadrant: Total funding per FTE lagged the national average in 2003, and increased faster than the national average between 1991 and 2003.

Figure 9

Total Educational Funding per FTE by State:
Percent Change and Current Standing Relative to U.S. Average



Notes:
1. Fiscal 2003 adjusted for public system enrollment mix and state cost of living.
2. Funding and FTE data are for public non-medical students only.
3. Constant 2003 dollars adjusted by SHEEO HECA.

Source: *SHEEO SHEF*

When these data are aggregated according to states' affiliations with regional higher education associations, the following patterns emerge:

- Total educational funding in New England and the Midwest has consistently outpaced the national average (to a greater extent in 2003 than in 1991). Both regions rely on students paying a higher share of educational costs.
- While educational funding in the South lags the national average, Southern states have gained ground.
- Western states spent more than the national average in 1991, but decreased to the level of the national average by 2003. Several states' enrollment growth outstripped revenue increases from both legislative appropriations and student tuition.

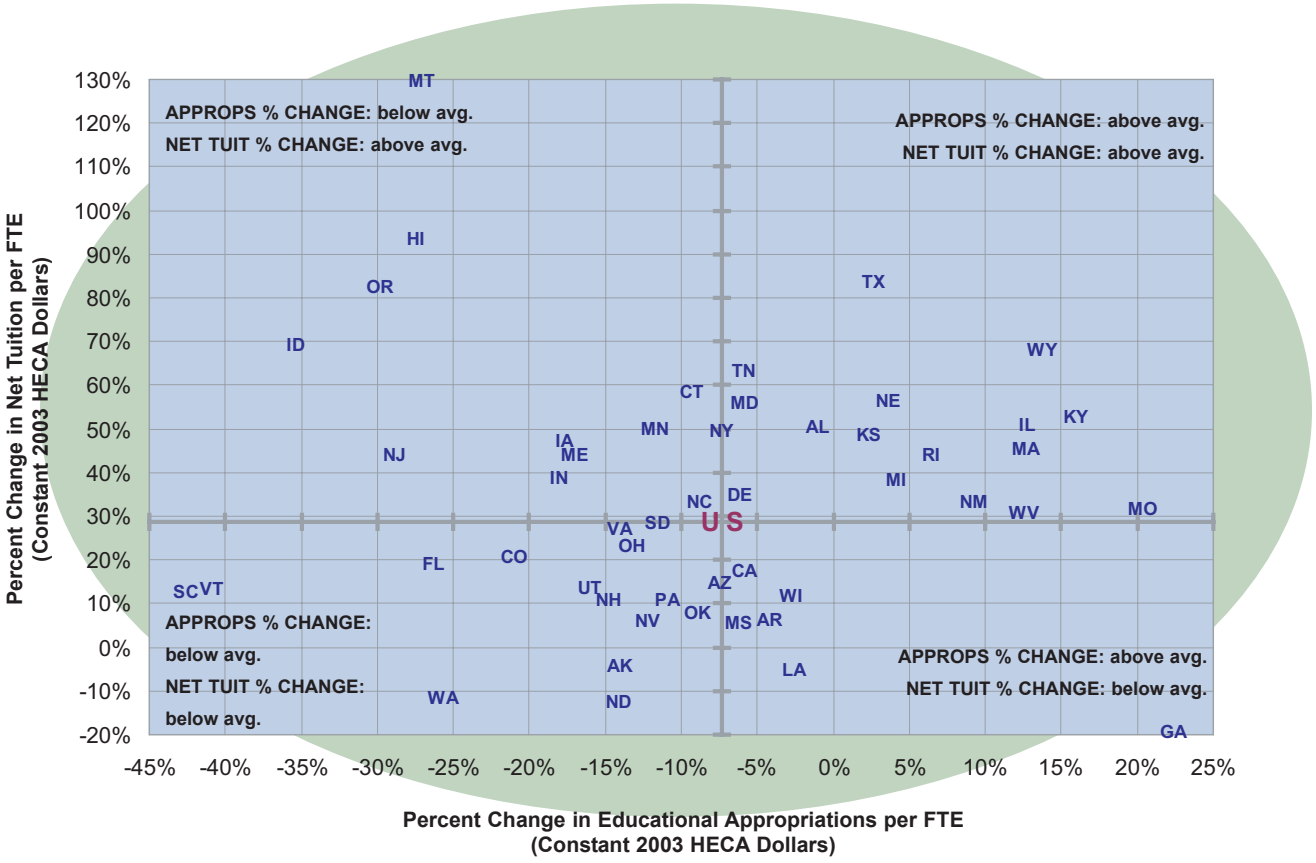
Educational Appropriations and Net Tuition 1991-2003

Figure 10 displays the rate of change in the two components of educational funding–educational appropriations and net tuition per FTE. Data on the horizontal axis indicate the percentage change in educational appropriations per FTE in each state from 1991 to 2003. Data on the vertical axis indicate the extent to which constant dollar net tuition revenues per FTE grew or declined in each state over the period.

- States in the upper right quadrant: Exceeded the national average in both educational appropriations and net tuition revenue changes.
- States in the lower right quadrant: Exceeded the national average in educational appropriation changes, and lagged the national average in net tuition revenue changes.
- States in the lower left quadrant: Lagged the national average in both educational appropriation and tuition revenue changes.
- States in the upper left quadrant: Lagged the national average in educational appropriation changes, and exceeded the national average in net tuition changes.

Figure 10

Percent Change by State in Educational Appropriations and Net Tuition Revenues per FTE, Fiscal 1991-2003



Notes: *The national average constant dollar percent change in net tuition per FTE was +28.6% for the period. The average change in educational appropriations per student was -7.3%. Constant 2003 dollars adjusted by SHEEO HECA.*

Source: *SHEEO SHEF*

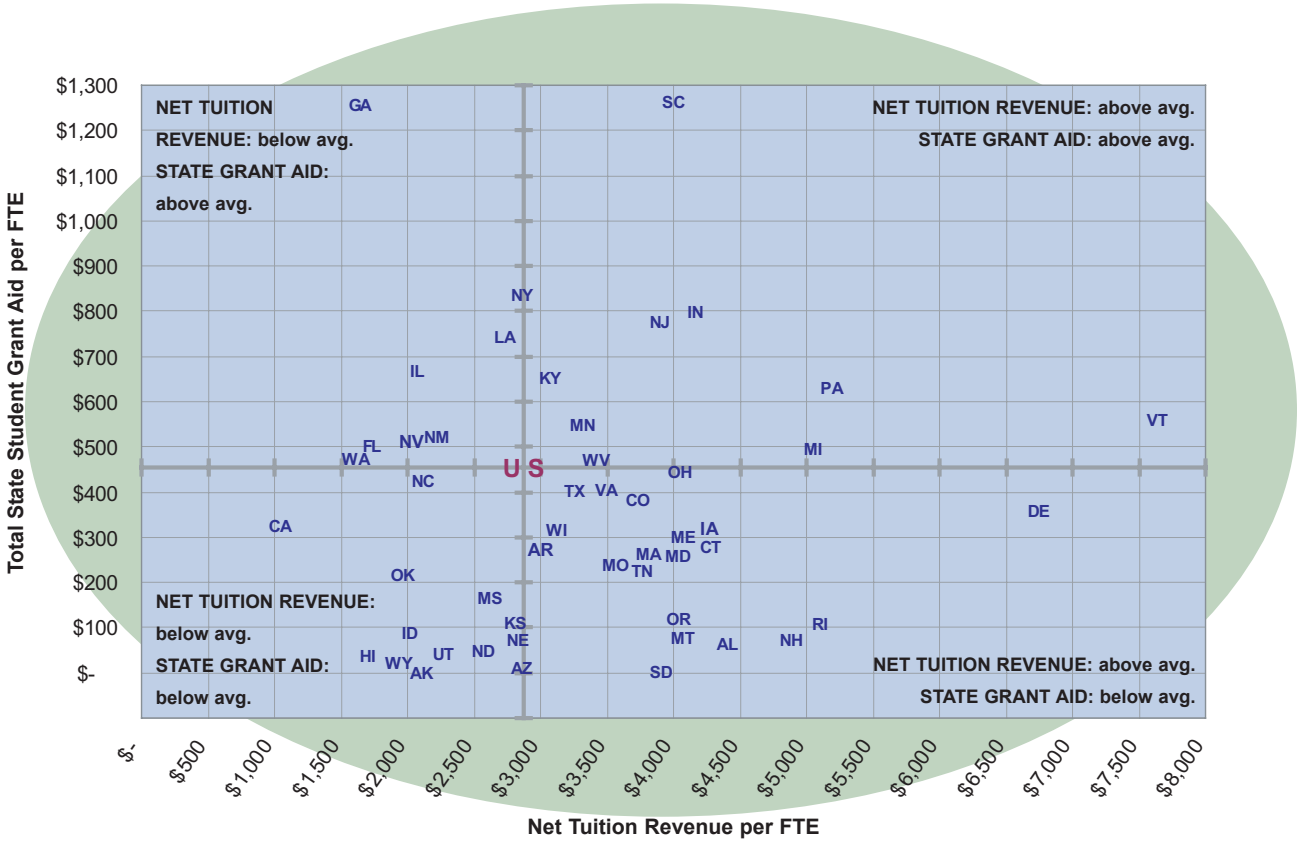
Net Tuition and State Student Financial Aid, 2003

Many states fund student financial aid programs both to supplement federal grants, loans, and work-study programs, and to offset tuition increases. A state that relies largely on net tuition revenues to fund public colleges and universities might also try to fund a balanced state financial aid program. In *Figure 11*, the data on the horizontal axis represent fiscal 2003 net tuition revenues per FTE for each state. The data on the vertical axis represent fiscal 2003 state-funded grant aid per FTE, from the National Association of State Student Grant and Aid Programs (NASSGAP).

- States in the upper right quadrant: Exceeded the national average in both net tuition revenue and state grant aid.
- States in the lower right quadrant: Exceeded the national average in net tuition revenue, and lagged the national average in grant aid.
- States in the lower left quadrant: Lagged the national average in both net tuition revenues and grant aid.
- States in the upper left quadrant: Lagged the national average net tuition, and exceeded the national average in grant aid.

Figure 11

Net Tuition Revenue per FTE and Total State Student Grant Aid per FTE, Fiscal 2003



Notes: *X Axis: Net tuition revenue per FTE from SHEEO State Higher Education Finance. Data for public institutions only. Y Axis: Total state student grant aid from NASSGAP 2002-03 Annual Survey Report. FTE are Fall 2002 from IPEDS. Data for public and independent Title IV-eligible institutions.*

Source: *SHEEO SHEF*

While these data show the relative position of the states on tuition rates and state-funded financial assistance, it is important to keep several caveats in mind:

1. Net tuition data include only public institutions;
2. Student financial aid data include state assistance to students attending both public and independent institutions;
3. Institutional aid (in some states a significant source of student grant assistance) is excluded;
4. Both need-based and non-need based awards are included.

Table A-8 (see *Appendix A*) from the 2002-03 NASSGAP Annual Survey Report provides the amounts of need-based, non-need, and total state grant aid per FTE in 2002-03.

Perspectives on State Tax Capacity, Tax Revenue, and State Support of Higher Education

State policy makers face challenging questions in deciding about tax policies and the allocation of public resources, including:

- What revenues are needed to support important public services?
- What level of taxation will generate those revenues without impairing incentives for economic productivity and the capability of individuals to lead satisfying lives?
- What combination of public services spending and tax policy is most likely to enhance economic resources and the quality of life in a state?
- What should the spending priorities be for different public services and investments?

Naturally, opinions vary about a host of issues concerning taxes, public services, and public investments. Such differences of opinion, combined with differing state economics, demographics, growth rates, and traditions, are reflected in state tax policies. Because conditions change, policy makers continuously re-evaluate taxation policies.

No standard exists for the adequacy of either states' tax policies or higher education public investments. It is nevertheless useful for decision-makers to have access to comparative information. This section of the SHEF report provides an analysis of state tax capacity and tax effort (similar to Kent Halstead's work), and provides comparative data on other relevant measures: state support per capita, state support per thousand dollars of personal income, and state support of higher education as a percentage of the state budget.

Tax Capacity and Revenue

State revenues are determined by two factors: the state's economic activity and wealth, and the rate at which state revenue policies tax that economic activity in supporting public services. The combination of a state's total taxable resources and its effective tax rate determines the tax revenues generated.

In *Table 5*, state tax revenues per capita, total taxable resources per capita, and the effective tax rate are indexed to the national average in order to indicate the extent to which each state exceeds or lags the country as a whole.

Table 5

Tax Revenues, Taxable Resources, and Effective Tax Rates, by State, Fiscal 2000

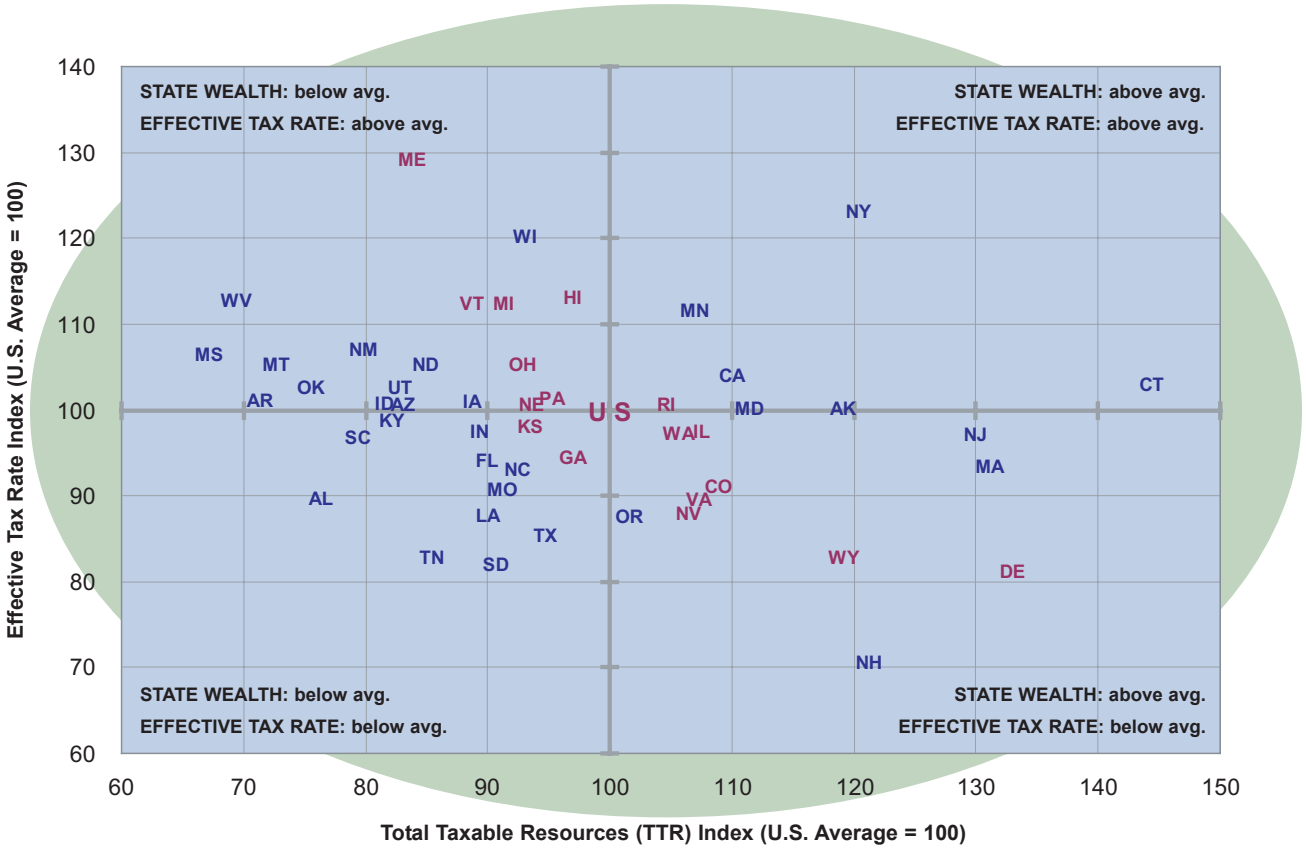
State	Actual Tax Revenues (ATR) Per Capita		Total Taxable Resources (TTR) Per Capita		Effective Tax Rate (ATR/TTR)	
	Dollars	National Index	Dollars	National Index	Rate	National Index
Alabama	2,115	68.5	30,208	76.3	7.00%	89.8
Alaska	3,684	119.4	47,152	119.1	7.81%	100.2
Arizona	2,581	83.6	32,873	83.1	7.85%	100.7
Arkansas	2,226	72.1	28,222	71.3	7.89%	101.1
California	3,531	114.4	43,534	110.0	8.11%	104.0
Colorado	3,054	99.0	43,058	108.8	7.09%	90.9
Connecticut	4,587	148.7	57,175	144.5	8.02%	102.9
Delaware	3,330	107.9	52,599	132.9	6.33%	81.2
Florida	2,613	84.7	35,597	89.9	7.34%	94.1
Georgia	2,825	91.6	38,349	96.9	7.37%	94.5
Hawaii	3,383	109.6	38,360	96.9	8.82%	113.1
Idaho	2,535	82.1	32,244	81.5	7.86%	100.8
Illinois	3,236	104.9	42,575	107.6	7.60%	97.5
Indiana	2,686	87.0	35,337	89.3	7.60%	97.5
Iowa	2,763	89.5	35,106	88.7	7.87%	100.9
Kansas	2,829	91.7	36,999	93.5	7.64%	98.0
Kentucky	2,513	81.4	32,532	82.2	7.72%	99.0
Louisiana	2,436	78.9	35,611	90.0	6.84%	87.7
Maine	3,337	108.1	33,122	83.7	10.07%	129.2
Maryland	3,443	111.6	44,120	111.5	7.80%	100.1
Massachusetts	3,779	122.5	51,886	131.1	7.28%	93.4
Michigan	3,161	102.4	36,110	91.2	8.75%	112.2
Minnesota	3,683	119.4	42,339	107.0	8.70%	111.5
Mississippi	2,212	71.7	26,614	67.2	8.31%	106.5
Missouri	2,553	82.7	36,065	91.1	7.08%	90.8
Montana	2,360	76.5	28,721	72.6	8.22%	105.3
Nebraska	2,903	94.1	36,985	93.4	7.85%	100.6
Nevada	2,886	93.5	42,139	106.5	6.85%	87.8
New Hampshire	2,643	85.6	47,981	121.2	5.51%	70.6
New Jersey	3,894	126.2	51,432	129.9	7.57%	97.1
New Mexico	2,635	85.4	31,587	79.8	8.34%	107.0
New York	4,573	148.2	47,607	120.3	9.60%	123.1
North Carolina	2,654	86.0	36,603	92.5	7.25%	93.0
North Dakota	2,758	89.4	33,591	84.9	8.21%	105.3
Ohio	3,013	97.6	36,706	92.7	8.21%	105.2
Oklahoma	2,389	77.4	29,858	75.4	8.00%	102.6
Oregon	2,743	88.9	40,158	101.5	6.83%	87.6
Pennsylvania	2,978	96.5	37,696	95.2	7.90%	101.3
Rhode Island	3,248	105.2	41,388	104.6	7.85%	100.6
South Carolina	2,372	76.9	31,426	79.4	7.55%	96.8
South Dakota	2,297	74.4	35,899	90.7	6.40%	82.0
Tennessee	2,180	70.6	33,764	85.3	6.46%	82.8
Texas	2,493	80.8	37,454	94.6	6.66%	85.3
Utah	2,618	84.8	32,739	82.7	8.00%	102.5
Vermont	3,075	99.6	35,103	88.7	8.76%	112.3
Virginia	2,967	96.2	42,488	107.4	6.98%	89.5
Washington	3,169	102.7	41,795	105.6	7.58%	97.2
West Virginia	2,414	78.2	27,471	69.4	8.79%	112.6
Wisconsin	3,451	111.8	36,806	93.0	9.38%	120.2
Wyoming	3,045	98.7	47,153	119.1	6.46%	82.8
U.S.	$3,086	100.0	$39,579	100.0	7.80%	100.0

Source: *Data on tax revenues and population are from the Census Bureau; data on total taxable resources per capita are from the Department of the Treasury.*

In *Figure 12*, the horizontal line represents the national average effective tax rate, and the vertical line represents the national average of total taxable resources per capita. States whose effective tax rate exceeds the national average are plotted above the horizontal line, and states whose total taxable resources per capita (state wealth) exceeds the national average are plotted to the right of the vertical line.

Figure 12

Taxable Resources and Effective Tax Rate Indexed to the U.S. Average, by State, Fiscal 2000



Source: Data on tax revenues and population are from the Census Bureau; data on total taxable resources per capita are from the Department of the Treasury.

The results are as follows:

- Connecticut, New York, California, and Minnesota all exceeded the national average in both taxable resources per capita and their effective tax rate.
- Alaska, Maryland, and Rhode Island exceeded the national average in wealth, and had an effective tax rate at the national average.
- Eleven states exceeded the national average in taxable resources per capita, and lagged the national average in effective tax rates. In descending order of wealth, these states are: Delaware, Massachusetts, New Jersey, New Hampshire, Wyoming, Colorado, Illinois, Virginia, Nevada, Washington, and Oregon.

- Fourteen states lagged the national average in taxable resources per capita, while exceeding the national average in their effective tax rate. In ascending order of wealth, these states are: Mississippi, West Virginia, Montana, Oklahoma, New Mexico, Utah, Maine, North Dakota, Vermont, Michigan, Ohio, Wisconsin, Pennsylvania, and Hawaii.
- Five states lagged the national average in wealth, while their effective tax rates were at the national average: Arkansas, Idaho, Arizona, Iowa, and Nebraska.
- The remaining thirteen states lagged the national average in both taxable resources per capita and effective tax rate. In ascending order of wealth, these states are: Alabama, South Carolina, Kentucky, Tennessee, Indiana, Florida, Louisiana, South Dakota, Missouri, North Carolina, Kansas, Texas, and Georgia.

Total state tax revenues are determined by taxable resources per capita and the effective tax rate. The states displayed in maroon in *Figure 12* have tax revenues per capita within ninety and 110 percent of the national average. States above and to the right of these states have tax revenues per capita exceeding the national average by ten percent or more. States below and to the left these states have state tax revenues per capita below ninety percent of the national average.

The differences in state tax revenues per capita reflect both differences in wealth and taxation policy decisions. States with high costs of living typically need more tax revenues per capita to support equivalent public services because their labor markets and living costs require higher employee salaries. States with mineral wealth may be able to support public services with lower effective tax rates. Population density, climate, and the degree of urbanization also affect the need for and the cost of public services.

Higher Education Funding per Capita, per Thousand Dollars of Personal Income, and as a Percentage of State Revenues

Other commonly employed perspectives on higher education finance consider state support in the context of the size and income of the population, and as a percentage of total state and local tax revenues (see *Table 5*). These comparative statistics reflect interstate differences in wealth, population density, participation rates, and the relative size of the public and independent higher education sectors.

Poorer states (e.g., Arkansas, South Carolina, and West Virginia) often lag the national average in per capita support, but exceed the national average in support per thousand dollars of personal income. Sparsely populated states (e.g., Wyoming, Kansas, Nebraska, and North Dakota) typically exceed the national average in both per capita support and per thousand dollars of personal income. States with a substantial independent sector of higher education generally lag the national average on these indicators, presumably because independent institutions have met some of the needs otherwise served by public institutions. For similar reasons, there is substantial variation among states in higher education support as a percentage of state and local tax revenues.

While the SHEF report does not include a time series analysis of state support as a percentage of state budgets, in recent years support for higher education operations has generally declined as a percentage of state budgets, and state spending for Medicaid and K-12 education has generally increased. One consequence of this trend, as previously discussed, has been greater reliance on net tuition revenues to finance higher education.

While the statistics clearly show each state's relative investment in higher education, they do not clearly indicate the "priority" of higher education in each state. State needs can grow or decrease in different areas without affecting their "priority" or importance. The perspectives documented in *Table 5*, along with other data in the SHEF report, provide tools for policy makers to sort through these complex issues.

Table 6

Perspectives on State and Local Government Higher Education Funding Effort, by State

State	FISCAL 2003				FISCAL 2000		
	Higher Education Support[1] Per Capita[2]	% of U.S. Average	Higher Education Support[1] per $1000 of Personal Income	% of U.S. Average	State & Local Tax Revenue[3] (thousands)	Higher Education Support[1] (thousands)	Allocation to Higher Education
Alabama	514	123.2%	19.51	147.8%	9,415,089	1,103,275	11.7%
Alaska	651	156.0%	19.39	146.9%	2,311,801	175,679	7.6%
Arizona	307	73.7%	11.45	86.8%	13,333,612	1,153,796	8.7%
Arkansas	449	107.8%	18.51	140.2%	5,961,335	605,216	10.2%
California	538	129.0%	15.94	120.8%	120,067,581	9,477,745	7.9%
Colorado	263	63.0%	7.66	58.1%	13,216,188	711,538	5.4%
Connecticut	428	102.6%	9.91	75.1%	15,651,070	694,850	4.4%
Delaware	446	106.9%	13.58	102.9%	2,618,628	174,400	6.7%
Florida	284	68.1%	9.33	70.7%	41,936,682	2,579,603	6.2%
Georgia	470	112.6%	15.95	120.9%	23,253,547	1,912,728	8.2%
Hawaii	588	140.9%	19.02	144.1%	4,101,617	341,986	8.3%
Idaho	338	81.0%	13.04	98.8%	3,294,239	302,000	9.2%
Illinois	411	98.7%	12.21	92.6%	40,256,016	3,090,962	7.7%
Indiana	416	99.8%	14.46	109.6%	16,363,430	1,226,677	7.5%
Iowa	507	121.6%	17.46	132.3%	8,090,525	855,544	10.6%
Kansas	496	119.0%	16.59	125.7%	7,616,353	787,975	10.3%
Kentucky	516	123.7%	19.65	148.9%	10,172,414	925,506	9.1%
Louisiana	469	112.4%	17.95	136.0%	10,887,408	882,798	8.1%
Maine	356	85.3%	12.33	93.5%	4,262,142	206,100	4.8%
Maryland	430	103.2%	11.53	87.3%	18,289,881	1,223,678	6.7%
Massachusetts	336	80.5%	8.43	63.9%	24,042,067	1,009,800	4.2%
Michigan	417	100.0%	13.70	103.8%	31,474,162	2,410,400	7.7%
Minnesota	510	122.2%	14.80	112.1%	18,172,885	1,288,500	7.1%
Mississippi	509	122.1%	21.71	164.5%	6,299,396	860,343	13.7%
Missouri	321	77.0%	10.97	83.1%	14,313,873	1,082,577	7.6%
Montana	318	76.3%	12.28	93.1%	2,131,839	140,765	6.6%
Nebraska	610	146.3%	19.83	150.3%	4,972,968	490,000	9.9%
Nevada	319	76.6%	10.21	77.4%	5,824,824	306,211	5.3%
New Hampshire	165	39.6%	4.76	36.1%	3,278,375	100,700	3.1%
New Jersey	320	76.8%	7.92	60.0%	32,837,939	1,707,279	5.2%
New Mexico	691	165.7%	27.06	205.1%	4,800,578	579,180	12.1%
New York	335	80.4%	9.17	69.5%	86,868,188	3,108,390	3.6%
North Carolina	573	137.5%	20.31	153.9%	21,440,029	2,371,923	11.1%
North Dakota	642	154.0%	22.00	166.7%	1,768,115	184,663	10.4%
Ohio	353	84.6%	11.78	89.3%	34,238,674	2,140,853	6.3%
Oklahoma	477	114.5%	17.91	135.7%	8,251,421	820,312	9.9%
Oregon	287	68.8%	9.77	74.1%	9,411,783	590,644	6.3%
Pennsylvania	305	73.1%	9.53	72.2%	36,581,020	1,969,246	5.4%
Rhode Island	315	75.6%	9.87	74.8%	3,412,355	152,100	4.5%
South Carolina	306	73.5%	11.72	88.8%	9,542,914	813,854	8.5%
South Dakota	393	94.2%	13.43	101.8%	1,735,628	131,831	7.6%
Tennessee	387	92.8%	13.60	103.1%	12,431,196	984,858	7.9%
Texas	447	107.1%	15.21	115.3%	52,226,535	5,094,913	9.8%
Utah	521	124.9%	20.85	158.0%	5,873,126	522,519	8.9%
Vermont	189	45.3%	6.14	46.5%	1,875,546	48,860	2.6%
Virginia	377	90.4%	11.19	84.8%	21,082,951	1,492,063	7.1%
Washington	445	106.7%	13.35	101.2%	18,733,865	1,238,035	6.6%
West Virginia	474	113.6%	19.42	147.2%	4,362,304	385,730	8.8%
Wisconsin	442	105.9%	14.29	108.3%	18,546,574	1,322,300	7.1%
Wyoming	980	235.1%	29.87	226.3%	1,504,660	201,971	13.4%
U.S.	$417	100%	$13.20	100%	$869,135,348	$61,982,873	7.1%

Source Notes:

1. Higher Education Support = Total state government support from all tax and non-tax sources for public and independent higher education, plus local tax appropriations. Includes special purpose appropriations for research-agricultural-medical. Source: SHEEO SHEF

2. Population and personal income data from U.S. Bureau of Economic Analysis and Census Bureau.

3. State and local tax revenue data from U.S. Census Bureau.

Conclusion

This report has provided tools to help policy makers address questions such as:

- What level of state funding to colleges and universities is necessary to achieve the educational goals required for the economic and social well-being of the American people?
- What tuition levels are appropriate given higher education costs, benefits, and the desirability of encouraging participation?
- What amounts and forms of student financial assistance are required to provide meaningful educational opportunities to students from low and moderate-income families?
- To what extent might colleges and universities increase productivity or reduce expenditures without impairing the quality of services to students?

Such important questions require continual analysis, information gathering, and public debate. Accordingly, SHEEO plans to update and revise the SHEF report annually. Suggestions for improving this analysis will be gratefully received and incorporated in future editions.

Technical Paper A

The Higher Education Cost Adjustment: A Proposed Tool for Assessing Inflation in Higher Education Costs

Introduction

Prices charged to students, the total cost of higher education, and the effect of inflation are all important issues to the public, state and federal governments, and colleges and universities. This paper discusses two relevant dimensions of inflation in higher education–the consumer and the provider perspectives–and suggests a new tool to benchmark inflation as experienced by providers, colleges, and universities.

The Consumer Perspective

The student, parent, or student aid provider most often views higher education prices relative to how much they pay for other goods and services. The Consumer Price Index for Urban Consumers (CPI-U), most often used for these comparisons, evaluates the growth of tuition and fees against other consumer prices.

The CPI-U "market basket" consists of: housing (forty-two percent of the index), transportation (nineteen percent), food and beverages (eighteen percent), apparel and upkeep (seven percent), medical care (five percent), entertainment (four percent), and other goods and services (five percent). To calculate the CPI-U, the Bureau of Labor Statistics measures average changes in the prices paid for these goods and services in twenty-seven local areas.

Prices for different goods and services generally change faster or slower than the average rate of increase in the CPI-U. Incomes also grow or decline at different rates. Consumers notice when prices increase; and they become concerned when prices for important goods and services grow faster than their incomes. Prices for higher education and health care, for example, have grown faster than overall consumer prices over the past twenty years. While consumer prices as measured by CPI-U grew by forty percent between 1990 and 2002, the cost of medical care grew by seventy-five percent, [1] and tuition and fees for four-year public colleges and universities grew by 120 percent. U.S. income per capita grew by fifty-eight percent during the same period–more than prices in general, but less than the health care and college tuition price increases.

In view of these facts, it is not surprising that college prices are attracting national attention. Colleges and universities are certainly aware of the issues, and of the increase in their prices. At the same time, however, they face growth in the prices that they pay.

1 *"Economic Report of the President." February 2003. Appendix B, table B-60: "Consumer Price Indexes for Major Expenditure Classes" (http://w3.access.gpo.gov/usbudget/fy2004/sheets/b60.xls).*

The Provider Perspective

The CPI-U is based on goods and services purchased by the typical urban consumer. Colleges and universities spend their funds on different things–mostly (seventy-five percent) on salaries and benefits for faculty and staff, then utilities, supplies, books and library materials, and computing. Trends in the cost of these items don't necessarily run parallel to the average price increases tracked by the CPI-U.

Kent Halstead developed the Higher Education Price Index (HEPI) to track changes in the prices paid by colleges and universities from 1961 on. This index is based on the market basket of expenditures for colleges and universities. To estimate price changes for components in this market basket, it uses trends in faculty salaries collected by the American Association of University Professors (AAUP), and a number of price indices generated by federal agencies.

Dr. Halstead last updated the HEPI in 2001; he used regression analysis to estimate price increases from 2002-03, and made available for purchase *College and University Higher Education Price Index: 2003 Update*, which explains the procedures he used to develop estimated price increases for higher education in recent years.

The HEPI has made an important contribution to understanding the cost increases borne by colleges and universities. Over the past three years, the State Higher Education Executive Officers association (SHEEO) and chief fiscal officers of higher education agencies have discussed the feasibility and desirability of a fresh analysis of higher education cost inflation. The following conclusions were reached:

- While the HEPI has been useful, it has not been universally accepted because 1) it is a privately developed analysis, and 2) one of its main components, average faculty salaries, has been criticized as self-referential.
- The HEPI has not diverged dramatically from other inflation indices over short time periods. Hence, many policy makers reference indices such as the CPI-U in annual budget deliberations, especially in budgeting for projected price increases.
- It would be costly to update, refine, and maintain the HEPI in such a way that would meet professional standards for price indexing. The most labor-intensive work would be in refreshing the data in the higher education market basket.

For these reasons, SHEEO has decided not to maintain a successor to the HEPI. But *over an extended period of time*, differences between market basket of higher education cost increases and CPI market basket cost increases are material. The most fundamental problem is that the largest expenditure for higher education is salaries for educated people. In the past twenty years, such people have attracted increasingly higher compensation in both the private and public sectors, including colleges and universities.

SHEEO proposes the Higher Education Cost Adjustment (HECA) as an alternative to the CPI-U and the HEPI for estimating inflation in the costs paid by colleges and universities. HECA is constructed from two federally developed and maintained price indices–the Employment Cost Index (ECI) and the Gross Domestic Product Implicit Price Deflator (GDP IPD). The ECI includes salaries and benefits for private sector white-collar workers, excluding sales occupations. The GDP IPD reflects general price inflation in the U.S. economy. [2] The HECA has the following advantages:

1. It is constructed from measures of inflation in the broader U.S. economy;
2. It is simple, straightforward to calculate, and transparent; and

[2] *Gross Domestic Product (GDP) is the total market value of all final goods and services produced in the country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports. The GDP Implicit Price Deflator is current dollar GDP divided by constant dollar GDP. This ratio is used to account for the effects of inflation by reflecting the change in the prices of the bundle of goods that make up the GDP as well as changes to the bundle itself.*

3. The underlying indices are developed and routinely updated by the Bureaus of Labor Statistics and Economic Analysis.

Because the best available data suggest that faculty and staff salaries accounted for roughly seventy-five percent of college and university expenditures in 1972, the HECA is based on a market basket with two components–personnel costs (seventy-five percent of the index), and non-personnel costs (twenty-five percent). We have constructed the HECA based on the growth of the ECI for seventy-five percent of costs, and the growth of the GDP IPD for twenty-five percent of costs. While the higher education market basket may have changed since 1972, the information available suggests that this allocation remains roughly accurate.

Table 7 displays three indices from fiscal years 1990 to 2002–the CPI-U, HEPI, and the suggested HECA. For comparison purposes, per capita income growth is shown.

Table 7

CPI-U, HEPI, HECA, and Per Capita Personal Income, Indexed to Fiscal 1990

Fiscal Year Ending	CPI-U[1]	HEPI[2]	HECA[3]	Per Capita Personal Income[4]
1990	100.00	100.00	100.00	100.00
1991	105.47	105.26	104.44	102.30
1992	108.85	109.02	108.05	107.09
1993	112.25	112.14	111.93	110.05
1994	115.15	115.98	115.39	114.14
1995	118.46	119.39	118.61	118.82
1996	121.68	122.87	121.80	124.00
1997	125.15	126.70	125.19	129.84
1998	127.38	131.18	129.14	137.41
1999	129.59	134.30	132.85	142.45
2000	133.33	139.84	138.33	152.05
2001	137.89	146.66	143.94	155.39
2002	140.34	153.69	148.83	157.53

Notes: *CPI-U and HEPI are fiscal year (July 1 to June 30). HECA data are Quarter 2 of the calendar year, coinciding with the final quarter of the comparable fiscal year. Personal income data are calendar year.*

Sources:
1. U.S. Bureau of Labor Statistics.
2. Kent Halstead, Research Associates of Washington, DC.
3. SHEEO, from BLS and BEA data.
4. U.S. Dept. of Commerce, Bureau of Economic Analysis: State Personal Income.

Summary of the Indices

Between fiscal years 1990 and 2002:

- Consumer prices grew by forty percent;
- Provider prices for higher education grew fifty-four percent (as measured by the HEPI);
- Provider prices for higher education grew forty-nine percent (as estimated by the proposed HECA); and
- Per capita income grew fifty-eight percent.

Technical Paper B

Adjusting for Interstate Differences in Cost of Living and Enrollment Mix

As discussed in the introductory essay, "Making Sense of Higher Education Interstate Finance Data," it is difficult to compare interstate higher education unit costs. The analytical tools available are, at best, blunt instruments for measuring differences. Nevertheless, blunt instruments can be better than no instruments at all. This essay describes two approaches for assessing the relative significance of two factors–cost of living and the enrollment mix among institutions.

The cost of living among (and within) the states differs dramatically. The most significant difference is median housing values–in the 2000 census these were $119,600 for the nation, but ranged from $72,800 to $273,000 among states.

Enrollment mix also poses a challenge for interstate financial comparisons. Each level of higher education, from the lowest undergraduate work through doctoral studies, is progressively more expensive. A state or institution with a large proportion of enrollments in graduate programs will have a higher cost per FTE student than will a state or institution with a larger proportion of enrollments in undergraduate programs.

Both the State Higher Education Finance (SHEF) report and its predecessor, Kent Halstead's *State Profiles: Financing Public Higher Education*, provide a means of approximating the effects of these factors on interstate financial comparisons.

Halstead's System Support Index (SSI)

Kent Halstead's series of publications use an index that compares each state's cost per FTE student adjusted by a factor he called the System Support Index (SSI). The SSI adjusted for cost of living differences based on the prevailing wages of the county in which each institution was located, and for differences in the enrollment mix by examining average costs for institutions of various sizes in each Carnegie Classification. A combination of these two factors was used to calculate the SSI. [1]

While the SSI offers an elegant analytical effort, it has several disadvantages:

- It requires matching county level wage rates to institutional financial data, and entails a complex analysis of institutional enrollments, sizes, and expenditures.
- While local wage rates may be correlated with cost of living, they are not a direct measure of the cost of living or of the cost of employing college and university faculty in a particular county.
- The approach used for calculating the effects of enrollment mix and cost of living in the SSI makes it impossible for an independent observer to replicate the results, search for computational errors, or critically assess the analytical technique.

[1] *Halstead, K. (1998). "State Profiles: Financing Public Higher Education 1998 Rankings" (pp. 8-9, 43-44). Washington, DC: Research Associates of Washington.*

SHEF Adjustments for Cost of Living and Enrollment Mix

The SHEF report provides separate analytical adjustments for each of these factors. The adjustment for interstate cost of living differences is drawn from the Berry index (a study by Berry et al. that provides a single index for each state). [2] While this index does not solve the problem of differing intrastate costs of living, it offers a way to get a rough estimate of these differences for adjusting interstate unit cost data. The range of values extends from .88 to 1.16 among the forty-eight contiguous states. The Berry index does not provide an estimate of cost of living in Alaska and Hawaii, two states with unique characteristics. In the SHEF analysis, the highest value of 1.16 is assigned to both states.

SHEEO has developed an adjustment for intrastate enrollment mix differences based on the proportion of enrollments in each state compared with the national proportion of enrollments (by Carnegie Classification). The essential steps are as follows:

1. Integrated Postsecondary Education Data System (IPEDS) data for fiscal 2001 were used to develop a national average cost per FTE for each of the Carnegie Classifications of institutions. In addition, an aggregated national cost per FTE was calculated to be $9,662. The average national cost per FTE reflects the national enrollment mix among sectors, the most common of which are: Doctoral Research Extensive ($12,661); Doctoral Research Intensive ($10,315); Masters Colleges and Universities I ($9,160); and Associate Colleges ($7,688).
2. The proportion of each state's FTE in each of the Carnegie Classifications was calculated, and then multiplied by the national average cost per FTE for each respective classification. The sum of these products (the total state FTE for classification [*i*] multiplied by the national average unit cost for classification [*i*]) yields a number greater or less than $9,662, depending on the state's enrollment mix. This number is designated the state's enrollment mix unit cost. If the state has relatively more enrollments in higher cost Carnegie Classifications (e.g., research universities) the enrollment mix unit cost will surpass the aggregated national unit cost. If the state has relatively more enrollments in lower cost Carnegie Classifications (e.g., community colleges) the enrollment mix unit cost will be less than the aggregated national unit cost.
3. The ratio of enrollment mix unit cost to aggregated national unit cost constitutes each state's enrollment mix "index." For example, the enrollment mix index for California equals 0.92 because California has a large community college system. This calculation illustrates that, if unit costs in each sector were at the national average, the statewide cost per FTE would be lower than the aggregated national unit cost by eight percent.

Each SHEF adjustment is expressed in index values where the national average equals 1.00. Hence, actual expenditures per FTE are divided by the SHEF adjustment in order to obtain the adjusted value. For example, presume that State X has an actual expenditure per FTE of $8,000. If the cost of living index for State X equals 1.05, its expenditure per FTE, adjusted for differences in the cost of living, would be $7,619 ($8,000 / 1.05). If State X has an enrollment mix index of 0.98, its expenditure per FTE, adjusted for differences in enrollment mix, would be $8,163 ($8,000 / .98). When both adjustments are made, State X would have an adjusted expenditure per FTE of $7,775 ($8,000 / 1.05 / .98).

Table 8 summarizes results for the SHEF adjustments for interstate cost of living and enrollment mix differences, and compares these adjustments with the most recent Halstead SSI. SHEEO welcomes comments on the utility and limitations of these analytical tools and any suggestions for improvement.

[2] *Berry, W.D., R.C. Fording, and R.L. Hanson. (2000). An annual cost of living index for the American state, 1960-1998. "Journal of Politics," 62 (2), 550-567.*

Table 8

Comparison of SHEEO Enrollment Mix and Cost of Living Indices to the Halstead System Support Index

State	Enrollment Mix[1]	State Cost of Living[2]	Combined	Halstead SSI[3]
Alabama	0.93	0.91	0.85	0.97
Alaska	0.99	1.16	1.15	1.50
Arizona	1.03	0.94	0.97	1.00
Arkansas	0.98	0.89	0.87	0.91
California	0.92	1.02	0.94	1.03
Colorado	1.04	1.02	1.06	1.06
Connecticut	1.00	1.16	1.16	1.22
Delaware	1.15	1.00	1.16	1.16
Florida	1.02	0.93	0.95	0.84
Georgia	1.03	0.95	0.98	1.00
Hawaii	1.05	1.16	1.22	1.51
Idaho	1.04	0.92	0.96	1.02
Illinois	0.98	1.06	1.05	0.98
Indiana	1.10	1.01	1.11	1.05
Iowa	1.06	1.00	1.06	1.07
Kansas	1.06	1.01	1.06	1.00
Kentucky	1.03	0.91	0.94	1.03
Louisiana	1.03	0.91	0.93	0.97
Maine	1.01	1.02	1.03	1.01
Maryland	1.01	1.02	1.03	1.01
Massachusetts	0.98	1.16	1.14	1.11
Michigan	1.06	1.04	1.10	0.98
Minnesota	0.98	1.07	1.05	1.02
Mississippi	1.03	0.88	0.91	0.91
Missouri	0.97	1.01	0.98	0.99
Montana	1.02	0.90	0.93	1.00
Nebraska	1.03	1.01	1.04	1.02
Nevada	1.00	0.99	0.99	0.95
New Hampshire	1.11	1.09	1.21	1.00
New Jersey	0.96	1.14	1.09	1.08
New Mexico	1.06	0.91	0.96	1.19
New York	0.94	1.09	1.02	1.08
North Carolina	0.98	0.95	0.92	0.94
North Dakota	0.99	0.99	0.97	1.00
Ohio	1.08	1.02	1.10	1.02
Oklahoma	1.02	0.90	0.91	0.90
Oregon	1.02	0.98	1.00	0.99
Pennsylvania	1.05	1.02	1.07	1.07
Rhode Island	1.07	1.07	1.15	1.10
South Carolina	1.02	0.92	0.94	0.93
South Dakota	0.97	1.00	0.97	0.94
Tennessee	1.02	0.93	0.95	0.93
Texas	1.00	0.90	0.90	0.90
Utah	1.06	0.96	1.02	1.01
Vermont	1.16	1.04	1.20	1.32
Virginia	1.05	0.99	1.03	1.00
Washington	0.97	1.01	0.98	0.99
West Virginia	1.01	0.89	0.90	1.03
Wisconsin	1.02	1.04	1.06	0.95
Wyoming	1.05	0.92	0.97	1.11
U.S.	1.00	1.00	1.00	1.00

Source:

1. SHEEO, from IPEDS finance and enrollment data.

2. Updated values of index described in Berry, W.D., R.C. Fording, and R.L. Hanson. 2000. An annual cost of living index for the American states, 1960-1995. "Journal of Politics" 62 (2), 550-67.

3. Halstead, K. 1998. "State Profiles: Financing Public Higher Education 1998 Rankings." Washington, DC: Research Associates of Washington.

Technical Paper C

Diverse Perspectives on State Higher Education Finance Data

Understanding state support for higher education is complicated by the various perspectives of organizations that measure monetary support. Aside from SHEF, two annual studies are national in scope and report different numbers based on unique definitions and data elements–Illinois State University's *Grapevine* survey and the National Association of State Budget Officers (NASBO). Further complicating the issue, states observe different practices in collecting and reporting data. For example, as reported by NASBO, forty-two states include part of all of tuition and fees in state expenditures for higher education and thirty-nine states include part of all of student loan programs. Reconciling these differences (both at the data collection and state levels) may be impossible; understanding them, however, is essential to getting a clear picture of state trends in financing higher education.

The following summarizes data collected by SHEEO, NASBO, and *Grapevine*.

Grapevine – "State Effort"

Grapevine reports on total "state effort" for higher education, defined as appropriations from tax funds for universities, colleges, community colleges, and state higher education agencies. *Grapevine* requests that states follow three guidelines in reporting:

1. Report only appropriations, not actual expenditures.
2. Report only sums appropriated for annual operating expenses.
3. For state tax appropriations in complex universities, separate the sums appropriated for (or allocated to) the main campus, branch campuses, and medical centers (even if on the main campus). Medical center data should include the operations of colleges of medicine, dentistry, pharmacy and nursing, and teaching hospitals, either lumped as one sum or set out separately as preferred.

"State effort" for *Grapevine* includes:

- Sums appropriated for state aid to local public community colleges, state-supported community colleges, and vocational-technical two-year colleges or institutes predominately for high school graduates and adult students.
- Local tax support for higher education.
- Sums appropriated for statewide coordinating or governing boards (for expenses and/or for allocation to other institutions).
- Sums appropriated for state scholarships or other student financial aid.
- Sums destined for higher education but appropriated to another state agency.
- Appropriations directed to independent institutions of higher education.

Excluded items include appropriations for capital outlays and debt service, and appropriations of sums derived from federal sources, student fees, auxiliary enterprises, and other non-tax sources.

National Association of State Budget Officers (NASBO) – "State Funds"

NASBO defines state support of higher education as expenditures reflecting support of state university systems, community colleges, and vocational education. "State Funds" are defined as general funds plus other state funds. Fund revenue sources include:

- Sales Tax.
- Gaming Tax.
- Corporate Income Tax.
- Personal Income Tax.
- Other taxes and fees (depending on the state, these may include cigarette and tobacco taxes, alcoholic beverage taxes, insurance premiums, severance taxes, licenses and fees for permits, inheritance taxes, and charges for state-provided services).
- Tuition and Fees and student loan revenues (in most states).

States are also requested to include capital spending (for some states this can be substantial, and it tends to vary widely from year to year). Exclusions include federal research grants and university endowments.

SHEEO – "Total State Support"

The SHEEO survey requires the state's *Grapevine* appropriation number along with the following data elements:

- Funding under state auspices for appropriated non-tax state support (monies from lotteries set aside for institutional support or for student assistance).
- Local tax support for higher education.
- Funding under state auspices for non-appropriated state support (monies from receipt of lease income and oil/mineral extraction fees on land set aside for public institution benefit).
- Sums destined for higher education but appropriated to another state agency.
- Interest or earnings received from state funded endowments set aside for public sector institutions.
- Portions of multi-year appropriations from previous years.

This first annual SHEF report builds on Dr. Kent Halstead's *State Profiles: Financing Public Higher Education*, better known as the "Halstead Study." Starting in the 1970s, Research Associates of Washington, headed by Halstead, produced a model of the principal factors governing state support of public higher education. Through the presentation of raw state data, indexed data, weighted state comparisons, and national overviews, Halstead sought to provide states with the capability to assess their support of public higher education. He analyzed state FTE, appropriations, and net tuition data, along with data gathered from the Census Bureau, the Department of Treasury, and the National Center for Education Statistics, and created tables displaying state support, tax capacity, tax effort, and family share of funding. His results were published in two volumes–the annual *State Profiles: Financing Public Higher Education Rankings*, and the companion trend data, *State Profiles: Financing Public Higher Education Trend Data*. Both were last published in 1998.

In 2001, SHEEO resumed this endeavor. Data were gathered from the intervening years, a time frame for an annual collection was established, and the data collection instrument was revised, creating an electronic form consistent with the definitions used in the past study while expanding the collection with new data for additional analysis.

The SHEEO study is similar to the Halstead Study in the following respects:

- It analyzes state support for higher education, setting aside support in categories that vary widely among states (research, medical education, and agriculture extension services) so as to focus the analysis on appropriations for instruction and public service in more comparable areas;
- It collects annual FTE enrollment data to calculate more comparable estimates of state support per student;
- It examines state support for higher education in the context of a state's capacity to raise revenues from taxation;
- It examines the relative contribution of students to the cost of public higher education;
- It examines interstate differences in the cost of living and in the enrollment mix among different types of institutions.

Additionally, SHEEO's annual survey offers information on other relevant dimensions of higher education finance:

- State support for the education of students attending independent colleges and universities (direct state grants to institutions, or financial aid to students).
- State support of higher education operations through non-tax revenues, including lottery proceeds, royalties from natural resources, and state-supported endowments.
- Trends in state support for research, medical education, and agricultural extension services.
- State-supported student financial assistance.

APPENDIX A

Tables

Table A-1

Total Revenue from State and Local Governments, by State, Fiscal 2003 (dollars in thousands)

		STATE SUPPORT											
	Total State & Local	Tax Appropriations[1]		Non-Tax Appropriations[2]		Non-Appropriated[3]		Endowment Earnings		Other[4]		Local Tax Appropriations[5]	
State		$	%	$	%	$	%	$	%	$	%	$	%
Alabama	1,163,938	1,162,194	99.9%	–		–		–		–		1,744	0.1%
Alaska	211,841	209,525	98.9%	–		–		–	0.0%	1,611	0.8%	705	0.3%
Arizona	1,215,459	859,059	70.7%	–		–		–		–		356,400	29.3%
Arkansas	622,725	616,911	99.1%	–		–		–		–		5,814	0.9%
California	11,648,446	9,460,600	81.2%	205,000	1.8%	1,846	0.02%	–		–		1,981,000	17.0%
Colorado	644,942	602,439	93.4%	–		–		–		–		42,503	6.6%
Connecticut	754,342	577,220	76.5%	–		–		86	0.0%	177,036	23.5%	–	
Delaware	182,065	182,065	100.0%	–		–		–		–		–	
Florida	2,508,415	2,297,040	91.6%	211,375	8.4%	–		–		–		–	
Georgia	2,063,427	1,669,193	80.9%	387,649	18.8%	6,586	0.3%	–		–		–	
Hawaii	369,649	369,649	100.0%	–		–		–		–		–	
Idaho	254,726	217,114	85.2%	–		–		13,638	5.4%	–	0.0%	23,974	9.4%
Illinois	3,365,203	2,239,511	66.5%	–		–		–	0.0%	524,245	15.6%	601,447	17.9%
Indiana	1,326,680	1,326,680	100.0%	–		–		–		–		–	
Iowa	812,388	769,854	94.8%	–		–		–		–		42,533	5.2%
Kansas	808,155	670,687	83.0%	9,143	1.1%	–		–		–		128,325	15.9%
Kentucky	1,068,765	1,068,765	100.0%	–		–		–		–		–	
Louisiana	1,055,455	1,055,455	100.0%	–		–		–		–		–	
Maine	234,341	234,341	100.0%	–		–		–		–		–	
Maryland	1,422,763	1,206,695	84.8%	10,143	0.7%	–		–		–		205,925	14.5%
Massachusetts	1,145,108	975,913	85.2%	–		–		–	0.0%	169,195	14.8%	–	
Michigan	2,594,247	2,151,247	82.9%	–		–		–		–		443,000	17.1%
Minnesota	1,323,393	1,323,393	100.0%	–		–		–		–		–	
Mississippi	777,283	728,971	93.8%	–		–		900	0.1%	5,862	0.8%	41,550	5.3%
Missouri	1,051,379	875,070	83.2%	74,309	7.1%	–		–		–		102,000	9.7%
Montana	149,332	146,034	97.8%	–		–		–		–		3,298	2.2%
Nebraska	588,288	520,769	88.5%	–		–		–	0.0%	12,628	2.1%	54,891	9.3%
Nevada	357,773	357,773	100.0%	–		–		–		–		–	
New Hampshire	106,872	106,872	100.0%	–		–		–		–		–	
New Jersey	1,563,908	959,298	61.3%	–		–		–	0.0%	423,206	27.1%	181,404	11.6%
New Mexico	708,484	605,895	85.5%	21,277	3.0%	21,855	3.1%	–	0.0%	–	0.0%	59,457	8.4%
New York	3,792,052	3,217,125	84.8%	–		–		–		–		574,927	15.2%
North Carolina	2,577,073	2,449,659	95.1%	–		–		–		–		127,414	4.9%
North Dakota	203,801	203,801	100.0%	–		–		–		–		–	
Ohio	2,175,386	2,063,714	94.9%	–		–		760	0.03%	–	0.00%	110,912	5.1%

	Total State & Local	STATE SUPPORT											
		Tax Appropriations[1]		Non-Tax Appropriations[2]		Non-Appropriated[3]		Endowment Earnings		Other[4]		Local Tax Appropriations[5]	
State		$	%	$	%	$	%	$	%	$	%	$	%
Oklahoma	866,001	811,474	93.7%	–		17,132	2.0%	9,530	1.1%	–	0.0%	27,864	3.2%
Oregon	602,367	507,851	84.3%	2,540	0.4%	–		–		–		91,976	15.3%
Pennsylvania	2,092,982	1,998,020	95.5%	–		–		–		–		94,962	4.5%
Rhode Island	169,582	169,582	100.0%	–		–		–		–		–	
South Carolina	686,622	642,510	93.6%	3,000	0.4%	–		10	0.001%	–	0.000%	41,102	6.0%
South Dakota	150,317	148,975	99.1%	–		1,342	0.9%	–		–		–	
Tennessee	1,153,988	1,153,988	100.0%	–		–		–		–		–	
Texas	5,588,662	3,833,300	68.6%	–		–		198,341	3.5%	950,018	17.0%	607,003	10.9%
Utah	614,007	602,086	98.1%	11,921	1.9%	–		–		–		–	
Vermont	58,428	58,302	99.8%	–		–		126	0.2%	–	0.0%	–	
Virginia	1,434,518	1,421,683	99.1%	–		–		–		–		12,835	0.9%
Washington	1,375,255	1,375,255	100.0%	–		–		–		–		–	
West Virginia	431,094	377,972	87.7%	51,419	11.9%	–		3	0.0%	1,700	0.4%	–	
Wisconsin	1,528,958	1,211,788	79.3%	–		–		–		–		317,170	20.7%
Wyoming	267,196	187,856	70.3%	–		57,709	21.6%	–		–		21,631	8.1%
U.S.[6]	67,868,080	57,981,171	85.4%	987,776	1.5%	106,470	0.2%	223,394	0.3%	2,265,501	3.3%	6,303,767	9.3%

Notes:

1. Appropriations from state government taxes for higher education operations and other activities.
2. For example, money set aside for higher education from lotteries, casinos, or other gaming.
3. For example, money set aside for higher education from receipt of lease income or oil/mineral extraction fees.
4. Includes portions of multi-year appropriations from previous years and sums destined for higher education but appropriated to/administered by some other agency (e.g., state treasurer).
5. Appropriations from local government taxes to higher education institutions for operations.
6. Rows may not add to U.S. total due to rounding.

Source: *SHEEO SHEF*

Table A-2

Public Postsecondary Gross Tuition and Fee Assessments, Reductions, and Net Tuition Revenue, by State, Fiscal 2003 (dollars in thousands)

	Gross Tuition & Mandatory Fee Assessments	Tuition & Fees Paid by Students at Public Medical Schools		State Student Financial Aid for Public Institution Tuition & Fees[1]		Discounts & Waivers[2]		Net Tuition Revenue	
State		$	%	$	%	$	%	$	%
Alabama	714,569	27,020	3.8%	15,660	2.2%	–		671,889	94.0%
Alaska	59,749	–		–		22,014	36.8%	37,735	63.2%
Arizona	681,940	7,623	1.1%	5,163	0.8%	115,031	16.9%	554,123	81.3%
Arkansas	322,638	6,118	1.9%	–		71,157	22.1%	245,363	76.0%
California	1,906,618	130,000	6.8%	200,000	10.5%	–		1,576,618	82.7%
Colorado	711,575	–		92,386	13.0%	–		619,189	87.0%
Connecticut	334,497	–		–		–		334,497	100.0%
Delaware	251,521	–		10,149	4.0%	–		241,371	96.0%
Florida	1,160,483	–		260,078	22.4%	99,403	8.6%	801,002	69.0%
Georgia	707,324	6,889	1.0%	225,547	31.9%	141,465	20.0%	333,423	47.1%
Hawaii	71,450	–		–		–		71,450	100.0%
Idaho	86,813	153	0.2%	–		–		86,660	99.8%
Illinois	1,207,296	29,300	2.4%	192,926	16.0%	191,283	15.8%	793,787	65.7%
Indiana	1,172,376	38,654	3.3%	71,947	6.1%	74,886	6.4%	986,889	84.2%
Iowa	515,986	–		3,483	0.7%	–		512,503	99.3%
Kansas	340,374	19,751	5.8%	–		–		320,623	94.2%
Kentucky	504,099	13,244	2.6%	76,155	15.1%	7,832	1.6%	406,867	80.7%
Louisiana	468,716	17,543	3.7%	–		–		451,173	96.3%
Maine	162,584	–		8,102	5.0%	16,713	10.3%	137,770	84.7%
Maryland	820,485	22,333	2.7%	59,136	7.2%	43,095	5.3%	695,921	84.8%
Massachusetts	677,127	2,715	0.4%	71,375	10.5%	56,123	8.3%	546,914	80.8%
Michigan	2,138,000	86,000	4.0%	99,421	4.7%	–		1,952,579	91.3%
Minnesota	783,838	34,713	4.4%	68,300	8.7%	40,001	5.1%	640,824	81.8%
Mississippi	417,414	–		33,991	8.1%	63,787	15.3%	319,636	76.6%
Missouri	759,765	56,059	7.4%	22,856	3.0%	170,000	22.4%	510,850	67.2%
Montana	145,598	–		–		14,041	9.6%	131,557	90.4%
Nebraska	258,266	8,595	3.3%	–		47,584	18.4%	202,088	78.2%
Nevada	108,869	–		–		–		108,869	100.0%
New Hampshire	218,830	–		1,801	0.8%	51,771	23.7%	165,258	75.5%
New Jersey	1,061,082	45,007	4.2%	210,913	19.9%	–		805,162	75.9%
New Mexico	153,027	–		–		–		153,027	100.0%
New York	1,720,196	–		308,917	18.0%	–		1,411,280	82.0%
North Carolina	690,423	8,361	1.2%	63,761	9.2%	34,724	5.0%	583,577	84.5%
North Dakota	106,568	6,630	6.2%	1,517	1.4%	11,450	10.7%	86,971	81.6%
Ohio	2,195,178	60,809	2.8%	88,798	4.0%	414,472	18.9%	1,631,098	74.3%

State	Gross Tuition & Mandatory Fee Assessments	Tuition & Fees Paid by Students at Public Medical Schools		State Student Financial Aid for Public Institution Tuition & Fees[1]		Discounts & Waivers[2]		Net Tuition Revenue	
		$	%	$	%	$	%	$	%
Oklahoma	350,521	27,370	7.8%	33,610	9.6%	60,757	17.3%	228,784	65.3%
Oregon	551,571	–		6,785	1.2%	37,213	6.7%	507,574	92.0%
Pennsylvania	1,953,015	72,747	3.7%	166,835	8.5%	–		1,713,433	87.7%
Rhode Island	156,983	–		–		–		156,983	100.0%
South Carolina	534,791	22,838	4.3%	–		–		511,953	95.7%
South Dakota	109,290	2,828	2.6%	89	0.1%	–		106,374	97.3%
Tennessee	629,409	–		26,057	4.1%	2,610	0.4%	600,743	95.4%
Texas	2,333,953	30,316	1.3%	22,477	1.0%	182,466	7.8%	2,098,694	89.9%
Utah	292,929	6,956	2.4%	6,521	2.2%	29,928	10.2%	249,525	85.2%
Vermont	204,391	12,629	6.2%	126	0.1%	34,998	17.1%	156,639	76.6%
Virginia	1,024,067	33,416	3.3%	75,192	7.3%	–		915,458	89.4%
Washington	498,109	32,147	6.5%	108,654	21.8%	–		357,308	71.7%
West Virginia	285,051	18,104	6.4%	19,841	7.0%	41,010	14.4%	206,096	72.3%
Wisconsin	703,483	16,606	2.4%	–		–		686,877	97.6%
Wyoming	61,537	–		9,276	15.1%	3,368	5.5%	48,893	79.5%
U.S.[3]	$33,324,376	$903,476	2.7%	2,667,844	8.0%	2,079,179	6.2%	$27,673,876	83.0%

Notes:

1. Some states were unable to separate state aid for living expenses from state aid for tuition & fees.

2. Discounts and waivers are student enrollment incentives that serve to reduce the amount of revenue the institution would have collected had gross tuition & fee assessments been paid. Institutional aid is not reflected in this category.

3. Rows may not add to U.S. total due to rounding.

Source: *SHEEO SHEF*

Table A-3

State, Local, and Net Tuition Revenue, by State, Fiscal 2003 (dollars in thousands)

	Total State, Local, & Net Tuition Revenue	State Sources Total[1]		Local Tax Appropriations[2]		Net Tuition Revenue[3]	
State		**$**	**%**	**$**	**%**	**$**	**%**
Alabama	1,835,827	1,162,194	63.3%	1,744	0.1%	671,889	36.6%
Alaska	249,576	211,136	84.6%	705	0.3%	37,735	15.1%
Arizona	1,769,582	859,059	48.5%	356,400	20.1%	554,123	31.3%
Arkansas	868,087	616,911	71.1%	5,814	0.7%	245,363	28.3%
California	13,225,064	9,667,446	73.1%	1,981,000	15.0%	1,576,618	11.9%
Colorado	1,264,131	602,439	47.7%	42,503	3.4%	619,189	49.0%
Connecticut	1,088,839	754,342	69.3%	–		334,497	30.7%
Delaware	423,436	182,065	43.0%	–		241,371	57.0%
Florida	3,309,417	2,508,415	75.8%	–		801,002	24.2%
Georgia	2,396,850	2,063,427	86.1%	–		333,423	13.9%
Hawaii	441,099	369,649	83.8%	–		71,450	16.2%
Idaho	341,385	230,752	67.6%	23,974	7.0%	86,660	25.4%
Illinois	4,158,990	2,763,756	66.5%	601,447	14.5%	793,787	19.1%
Indiana	2,313,569	1,326,680	57.3%	–		986,889	42.7%
Iowa	1,324,891	769,854	58.1%	42,533	3.2%	512,503	38.7%
Kansas	1,128,778	679,830	60.2%	128,325	11.4%	320,623	28.4%
Kentucky	1,475,632	1,068,765	72.4%	–		406,867	27.6%
Louisiana	1,506,628	1,055,455	70.1%	–		451,173	29.9%
Maine	372,111	234,341	63.0%	–		137,770	37.0%
Maryland	2,118,684	1,216,838	57.4%	205,925	9.7%	695,921	32.8%
Massachusetts	1,692,022	1,145,108	67.7%	–		546,914	32.3%
Michigan	4,546,826	2,151,247	47.3%	443,000	9.7%	1,952,579	42.9%
Minnesota	1,964,217	1,323,393	67.4%	–		640,824	32.6%
Mississippi	1,096,919	735,733	67.1%	41,550	3.8%	319,636	29.1%
Missouri	1,562,229	949,379	60.8%	102,000	6.5%	510,850	32.7%
Montana	280,889	146,034	52.0%	3,298	1.2%	131,557	46.8%
Nebraska	790,376	533,397	67.5%	54,891	6.9%	202,088	25.6%
Nevada	466,642	357,773	76.7%	–		108,869	23.3%
New Hampshire	272,130	106,872	39.3%	–		165,258	60.7%
New Jersey	2,369,070	1,382,504	58.4%	181,404	7.7%	805,162	34.0%
New Mexico	861,511	649,027	75.3%	59,457	6.9%	153,027	17.8%
New York	5,203,332	3,217,125	61.8%	574,927	11.0%	1,411,280	27.1%
North Carolina	3,160,650	2,449,659	77.5%	127,414	4.0%	583,577	18.5%
North Dakota	290,772	203,801	70.1%	–		86,971	29.9%
Ohio	3,806,484	2,064,474	54.2%	110,912	2.9%	1,631,098	42.9%

State	Total State, Local, & Net Tuition Revenue	State Sources Total[1]		Local Tax Appropriations[2]		Net Tuition Revenue[3]	
		$	%	$	%	$	%
Oklahoma	1,094,785	838,136	76.6%	27,864	2.5%	228,784	20.9%
Oregon	1,109,941	510,391	46.0%	91,976	8.3%	507,574	45.7%
Pennsylvania	3,806,415	1,998,020	52.5%	94,962	2.5%	1,713,433	45.0%
Rhode Island	326,565	169,582	51.9%	–		156,983	48.1%
South Carolina	1,198,575	645,520	53.9%	41,102	3.4%	511,953	42.7%
South Dakota	256,690	150,317	58.6%	–		106,374	41.4%
Tennessee	1,754,731	1,153,988	65.8%	–		600,743	34.2%
Texas	7,687,356	4,981,659	64.8%	607,003	7.9%	2,098,694	27.3%
Utah	863,532	614,007	71.1%	–		249,525	28.9%
Vermont	215,067	58,428	27.2%	–		156,639	72.8%
Virginia	2,349,976	1,421,683	60.5%	12,835	0.5%	915,458	39.0%
Washington	1,732,563	1,375,255	79.4%	–		357,308	20.6%
West Virginia	637,190	431,094	67.7%	–		206,096	32.3%
Wisconsin	2,215,835	1,211,788	54.7%	317,170	14.3%	686,877	31.0%
Wyoming	316,090	245,565	77.7%	21,631	6.8%	48,893	15.5%
U.S.[4]	$95,541,956	$61,564,312	64.4%	$6,303,767	6.6%	$27,673,876	29.0%

Notes:

1. State appropriations of tax and non-tax revenue plus non-appropriated support.

2. Appropriations from local government taxes to higher education institutions for operations.

3. Public postsecondary gross tuition and mandatory fee assessments, less tuition/fees paid by public medical school students, less state-appropriated student financial aid for public postsecondary tuition/fees, less discounts and waivers.

4. Rows may not add to U.S. total due to rounding.

Source: *SHEEO SHEF*

Table A-4

Overview of Major Sources and Uses of State and Local Government Revenue, by State, Fiscal 2003 (dollars in thousands)

	SOURCES	USES					
	State & Local Total	Research-Ag-Med		Other[1]		Amount Remaining for Higher Ed Operations	
State		$	%	$	%	$	%
Alabama	1,163,938	298,710	25.7%	27,464	2.4%	837,765	72.0%
Alaska	211,841	16,618	7.8%	–		195,223	92.2%
Arizona	1,215,459	131,728	10.8%	8,174	0.7%	1,075,557	88.5%
Arkansas	622,725	150,850	24.2%	8,555	1.4%	463,320	74.4%
California	11,648,446	808,744	6.9%	450,000	3.9%	10,389,702	89.2%
Colorado	644,942	103,309	16.0%	101,949	15.8%	439,685	68.2%
Connecticut	754,342	105,427	14.0%	18,287	2.4%	630,628	83.6%
Delaware	182,065	7,977	4.4%	11,246	6.2%	162,842	89.4%
Florida	2,508,415	272,775	10.9%	383,525	15.3%	1,852,115	73.8%
Georgia	2,063,427	279,919	13.6%	273,736	13.3%	1,509,772	73.2%
Hawaii	369,649	66,694	18.0%	–		302,955	82.0%
Idaho	254,726	42,413	16.7%	1,101	0.4%	211,212	82.9%
Illinois	3,365,203	492,246	14.6%	401,216	11.9%	2,471,741	73.4%
Indiana	1,326,680	170,917	12.9%	136,496	10.3%	1,019,267	76.8%
Iowa	812,388	111,306	13.7%	50,599	6.2%	650,483	80.1%
Kansas	808,155	172,694	21.4%	7,438	0.9%	628,023	77.7%
Kentucky	1,068,765	164,390	15.4%	89,493	8.4%	814,882	76.2%
Louisiana	1,055,455	286,554	27.1%	4,260	0.4%	764,641	72.4%
Maine	234,341	24,345	10.4%	12,464	5.3%	197,532	84.3%
Maryland	1,422,763	410,437	28.8%	122,588	8.6%	889,738	62.5%
Massachusetts	1,145,108	32,367	2.8%	93,037	8.1%	1,019,703	89.0%
Michigan	2,594,247	247,779	9.6%	199,466	7.7%	2,147,002	82.8%
Minnesota	1,323,393	194,892	14.7%	136,238	10.3%	992,263	75.0%
Mississippi	777,283	211,344	27.2%	38,609	5.0%	527,330	67.8%
Missouri	1,051,379	29,796	2.8%	41,695	4.0%	979,889	93.2%
Montana	149,332	13,765	9.2%	–		135,567	90.8%
Nebraska	588,288	180,931	30.8%	6,095	1.0%	401,263	68.2%
Nevada	357,773	36,639	10.2%	–		321,134	89.8%
New Hampshire	106,872	12,388	11.6%	2,951	2.8%	91,533	85.6%
New Jersey	1,563,908	529,551	33.9%	234,378	15.0%	799,979	51.2%
New Mexico	708,484	93,855	13.2%	2,292	0.3%	612,337	86.4%
New York	3,792,052	343,716	9.1%	601,245	15.9%	2,847,091	75.1%
North Carolina	2,577,073	414,610	16.1%	143,003	5.5%	2,019,460	78.4%
North Dakota	203,801	42,318	20.8%	1,864	0.9%	159,619	78.3%
Ohio	2,175,386	324,209	14.9%	183,411	8.4%	1,667,767	76.7%

	SOURCES	USES					
	State & Local Total	Research-Ag-Med		Other[1]		Amount Remaining for Higher Ed Operations	
State		$	%	$	%	$	%
Oklahoma	866,001	145,394	16.8%	37,051	4.3%	683,555	78.9%
Oregon	602,367	54,897	9.1%	6,785	1.1%	540,686	89.8%
Pennsylvania	2,092,982	90,259	4.3%	392,011	18.7%	1,610,712	77.0%
Rhode Island	169,582	–		–		169,582	100.0%
South Carolina	686,622	171,473	25.0%	20,778	3.0%	494,370	72.0%
South Dakota	150,317	30,124	20.0%	89	0.1%	120,104	79.9%
Tennessee	1,153,988	218,501	18.9%	47,208	4.1%	888,279	77.0%
Texas	5,588,662	1,486,271	26.6%	104,527	1.9%	3,997,865	71.5%
Utah	614,007	57,792	9.4%	6,741	1.1%	549,473	89.5%
Vermont	58,428	13,489	23.1%	126	0.2%	44,813	76.7%
Virginia	1,434,518	138,095	9.6%	134,739	9.4%	1,161,685	81.0%
Washington	1,375,255	125,231	9.1%	130,773	9.5%	1,119,251	81.4%
West Virginia	431,094	120,791	28.0%	24,978	5.8%	285,324	66.2%
Wisconsin	1,528,958	159,299	10.4%	7,477	0.5%	1,362,181	89.1%
Wyoming	267,196	20,964	7.8%	9,276	3.5%	236,957	88.7%
U.S.[2]	$67,868,080	$9,658,792	14.2%	$4,715,431	6.9%	$53,493,857	78.8%

Notes:

1. Other = State-funded financial aid for insitutions out of state, public and independent in-state institutions, and appropriations for independent institution operations and capital outlay.

2. Rows may not add to U.S. total due to rounding.

Source: *SHEEO SHEF*

Table A-5

State and Local Appropriations for Public Postsecondary Research, Agricultural Extension, and Medical Schools, by Activity and State, Fiscal 2003 (dollars in thousands)

	Research Agriculture Medical	Research Centers, Labs & Institutes		Ag. Experiment Stations & Cooperative Extension		Teaching Hospitals & Public Service Patient Care[1]		Medical[2] Schools	
State	**Total**	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Alabama	298,710	3,350	1.1%	55,724	18.7%	–		239,636	80.2%
Alaska	16,618	13,477	81.1%	3,141	18.9%	–		–	
Arizona	131,728	35,460	26.9%	40,505	30.7%	55,763	42.3%	–	
Arkansas	150,850	23,275	15.4%	52,032	34.5%	75,542	50.1%	––	
California	808,744	295,799	36.6%	65,947	8.2%	57,256	7.1%	389,742	48.2%
Colorado	103,309	–		11,384	11.0%	–		91,924	89.0%
Connecticut	105,427	2,763	2.6%	2,977	2.8%	––		99,688	94.6%
Delaware	7,977	1,675	21.0%	3,857	48.3%	–		2,445	30.7%
Florida	272,775	–		110,521	40.5%			162,254	59.5%
Georgia	279,919	49,060	17.5%	83,522	29.8%	34,380	12.3%	112,956	40.4%
Hawaii	66,694	33,706	50.5%	14,465	21.7%	––		18,523	27.8%
Idaho	42,413	6,220	14.7%	28,734	67.7%	–		7,460	17.6%
Illinois	492,246	163,685	33.3%	24,144	4.9%	44,141	9.0%	260,276	52.9%
Indiana	170,917	4,293	2.5%	70,606	41.3%	–		96,018	56.2%
Iowa	111,306	14,042	12.6%	53,528	48.1%	–		43,736	39.3%
Kansas	172,694	17,548	10.2%	46,553	27.0%	108,593	62.9%	–	
Kentucky	164,390	808	0.5%	58,432	35.5%	18,156	11.0%	86,994	52.9%
Louisiana	286,554	91,585	32.0%	76,214	26.6%	93,501	32.6%	25,255	8.8%
Maine	24,345	10,100	41.5%	14,245	58.5%	–		–	
Maryland	410,437	208,069	50.7%	33,820	8.2%	89,198	21.7%	79,351	19.3%
Massachusetts	32,367	–		–		32,367	100.0%	–	
Michigan	247,779	108,087	43.6%	66,229	26.7%	–		73,463	29.6%
Minnesota	194,892	63,736	32.7%	57,355	29.4%	–		73,801	37.9%
Mississippi	211,344	17,607	8.3%	46,516	22.0%	22,107	10.5%	125,114	59.2%
Missouri	29,796	4,244	14.2%	–		25,552	85.8%	–	
Montana	13,765	720	5.2%	13,045	94.8%	–		–	
Nebraska	180,931	11,957	6.6%	69,777	38.6%	–		99,197	54.8%
Nevada	36,639	–		15,592	42.6%	–		21,046	57.4%
New Hampshire	12,388	977	7.9%	11,411	92.1%	–		–	
New Jersey	529,551	343,248	64.8%	24,666	4.7%	–		161,637	30.5%
New Mexico	93,855	5,364	5.7%	20,549	21.9%	24,959	26.6%	42,983	45.8%
New York[3]	343,716	77,336	22.5%	66,681	19.4%	74,586	21.7%	125,113	36.4%
North Carolina	414,610	28,931	7.0%	82,747	20.0%	39,303	9.5%	263,629	63.6%
North Dakota	42,318	2,000	4.7%	25,358	59.9%	–		14,960	35.4%
Ohio	324,209	115,225	35.5%	25,395	7.8%	183,589	56.6%	–	

State	Research Agriculture Medical Total	Research Centers, Labs & Institutes $	%	Ag. Experiment Stations & Cooperative Extension $	%	Teaching Hospitals & Public Service Patient Care[1] $	%	Medical[2] Schools $	%
Oklahoma	145,394	2,829	1.9%	43,065	29.6%	–		99,500	68.4%
Oregon	54,897	6,974	12.7%	47,922	87.3%	–		–	
Pennsylvania	90,259	23,645	26.2%	27,028	29.9%	11,808	13.1%	27,778	30.8%
Rhode Island	–	–		–		–		–	
South Carolina	171,473	–		43,232	25.2%	15,259	8.9%	112,982	65.9%
South Dakota	30,124	1,308	4.3%	15,529	51.5%	–		13,287	44.1%
Tennessee	218,501	26,280	12.0%	45,614	20.9%	68,602	31.4%	78,005	35.7%
Texas	1,486,271	232,037	15.6%	121,847	8.2%	975,616	65.6%	156,771	10.5%
Utah	57,792	2,405	4.2%	22,157	38.3%	12,807	22.2%	20,424	35.3%
Vermont	13,489	–		8,708	64.6%	–		4,781	35.4%
Virginia	138,095	20,673	15.0%	58,468	42.3%			58,954	42.7%
Washington	125,231	26,258	21.0%	19,893	15.9%	15,321	12.2%	63,759	50.9%
West Virginia	120,791	3,299	2.7%	20,769	17.2%	8,018	6.6%	88,706	73.4%
Wisconsin	159,299	74,074	46.5%	29,613	18.6%	8,324	5.2%	47,289	29.7%
Wyoming	20,964	1,218	5.8%	12,377	59.0%	4,906	23.4%	2,463	11.7%
U.S.[4]	$9,658,792	$2,175,346	22.5%	$1,891,893	19.6%	$2,099,657	21.7%	$3,491,897	36.2%

Notes:

1. Appropriations for direct operation and administrative support of all medical, dental, veterinary, optometry, pharmacy, mental health, nursing, and other health science institutes, clinics, labs, and dispensaries primarily serving the public.

2. Appropriations for direct operation and administrative support of the major types of medical schools and centers – allopathic, dental, veterinary, and osteopathic – corresponding to the medical enrollments excluded from net FTE calculation.

3. The distribution of research-agricultural-medical dollars by activity was unavailable for New York and was allocated at the national average.

4. Rows may not add to U.S. total due to rounding.

Source: *SHEEO SHEF*

Table A-6

Uses of State and Local Government Revenue, by State, Fiscal 2003 (dollars in thousands)

		Research-Ag-Med Total[1]		Independent Institutions[2]		Independent Institution Student Financial Aid[3]		State Support Financial Aid for Public T&F		Out-of-State Institution Student Financial Aid		Amount Remaining for Higher Ed Operations	
State	**Total**	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Alabama	1,163,938	298,710	25.7%	5,799	0.5%	5,414	0.5%	15,660	1.3%	591	0.1%	837,765	72.0%
Alaska	211,841	16,618	7.8%	–		–		–		–		195,223	92.2%
Arizona	1,215,459	131,728	10.8%	–		–		5,163	0.4%	3,011	0.2%	1,075,557	88.5%
Arkansas	622,725	150,850	24.2%	–		6,189	1.0%	–		2,366	0.4%	463,320	74.4%
California	11,648,446	808,744	6.9%	–		250,000	2.1%	200,000	1.7%	–		10,389,702	89.2%
Colorado	644,942	103,309	16.0%	–		9,563	1.5%	92,386	14.3%	–		439,685	68.2%
Connecticut	754,342	105,427	14.0%	–		17,714	2.3%	–		573	0.1%	630,628	83.6%
Delaware	182,065	7,977	4.4%	–		–		10,149	5.6%	1,096	0.6%	162,842	89.4%
Florida	2,508,415	272,775	10.9%	–		123,447	4.9%	260,078	10.4%	–		1,852,115	73.8%
Georgia	2,063,427	279,919	13.6%	1,701	0.1%	46,488	2.3%	225,547	10.9%	–		1,509,772	73.2%
Hawaii	369,649	66,694	18.0%	–		–		–		–		302,955	82.0%
Idaho	254,726	42,413	16.7%	–		1,101	0.4%	–		–		211,212	82.9%
Illinois	3,365,203	492,246	14.6%	36,391	1.1%	171,899	5.1%	192,926	5.7%	–		2,471,741	73.4%
Indiana	1,326,680	170,917	12.9%	–		63,758	4.8%	71,947	5.4%	791	0.1%	1,019,267	76.8%
Iowa	812,388	111,306	13.7%	–		47,116	5.8%	3,483	0.4%	–		650,483	80.1%
Kansas	808,155	172,694	21.4%	–		7,438	0.9%	–		–		628,023	77.7%
Kentucky	1,068,765	164,390	15.4%	–		13,338	1.2%	76,155	7.1%	–		814,882	76.2%
Louisiana	1,055,455	286,554	27.1%	4,260	0.4%	–		–		–		764,641	72.4%
Maine	234,341	24,345	10.4%	–		2,119	0.9%	8,102	3.5%	2,244	1.0%	197,532	84.3%
Maryland	1,422,763	410,437	28.8%	42,599	3.0%	16,943	1.2%	59,136	4.2%	3,910	0.3%	889,738	62.5%
Massachusetts	1,145,108	32,367	2.8%	3,663	0.3%	18,000	1.6%	71,375	6.2%	–		1,019,703	89.0%
Michigan	2,594,247	247,779	9.6%	11,745	0.5%	86,100	3.3%	99,421	3.8%	2,200	0.1%	2,147,002	82.8%
Minnesota	1,323,393	194,892	14.7%	1,637	0.1%	66,301	5.0%	68,300	5.2%	–		992,263	75.0%
Mississippi	777,283	211,344	27.2%	–		4,618	0.6%	33,991	4.4%	–		527,330	67.8%
Missouri	1,051,379	29,796	2.8%	–		18,839	1.8%	22,856	2.2%	–		979,889	93.2%
Montana	149,332	13,765	9.2%	–		–		–		–		135,567	90.8%
Nebraska	588,288	180,931	30.8%	–		3,647	0.6%	–		2,448	0.4%	401,263	68.2%
Nevada	357,773	36,639	10.2%	–		–		–		–		321,134	89.8%
New Hampshire	106,872	12,388	11.6%	–		732	0.7%	1,801	1.7%	418	0.4%	91,533	85.6%
New Jersey	1,563,908	529,551	33.9%	23,465	1.5%	–		210,913	13.5%	–		799,979	51.2%
New Mexico	708,484	93,855	13.2%	–		1,012	0.1%	–		1,280	0.2%	612,337	86.4%
New York	3,792,052	343,716	9.1%	44,300	1.2%	248,028	6.5%	308,917	8.1%	–		2,847,091	75.1%
North Carolina	2,577,073	414,610	16.1%	–		78,323	3.0%	63,761	2.5%	919	0.04%	2,019,460	78.4%
North Dakota	203,801	42,318	20.8%	–		347	0.2%	1,517	0.7%	–		159,619	78.3%
Ohio	2,175,386	324,209	14.9%	7,776	0.4%	85,976	4.0%	88,798	4.1%	860	0.04%	1,667,767	76.7%

State	Total	Research-Ag-Med Total[1] $	%	Independent Institutions[2] $	%	Independent Institution Student Financial Aid[3] $	%	State Support Financial Aid for Public T&F $	%	Out-of-State Institution Student Financial Aid $	%	Amount Remaining for Higher Ed Operations $	%
Oklahoma	866,001	145,394	16.8%	–		3,441	0.4%	33,610	3.9%	–		683,555	78.9%
Oregon	602,367	54,897	9.1%	–		–		6,785	1.1%	–		540,686	89.8%
Pennsylvania	2,092,982	90,259	4.3%	48,919	2.3%	176,257	8.4%	166,835	8.0%	–		1,610,712	77.0%
Rhode Island	169,582	–		–		–		–		–		169,582	100.0%
South Carolina	686,622	171,473	25.0%	–		19,675	2.9%	–		1,103	0.2%	494,370	72.0%
South Dakota	150,317	30,124	20.0%	–		–		89	0.1%	–		120,104	79.9%
Tennessee	1,153,988	218,501	18.9%	–		21,151	1.8%	26,057	2.3%	–		888,279	77.0%
Texas	5,588,662	1,486,271	26.6%	–		82,050	1.5%	22,477	0.4%	–		3,997,865	71.5%
Utah	614,007	57,792	9.4%	–		220	0.04%	6,521	1.1%	–		549,473	89.5%
Vermont	58,428	13,489	23.1%	–		–		126	0.2%	–		44,813	76.7%
Virginia	1,434,518	138,095	9.6%	22,043	1.5%	35,869	2.5%	75,192	5.2%	1,635	0.1%	1,161,685	81.0%
Washington	1,375,255	125,231	9.1%	–		22,119	1.6%	108,654	7.9%	–		1,119,251	81.4%
West Virginia	431,094	120,791	28.0%	–		5,092	1.2%	19,841	4.6%	46	0.01%	285,324	66.2%
Wisconsin	1,528,958	159,299	10.4%	7,477	0.5%	–		–		–		1,362,181	89.1%
Wyoming	267,196	20,964	7.8%	–		–		9,276	3.5%	–		236,957	88.7%
U.S.[4]	$67,868,080	$9,658,792	14.2%	$261,774	0.4%	$1,760,322	2.6%	$2,667,844	3.9%	$25,490	0.04%	$53,493,857	78.8%

Notes:

1. See Table A-5 for items included in Research-Ag-Med.

2. Capital outlay dollars for new construction and debt retirement (Wisconsin only); funding for operations (all other states).

3. Includes dollars intended solely for students attending in-state independent institutions and the independent sector's share of the state financial aid program.

4. Rows may not add to U.S. total due to rounding.

Source: *SHEEO SHEF*

Table A-7

Impact of Enrollment Mix and Cost of Living Adjustments on Interstate Comparison of Total Educational Funding per FTE, Fiscal 2003

	UNADJUSTED		ADJUSTED FOR ENROLLMENT MIX		ADJUSTED FOR COST OF LIVING		ADJUSTED FOR ENROLLMENT & COL	
State	$ / FTE	% of U.S. Average	$ / FTE	% of U.S. Average	$ / FTE	% of U.S. Average	$ / FTE	% of U.S. Average
Alabama	8,459	97%	9,080	104%	9,311	107%	9,995	115%
Alaska	14,457	166%	14,632	168%	12,439	143%	12,590	145%
Arizona	8,121	93%	7,849	90%	8,684	100%	8,394	97%
Arkansas	7,560	87%	7,749	89%	8,457	97%	8,669	100%
California	7,398	85%	8,029	92%	7,273	84%	7,893	91%
Colorado	7,368	85%	7,064	81%	7,215	83%	6,918	80%
Connecticut	14,180	163%	14,138	163%	12,221	141%	12,185	140%
Delaware	13,390	154%	11,595	133%	13,374	154%	11,581	133%
Florida	5,665	65%	5,568	64%	6,062	70%	5,957	69%
Georgia	10,004	115%	9,682	111%	10,505	121%	10,167	117%
Hawaii	10,861	125%	10,323	119%	9,345	107%	8,883	102%
Idaho	6,638	76%	6,377	73%	7,227	83%	6,943	80%
Illinois	9,135	105%	9,299	107%	8,580	99%	8,734	100%
Indiana	9,671	111%	8,802	101%	9,573	110%	8,713	100%
Iowa	10,303	119%	9,713	112%	10,289	118%	9,700	112%
Kansas	8,867	102%	8,397	97%	8,794	101%	8,328	96%
Kentucky	9,205	106%	8,916	103%	10,061	116%	9,746	112%
Louisiana	6,858	79%	6,679	77%	7,557	87%	7,359	85%
Maine	10,490	121%	10,352	119%	10,318	119%	10,182	117%
Maryland	9,775	112%	9,693	111%	9,552	110%	9,472	109%
Massachusetts	12,122	139%	12,392	143%	10,430	120%	10,663	123%
Michigan	11,919	137%	11,281	130%	11,467	132%	10,854	125%
Minnesota	9,174	106%	9,338	107%	8,597	99%	8,750	101%
Mississippi	6,523	75%	6,341	73%	7,377	85%	7,172	82%
Missouri	9,995	115%	10,288	118%	9,911	114%	10,201	117%
Montana	7,638	88%	7,459	86%	8,450	97%	8,252	95%
Nebraska	8,786	101%	8,547	98%	8,659	100%	8,423	97%
Nevada	7,958	92%	7,926	91%	8,064	93%	8,032	92%
New Hampshire	9,213	106%	8,315	96%	8,438	97%	7,616	88%
New Jersey	9,708	112%	10,116	116%	8,531	98%	8,889	102%
New Mexico	10,091	116%	9,520	109%	11,094	128%	10,466	120%
New York	10,021	115%	10,623	122%	9,233	106%	9,788	113%
North Carolina	8,826	102%	9,032	104%	9,333	107%	9,551	110%
North Dakota	7,139	82%	7,239	83%	7,223	83%	7,325	84%
Ohio	9,193	106%	8,546	98%	9,026	104%	8,390	97%

State	UNADJUSTED $ / FTE	UNADJUSTED % of U.S. Average	ADJUSTED FOR ENROLLMENT MIX $ / FTE	ADJUSTED FOR ENROLLMENT MIX % of U.S. Average	ADJUSTED FOR COST OF LIVING $ / FTE	ADJUSTED FOR COST OF LIVING % of U.S. Average	ADJUSTED FOR ENROLLMENT & COL $ / FTE	ADJUSTED FOR ENROLLMENT & COL % of U.S. Average
Oklahoma	7,417	85%	7,260	84%	8,286	95%	8,111	93%
Oregon	8,386	96%	8,229	95%	8,520	98%	8,360	96%
Pennsylvania	11,272	130%	10,759	124%	11,088	128%	10,583	122%
Rhode Island	12,146	140%	11,375	131%	11,313	130%	10,595	122%
South Carolina	7,343	84%	7,232	83%	7,949	91%	7,828	90%
South Dakota	8,005	92%	8,237	95%	8,015	92%	8,247	95%
Tennessee	8,933	103%	8,725	100%	9,620	111%	9,396	108%
Texas	8,501	98%	8,511	98%	9,434	109%	9,445	109%
Utah	7,403	85%	6,980	80%	7,731	89%	7,289	84%
Vermont	11,780	135%	10,196	117%	11,353	131%	9,827	113%
Virginia	8,447	97%	8,042	92%	8,574	99%	8,163	94%
Washington	6,997	80%	7,245	83%	6,906	79%	7,150	82%
West Virginia	7,588	87%	7,528	87%	8,507	98%	8,440	97%
Wisconsin	9,850	113%	9,625	111%	9,505	109%	9,288	107%
Wyoming	11,996	138%	11,421	131%	12,971	149%	12,350	142%
U.S.	$8,694	100%	$8,694	100%	$8,694	100%	$8,694	100%

Table A-8

Total State Student Grant Aid Dollars per FTE, by Financial Need Criterion and State, 2002-03

State	Total State Grant Aid per FTE	% of U.S. Average	Need-Based State Grant per FTE	% of U.S. Average	Non-Need State Grant per FTE	% of U.S. Average
Alabama	62	13.6%	9	2.6%	53	43.5%
Alaska	–		–		–	
Arizona	10	2.2%	10	3.0%	–	
Arkansas	272	59.8%	201	60.5%	71	57.8%
California	320	70.4%	320	96.5%	–	
Colorado	379	83.3%	217	65.4%	162	131.7%
Connecticut	287	63.0%	284	85.6%	3	2.2%
Delaware	355	78.0%	59	17.7%	296	240.5%
Florida	484	106.4%	146	44.1%	337	274.2%
Georgia	1,254	275.8%	5	1.4%	1,250	1015.3%
Hawaii	33	7.1%	33	9.8%	–	
Idaho	87	19.1%	16	4.9%	71	57.5%
Ilinois	666	146.5%	613	184.8%	54	43.5%
Indiana	795	174.8%	754	227.2%	41	33.5%
Iowa	317	69.8%	301	90.7%	16	13.4%
Kansas	92	20.3%	91	27.5%	1	0.7%
Kentucky	650	142.9%	298	89.9%	352	285.9%
Louisiana	740	162.7%	7	2.2%	732	595.1%
Maine	275	60.4%	267	80.4%	8	6.6%
Maryland	256	56.3%	221	66.6%	35	28.4%
Massachusetts	252	55.3%	249	75.0%	3	2.4%
Michigan	491	108.0%	237	71.5%	254	206.4%
Minnesota	546	120.0%	546	164.5%	–	
Mississippi	163	35.9%	11	3.2%	153	124.0%
Missouri	235	51.8%	120	36.3%	115	93.4%
Montana	73	16.1%	73	22.0%	–	
Nebraska	71	15.6%	71	21.3%	–	
Nevada	512	112.5%	178	53.6%	334	271.2%
New Hampshire	70	15.4%	70	21.1%	0	0.1%
New Jersey	774	170.1%	684	206.2%	90	73.0%
New Mexico	500	110.0%	160	48.1%	341	276.9%
New York	833	183.3%	811	244.5%	22	18.3%
North Carolina	420	92.3%	246	74.0%	174	141.4%
North Dakota	46	10.2%	35	10.6%	11	9.0%
Ohio	440	96.9%	277	83.5%	164	132.9%

State	Total State Grant Aid per FTE	% of U.S. Average	Need-Based State Grant per FTE	% of U.S. Average	Non-Need State Grant per FTE	% of U.S. Average
Oklahoma	214	47.1%	150	45.2%	64	52.4%
Oregon	117	25.7%	115	34.6%	2	1.6%
Pennsylvania	629	138.4%	629	189.6%	0	0.2%
Rhode Island	106	23.3%	98	29.7%	7	6.0%
South Carolina	1,261	277.3%	427	128.7%	834	677.9%
South Dakota	–		–		–	
Tennessee	246	54.0%	243	73.2%	3	2.2%
Texas	400	88.0%	395	119.1%	5	4.0%
Utah	41	9.0%	32	9.6%	9	7.2%
Vermont	556	122.2%	550	165.7%	6	4.9%
Virginia	402	88.4%	232	69.9%	170	138.0%
Washington	470	103.4%	463	139.5%	7	6.0%
West Virginia	468	102.9%	235	70.9%	233	189.3%
Wisconsin	312	68.6%	287	86.6%	26	20.9%
Wyoming	7	1.5%	7	2.1%	–	
U.S.	$455	100%	$332	100%	$123	100%

Notes: *State aid dollars are from Table 1 of the NASSGAP report and include state grants and scholarships. Excluded are state loans; state tuition waivers; state work-study; and state loan assumption, forgive-ness, and work-contingent programs. FTE data are Fall 2002 from IPEDS and include undergraduate and graduate enrollments in public and independent Title IV-eligible institutions. Alabama FTE exclude Community College of the Air Force.*

Source: *National Association of State Student Grant and Aid Programs, 34th Annual Survey Report on State-Sponsored Student Financial Aid, 2002-03.*

APPENDIX B

Glossary of Terms

Cost Adjustments

Consumer Price Index (CPI). A measure of the average change over time in the price of a market basket of consumer goods and services. *Sources: Bureau of Labor Statistics, U.S. Department of Labor.*

Employment Cost Index (ECI). A measure of the change in labor costs, outside the influence of employment shifts among occupations and industries. The ECI for private industry white-collar occupations (excluding sales) accounts for seventy-five percent of the State Higher Education Executive Officers (SHEEO) Higher Education Cost Adjustment (HECA). HECA uses the compensation series that includes changes in wages and salaries plus employer costs for employee benefits. *Sources: Bureau of Labor Statistics, U.S. Department of Labor.*

Gross Domestic Product (GDP). The total market value of all final goods and services produced in the country in a given year—the sum of total consumer spending, investment spending, government spending, and exports, minus imports. *Source: Bureau of Economic Analysis, Office of Economic Policy, U.S. Department of Commerce.*

Gross Domestic Product Implicit Price Deflator (GDP IPD). Current dollar GDP divided by constant dollar GDP. This ratio is used to account for inflationary effects by reflecting both the change in the price of the bundle of goods comprising the GDP, and the change to the bundle itself. The GDP IPD accounts for twenty-five percent of the SHEEO HECA. *Sources: Bureau of Economic Analysis, Office of Economic Policy, U.S. Department of Commerce.*

Higher Education Cost Adjustment (HECA). Measures price inflation experienced by colleges and universities. The HECA uses two external indices maintained by the federal government–the ECI (accounts for seventy-five percent of the index), and the GDP IPD (accounts for the remainder). *Source: SHEEO SHEF.*

Higher Education Price Index (HEPI). Developed by Kent Halstead, HEPI measures the inflationary effect on college and university operations. Measures the average relative level in the price of a fixed market basket of goods and services purchased by colleges and universities through current fund educational and general expenses (excluding those for sponsored research, department sales and services, and auxiliary enterprises). *Source: Research Associates of Washington, DC.*

Price Inflation. The percentage increase in the price of a market basket of goods and services over a specific time period.

Enrollment

Full-Time-Equivalent Enrollment (FTE). A measure of enrollment equal to one student enrolled full-time for one academic year, based on all credit hours (including summer sessions). The SHEF data capture FTE enrollment in public institutions of higher education in those credit or contact hours associated with courses that apply to a degree or certificate, excluding non-credit continuing education, adult education, or extension courses.

If courses meet the "formal award potential" criterion, they may include vocational-technical, remedial, and other program enrollments at two-year community college and state-approved area vocational-technical centers. Medical school enrollments are reported but set aside from the net FTE used in "funding per FTE" calculations because states vary widely in the extent of medical school funding.

The FTE calculation differs with the type and level of instruction:

- Contact hour courses: One annual FTE is the sum of total contact hours divided by nine hundred.
- Undergraduate credit hour courses: One annual FTE is the sum of total credits divided by thirty (for semester-based calendar systems) or forty-five (for quarter systems).
- Graduate and first professional credit hour courses: One annual FTE is the sum of total credits divided by twenty-four (for semester systems) or thirty-six (for quarter systems). *Source: SHEEO SHEF.*

Funding

Appropriations. Money set aside by formal legislative action for a specific use.

Educational Appropriations. Net State Support plus Local Tax Appropriations minus Research, Agricultural, and Medical (RAM) appropriations. *Source: SHEEO SHEF.*

Gross State Support. The sum of State Tax Appropriations plus:

- Funding under state auspices for appropriated non-tax state support (e.g., lotteries, casinos, and tobacco settlement funds) set aside for higher education;
- Funding under state auspices for non-appropriated state support (e.g., monies from receipt of lease income, cattle grazing rights, and oil/mineral extraction fees on land) set aside for higher education;
- Sums destined for higher education but appropriated to some other state agency (e.g., administered funds or funds intended for faculty/staff fringe benefits that are appropriated to the state treasurer);
- Interest or earnings received from state-funded endowments pledged to public sector institutions; and
- Portions of multi-year appropriations from previous years. *Source: SHEEO SHEF.*

Local Tax Appropriations. Annual appropriations from local government taxes for public higher education institution operating expenses. *Source: SHEEO SHEF.*

Net State Support. State support for public higher education annual operating expenses. The difference resulting from Gross State Support less:

- Appropriations returned to the state;
- State-appropriated funds derived from federal sources;
- Portions of multi-year appropriations to be distributed over subsequent years;
- Tuition charges remitted to the state to offset state appropriation;
- Tuition and fees used for capital debt service and capital improvement (other than that paid by students for auxiliary enterprise debt service);
- State funding for students in non-credit continuing or adult education courses and non-credit extension courses;
- Sums appropriated to private institutions for capital outlay or operating expenses;
- Allocation of appropriations for financial aid grants to students attending in-state private institutions; and
- Allocation of appropriations for financial aid grants to students attending out-of-state institutions. *Source: SHEEO SHEF.*

Personal Income. The income received by all persons from participation in production, from government and business transfer payments, and from government interest. Personal income is the sum of net earnings by place of

residence, rental income, personal dividend income, personal interest income, and transfer payments. Net earnings is earnings by place of work (wage and salary disbursements, and proprietors' income) less personal contributions for social insurance, including an adjustment to convert earnings by place of work to earnings by place of residence. Personal income is measured before the deduction of personal income taxes and is reported in current dollars. *Sources: Bureau of Economic Analysis, Office of Economic Policy, U.S. Department of Treasury.*

Research, Agricultural, and Medical Appropriations (RAM). Special purpose appropriations targeted by legislative budget line-item identification or institutional designation for the direct operation and administrative support of research centers and institutes, agricultural experiment stations, cooperative extension services, teaching hospitals, health care public services, and four types of medical schools–allopathic, osteopathic, dental, and veterinary. *Source: SHEEO SHEF.*

State Tax Appropriations. Appropriations from state government taxes for public and private higher education institution and agency annual operating expenses, excluding capital outlay (for new construction or debt retirement) and revenue from auxiliary enterprises. These sums are largely the same as those reported as part of the annual Grapevine survey of the Center for the Study of Higher Education Policy at Illinois State University. *Source: "Grapevine," as reported to SHEEO.*

Student Share. The share of Total Educational Funding deriving from students or their families. Net Tuition Revenue as a percentage of Total Educational Funding. *Source: SHEEO SHEF.*

Total Educational Funding. The sum of Educational Appropriations and Net Tuition Revenue. *Source: SHEEO SHEF.*

State Tax Revenue, Capacity, Effort, and Higher Education Allocation

Actual Tax Revenue (ATR). General revenue derived from taxation by state and local governments. *Source: U.S. Census Bureau.*

Effective Tax Rate (ETR). Actual Tax Revenue per capita divided by Total Taxable Resources per capita, expressed as a percentage. In fiscal 2000, the national average effective tax rate was 7.8 percent, or $3,086 divided by $39,579. An indexed value is derived by dividing the state's effective tax rate by the national average effective tax rate. *Sources: Population and Actual Tax Revenue from the U.S. Census Bureau; Total Taxable Resources from the Bureau of Economic Analysis, Office of Economic Policy, U.S. Department of Treasury.*

State Higher Education Allocation. Measures total state support and local appropriations to higher education as a percentage of state plus local tax revenues. *Source: SHEEO calculation from SHEF and U.S. Census data.*

Total Taxable Resources Index (TTR). Total Taxable Resources are the sum of Gross State Product (in-state production) minus components presumed not taxable by the state plus various components of income derived from out-of-state sources. An indexed value for each state is derived by dividing the state's TTR per capita by the national average TTR per capita. *Source: With the exception of net realized capital gains (from the Internal Revenue Service), all data used to generate TTR estimates come from the Bureau of Economic Analysis, the Office of Economic Policy, and the U.S. Department of Treasury.*

Tuition and Fee Revenue

Gross Tuition and Fees. Gross assessments by public postsecondary institutions for tuition and mandatory education fees. *Source: SHEEO SHEF.*

Net Tuition Revenue. The sum of Gross Tuition and Fee Assessments minus state-funded student financial aid, discounts and waivers, and medical school student tuition revenues. Enrollments, state appropriations, and medical school tuition revenues are set aside in many SHEF analyses to improve interstate evaluation. *Source: SHEEO SHEF.*

APPENDIX C

SHEF Data Contributors

Alabama

Susan J. Cagle
Director, Institutional Finance & Facilities
Alabama Commission on Higher Education
P.O. Box 302000
Montgomery, AL 36130
(334) 242-2105
scagle@ache.state.al.us

Alaska

Joe Beedle
Vice President for Finance
University of Alaska System
Box 755000
Fairbanks, AK 99775-5000
(907) 474-7448
joe.beedle@alaska.edu

Arizona

Gale Tebeau
Assistant Executive Director for Business & Finance
Arizona Board of Regents
2020 North Central Suite 230
Phoenix, AZ 85004
(602) 229-2522
gale@asu.edu

Arkansas

Rita Fleming
Senior Associate Director
Arkansas Department of Higher Education
114 East Capitol
Little Rock, AR 722201
(501) 371-2026
ritaf@adhe.arknet.edu

California

Karl M. Engelbach
Chief Fiscal Analyst
California Postsecondary Education Commission
1303 J Street, Suite 500
Sacramento, CA 95814-2938
(916) 322-7331
kengelbach@cpec.ca.gov

Colorado

Richard Schweigert
Budget Director
Colorado Commission on Higher Education
380 Lawrence Street, Suite 1200
Denver, CO 80204
(303) 866-2723
RichardS@state.co.us

Connecticut

Mary K. Johnson
Associate Commissioner Finance & Administration
Connecticut Department of Higher Education
61 Woodland Street
Hartford, CT 06105-2326
(860) 947-1848
mkjohnson@ctdhe.org

Delaware

Maureen Laffey
Acting Executive Director
Delaware Higher Education Commission
Carvel State Office Building
820 N. French Street
Wilmington, DE 19801
(302) 577-3240
mlaffey@doe.k12.de.us

Florida

Patrick H. Dallet
Deputy Executive Director
Council for Education Policy Research & Improvement
111 West Madison Street, Suite 574
Tallahassee, FL 32399-1400
(850) 488-7894
dallet.pat@leg.state.fl.us

Georgia

William R. Bowes
Vice Chancellor for Fiscal Affairs
Board of Regents of the University System of Georgia
Atlanta, GA 30334
(404) 657-1312
william.bowes@usg.edu

Hawaii

Glenn Nakamura
Acting University of Hawaii Budget Director
University of Hawaii
2600 Campus Rd. QLCSS, Room 414
Honolulu, HI 92822
(808) 956-7323
glenn@hawaii.edu

Idaho

Jeff Shinn
Chief Fiscal Officer
Idaho State Board of Education
650 West State Street, Room 307
Boise, ID 83720
(208) 332-1569
jshinn@osbe.state.id.us

Illinois

Dan Layzell
Deputy Director for Planning & Budgeting
Illinois Board of Higher Education
431 East Adams
Springfield, IL 62701
(217) 557-7353
layzell@ibhe.org

Indiana

Mike Baumgartner
Associate Commissioner for Facilities & Financial Affairs
Indiana Commission for Higher Education
101 W. Ohio, Suite 550
Indianapolis, IN 46204-1971
(317) 464-4400
mikeb@che.state.in.us

Iowa

Gregory S. Nichols
Executive Director
Board of Regents, State of Iowa
11260 Aurora Avenue
Urbandale, IA 50322-7905
(515) 281-3934
gnichols@iastate.edu

Kansas

Marvin Burris
Vice President for Finance & Administration
Kansas Board of Regents
1000 SW Jackson, Suite 520
Topeka, KS 66612-1368
(785) 296-3421
mburris@ksbor.org

Kentucky

Sandra Woodley
Vice President, Finance
Kentucky Council on Postsecondary Education
1024 Capital Center Drive, Suite 320
Frankfort, KY 40601
(502) 573-1555
sandra.woodley@mail.state.ky.us

Louisiana

Marvin Roubique
Deputy Commissioner for Finance & Facilities
Louisiana Board of Regents
P.O. Box 3677
Baton Rouge, LA 70821-3677
(225) 342-4253
roubique@regents.state.la.us

Maine

Joanne L. Yestramski
Chief Financial Officer & Treasurer
University of Maine System
107 Maine Avenue
Bangor, ME 04401
(207) 973-3350
jly@maine.edu

Maryland

Janice Doyle
Assistant Secretary for Finance Policy
Maryland Higher Education Commission
839 Bestgate Road, Suite 400
Annapolis, MD 21401
(410) 260-4537
jdoyle@mhec.state.md.us

Massachusetts

Kurt Steinberg
Associate Vice Chancellor for Fiscal Policy
Massachusetts Board of Higher Education
One Ashburton Place, Room 1401
Boston, MA 02108
(617) 994-6939
ksteinberg@bhe.mass.edu

Michigan

Glen Preston
Michigan Office of the State Budget
Department of Management & Budget
Lansing, MI 48909
(517) 335-1539
prestong@michigan.gov

Minnesota

Jack Rayburn
Minnesota Higher Education Services Office
1450 Energy Park Drive, Suite 350
St. Paul, MN 55108-5227
(651) 642-0593
rayburn@heso.state.mn.us

Mississippi

Bill Graves
Deputy Assistant Commissioner of Finance
& Administration
Mississippi Institutions of Higher Learning
3825 Ridgewood Road
Jackson, MS 39211
(601) 432-6158
billg@ihl.state.ms.us

Missouri

Joe Martin
Deputy Commissioner
Missouri Department of Higher Education
3515 Amazonas Drive
Jefferson City, MO 65109
(573) 751-2361
joe.martin@dhe.mo.gov

Montana

Rod Sundsted
Associate Commissioner for Fiscal Affairs
Montana University System
2500 Broadway
Helena, MT 59601
(406) 444 0319
rsundsted@oche.montana.edu

Nebraska

Carna Pfeil
Associate Director for Finance
Nebraska Coordinating Commission for
Postsecondary Education
140 North 8th Street, #300
Lincoln, NE 68508
(402) 471-0029
cpfeil@ccpe.state.ne.us

Nevada

Martin Kyte
Budget Officer
University & Community College System
of Nevada
2601 Enterprise Road
Reno, NV 89512
(775) 784-4036 Ext. 247
kyte@scs.unr.edu

New Hampshire

Kathryn G. Dodge
Executive Director
New Hampshire Postsecondary Education Commission
3 Barrell Court, Suite 300
Concord, NH 03301-8543
(603) 271-2555, Ext. 350
kdodge@pec.state.nh.us

New Jersey

Anthony Bullett
Director, Budget & Finance
New Jersey Commission on Higher Education
20 West State Street
P.O. Box 542
Trenton, NJ 08625
(609) 292-3235
abullett@che.state.nj.us

New Mexico

Jim Perry
Director for Finance
New Mexico Commission on Higher Education
1068 Cerrillos Road
Santa Fe, NM 87501
(505) 476-6514
jperry@che.state.nm.us

New York

Glenwood Rowse
Coordinator for Research & Information Services
New York State Education Department
2nd Floor Mezzanine West EB
89 Washington Avenue
Albany, NY 12234
(518) 474-5091
growse@mail.nysed.gov

State University of New York System Administration (SUNY)

John Porter
Associate Provost for Institutional Research & Analysis
State University of New York System Administration
SUNY Plaza, 8523
Albany, NY 12246
(518) 443-5646
porterjo@sysadm.suny.edu

City University of New York (CUNY)

Jon McCabe
City University of New York
535 East 80th Street
New York, NY 10021-0795
(212) 794-5591
Jonathan.McCabe@mail.cuny.edu

North Carolina

Jeff Davies
Vice President for Finance
University of North Carolina - Office of the President
P.O. Box 2688, 910 Raleigh Road
Chapel Hill, NC 27599-0001
(919) 962-1591
jrd@northcarolina.edu

North Dakota

Laura Glatt
Vice Chancellor for Administrative Affairs
North Dakota University System
600 E. Boulevard, Dept 215
Bismarck, ND 58505-0230
(701) 328-4116
laura.glatt@ndus.nodak.edu

Ohio

Richard L. Petrick
Vice Chancellor for Finance
Ohio Board of Regents
30 E. Broad Street, 36th Floor
Columbus, OH 43215
(614) 752-9542
rpetrick@regents.state.oh.us

Oklahoma

Maryanne Maletz
Vice Chancellor for Budget & Finance
Oklahoma State Regents for Higher Education
655 Research Parkway, Suite 200
Oklahoma City, OK 73104
(405) 255-9130
mmaletz@orshe.edu

Oregon

Oregon Community Colleges
Cam Preus-Braly
Commissioner
Oregon Department of Community Colleges
& Workforce Development
255 Capitol Street NE
Salem, OR 97310
(503) 378-8648, Ext.357
cam.preus-braly@state.or.us

Oregon University System
Thomas Anderes
Senior Vice Chancellor for Finance
& Administration
Oregon University System
P.O. Box 3175
Eugene, OR 97403
(541) 346-5738
Tom_Anderes@ous.edu

Pennsylvania

John M. Godlewski
Director, Bureau of Budget &
Fiscal Management
Pennsylvania Department of Education
333 Market Street, 4th Floor
Harrisburg, PA 17126-0333
(717) 787-5993
jgodlewski@state.pa.us

Rhode Island

William Ferland
Information Technology Coordinator
Rhode Island Board of Governors for
Higher Education
301 Promenade Street
Providence, RI 02908
(401) 222-6560
wferland@etal.uri.edu

South Carolina

Charles D. FitzSimons
Director of Finance, Facilities, & Management
Information Systems
South Carolina Commission on
Higher Education
1333 Main Street, Suite 200
Columbia, SC 29201
(803) 737-2145
CFitzSim@che.sc.gov

South Dakota

Monte Kramer
Director of Finance & Administration
South Dakota Board of Regents
306 E. Capitol, Suite 200
Pierre, SD 57532-2409
(605) 773-3455
montek@ris.sdbor.edu

Tennessee

Jim Vaden
Associate Executive Director for
Fiscal Affairs
Tennessee Higher Education Commission
404 James Robertson Parkway, Suite 1900
Nashville, TN 37243-0830
(615) 741-3605
jim.vaden@state.tn.us

Texas

Deborah Greene
Assistant Commissioner for Finance,
Campus Planning, & Research
Texas Higher Education Coordinating Board
P.O. Box 12788
Austin, TX 78711
(512) 427-6130
Deborah.Greene@thecb.state.tx.us

Utah

Mark Spencer
Associate Commissioner for Finance
& Facilities
Utah System of Higher Education
Board of Regents Building, The Gateway, 60 South
400 West
Salt Lake City, UT 84101
(801) 321-7131
mspencer@utahsbr.edu

Vermont

University of Vermont
Ted Winfield
Associate Vice President for Budget & Resource Management
University of Vermont
Burlington, VT 05405
(802) 656-1164
Ted.Winfield@uvm.edu

Vermont State Colleges
Thomas Robbins
Vice President, Chief Finance Officer
Vermont State Colleges
Stanley Hall
Waterbury, VT 05676
(802) 241-2531
robbinst@vsc.edu

Virginia

R. Dan Hix
Acting Finance Policy Director
State Council of Higher Education for Virginia
101 North 14th Street
Richmond, VA 23219
(804) 225-3188
danhix@schev.edu

Washington

Gary Benson
Senior Associate Director
Washington Higher Education Coordinating Board
917 Lakeridge Way, Box 43430
Olympia WA 98504-3430
(360) 753-7864
garyb@hecb.wa.gov

West Virginia

James Winter
Director of Finance & Facilities
West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard
Charleston, WV 25301
(304) 558-0281
winter@hepc.wvnet.edu

Wisconsin

Deborah Durcan
Vice President, Business and Finance
University of Wisconsin System
1752 Van Hise Hall; 1220 Linden Drive
Madison, WI 53706
(608) 262-1311
ddurcan@uwsa.edu

Wyoming

Wyoming Community College Commission
Shelly L. Andrews
Director of Budget & Finance
Wyoming Community College Commission
2020 Carey Avenue 8th Floor
Cheyenne, WY 82002
(307) 777-5859
sandrews@commission.wcc.edu

University of Wyoming
Elizabeth A. Hardin
Vice President for Administration
University of Wyoming
Old Main 202, 1000 E. University Avenue
Laramie, WY 82071
(307) 766-3306
eahardin@uwyo.edu

APPENDIX D

Data Collection Form

FY 2002-03 SHEF State Data Profile Form & Worksheets

SHEEO

Data collection period: **September 15-October 17, 2003**

I. Contact Info

State Name:	**State**
SHEFO to be cited Name:	
Title:	
Address:	
City/State/Zip:	
Phone:	
Email:	
Additional Associate I Name:	
Title:	
Phone:	
Email:	
Additional Associate II Name:	
Title:	
Phone:	
Email:	

This survey collects *five* primary data items plus a number of related figures that are often needed to derive these primary data items. Include any comments in the spreadsheet areas indicated.

On the following pages you have the option of indicating whether an item is not applicable, "N/A." If you choose to leave a line item blank and have not selected "N/A," we will assume that a figure is not available for this survey collection.

PLEASE RETAIN COPIES OF THIS FILE FOR YOUR RECORDS.

FY 2002-03 SHEF State Data Profile Form & Worksheets

SHEEO

State

II. Annual FTE Public Enrollment

Computing annual average FTE enrollment:

To calculate annual FTE, determine the total number of **degree credit hours*** (including summer sessions) and apply the following conversion factors:

- 30 semester or 45 quarter *undergraduate* credit hours/year = 1 annual FTE student
- 24 semester or 36 quarter *graduate* credit hours/year = 1 annual FTE student

(These conversion factors are based on 15 undergraduate and 12 graduate credit hours per semester or quarter.)

To calculate annual FTE for **non-degree credit*** vocational-technical, remedial and other program enrollments at two-year community colleges and state approved area vocational-technical institutes in courses which result in some form of certificate or other formal recognition, determine the total yearly number of contact hours and apply the following conversion factor:

- 900 contact hours/year = 1 annual FTE student

(This conversion factor is based on a normal load of 25 contact hours per week for 36 weeks.)

*** Degree credit hours are defined as hours of credit that could *potentially* be used towards a degree. Exclude students in non-credit continuing or adult education courses and non-credit extension courses which are not part of a regular program leading to a degree or certificate *unless* they are state-funded.**

Numbers are in FTEs. Check "N/A" if not applicable.

		N/A
FTE calculated from course work creditable toward an *associate* , *bachelor* , or *higher degree* (including all health science and medical school enrollments) plus from course work in a *vocational or technical program* that is normally terminal and results in a certificate or some other formal recognition		
GROSS FTE	0	
Enrollments in schools of medicine, dentistry, veterinary medicine, and osteopathic medicine (hereafter referred to as medical schools) *(will be subtracted)*		☐
NET FTE	0	

Comments:

FY 2002-03 SHEF State Data Profile Form & Worksheets

SHEEO

State

III. *State* Appropriations for Current Operations of Public Institutions of Higher Education

Appropriations should reflect your best estimate, at the time of reporting, of amounts that will actually be provided to institutions and expended during FY 2002-03.

Please use full dollar amounts (ex.: 25,535,421). Check "N/A" if not applicable.

State Grapevine data: Appropriations from **state** government taxes to institutions for operations and other higher education activities.	

PROVIDE THE FOLLOWING DATA: (Only "NO"s will be added to the total)		**Is this in Grapevine?**	**N/A**
Funding under state auspices for appropriated non-tax state support (e.g. monies from **lotteries, casinos,** or **other gaming**) set aside by the state for public institution benefit		☐ Yes ☐ No	☐
Funding under state auspices for non-appropriated state support (e.g. monies from receipt of **lease income** and **oil/mineral extraction fees** on land set aside by the state for public institution benefit)		☐ Yes ☐ No	☐
Sums destined for higher education but appropriated to some other state agency (e.g. administered funds or funds intended for faculty fringe benefits that are appropriated to the state treasurer and disbursed by that office)		☐ Yes ☐ No	☐
Interest or earnings received from state funded endowments set aside and pledged to public sector institutions		☐ Yes ☐ No	☐
Portions of multi-year appropriations from **previous years**		☐ Yes ☐ No	☐
GROSS STATE SUPPORT FOR HIGHER EDUCATION	0		

PROVIDE THE FOLLOWING DATA: (Only "YES"s will be subtracted from the total)		**Is this in Grapevine?**	**N/A**
Appropriations you expect will have to be returned to the state		☐ Yes ☐ No	☐
State appropriated funds derived from federal sources		☐ Yes ☐ No	☐
Portions of multi-year appropriations in the **current year** which are spread over other years		☐ Yes ☐ No	☐
Tuition charges collected by the institution and remitted to the state as an offset to the state appropriation		☐ Yes ☐ No	☐
Revenues generated internally by the institution and revolving funds which are usually counterbalanced by similar expenditures (Examples are revenues from certain continuing education programs and auxiliary enterprise operations such as campus bookstores, parking lots, and athletic fees.)		☐ Yes ☐ No	☐
State funding for students in non-credit continuing or adult education courses and non-credit extension courses which are not part of a regular program leading to a degree or certificate (only include these funds if reported respective FTE in Section II)		☐ Yes ☐ No	☐
Tuition and fees used for capital debt service and capital improvement other than that paid by user students for auxiliary enterprise debt service.		☐ Yes ☐ No	☐
Sums to **public** institutions for capital outlay (new construction and debt retirement)		☐ Yes ☐ No	☐
Sums to **private** institutions for capital outlay (new construction and debt retirement)		☐ Yes ☐ No	☐
Sums to **private** institutions for operating expenses		☐ Yes ☐ No	☐
Allocation of appropriations for student financial aid grants awarded to students attending state **private** institutions (include dollars intended solely for attending private institutions and the private sector's portion of state aid programs) (estimate if needed)		☐ Yes ☐ No	☐
Allocation of appropriations for student financial aid grants awarded to students attending **out-of-state** institutions (estimate if needed)		☐ Yes ☐ No	☐
NET STATE SUPPORT FOR PUBLIC INSTITUTIONS	0		

Comments:

FY 2002-03 SHEF State Data Profile Form & Worksheets

SHEEO

State

IV. *Local* Appropriations for Current Operations of Public Institutions of Higher Education

Appropriations should reflect your best estimate, at the time of reporting, of amounts that will actually be provided to institutions and expended during FY 2002-03.

Please use full dollar amounts (ex.: 25,535,421). Check "N/A" if not applicable.

		N/A
Local Grapevine data: Appropriations from **local** government taxes to institutions for operations		☐
LOCAL SUPPORT FOR PUBLIC INSTITUTIONS	0	

Comments:

FY 2002-03 SHEF State Data Profile Form & Worksheets

SHEEO

State

V. Research-Agriculture-Medical (RES-AG-MED) Appropriations to Public Institutions of Higher Education

As a component of total state and local appropriations, report collectively the appropriations which are restricted for the direct operations of research, agriculture and health care public services, and medical schools. Exclude indirect costs.

Do not include discretionary use by faculty of unrestricted appropriations supplemented by other revenues for short-term research primarily performed as an adjunct component of instruction (departmental research of an unsponsored nature).

When unknown, appropriations for sponsored research should be estimated equal to total research expenditures less state grants and contracts for research and federal and private revenues restricted for research. Assume no tuition revenues are used for research.

Please use full dollar amounts (ex.: 25,535,421). Check "N/A" if not applicable.

		N/A
Appropriated sums for research centers, laboratories, and institutes, and appropriated sums separately budgeted by institutions for organized research. Generally, these are ongoing programs. Include all health science research.		☐
Appropriated sums for agricultural experiment stations and cooperative extension services		☐
Appropriated sums for teaching or affiliated hospital operations and public service patient care. Include all medical, dental, veterinary, optometry, pharmacy, mental health, nursing and other health science institutes, clinics, laboratories, dispensaries, etc. primarily serving the public.		☐
Appropriated sums for the direct operation and administrative support of the four major types of medical schools (medicine, dentistry, veterinary medicine, and osteopathic medicine) and centers, corresponding to the medical enrollments.		☐
TOTAL APPROPRIATIONS FOR RES-AG-MED	0	

Comments:

FY 2002-03 SHEF State Data Profile Form & Worksheets

SHEEO

State

VI. Tuition

Please use full dollar amounts (ex.: 25,535,421). Check "N/A" if not applicable.

			N/A
Gross Tuition plus Mandatory "Education and General" Fees *			
Tuition and Fees waived or discounted by *public* institutions *(will be subtracted)*			☐
State appropriated student aid for Tuition and Mandatory Fees for *public* institutions *(will be subtracted)*			☐
Tuition and Mandatory Fees paid by Medical Students *(will be subtracted)*			☐
	NET TUITION	0	
Of Net Tuition and Fees, this is how much is allocated for debt service as provided in Section III.		0	

* Gross Tuition and Mandatory "Education and General" Fees include all tuition and mandatory fees assessed to virtually all students (some students, such as off-campus students may be exempted from such fees) plus instructional/lab fees assessed to students taking particular courses. Exclude fees in support of auxiliary enterprises.

Comments:

SHEEO
State Higher Education Executive Officers
700 Broadway, Suite 1200, Denver, Colorado, 80203-3460
(303) 299-3685
www.sheeo.org