State Higher Education Finance

FY 2007

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.

An electronic version of this report, State Higher Education Finance FY 2007, and numerous supplementary tables containing extensive state-level data are available at www.sheeo.org. These may be freely used with appropriate attribution and citation. In addition, core data and derived variables used in the SHEF study for fiscal years 1991 through 2007 are available on the SHEEO website and also through the NCHEMS-sponsored Information Center for State Higher Education Policymaking and Analysis website at www.higheredinfo.org.

State Higher Education Finance

FY 2007

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

with special thanks to
Kelli Parmley

SHEEO gratefully acknowledges the assistance of the College Board in financing the costs of publication.

CollegeBoard
connect to college success®

SHEEO

Preface and Acknowledgements

We are pleased to present the fifth annual SHEEO State Higher Education Finance (SHEF) study of state support for higher education.

SHEF builds on and augments the surveys of various federal agencies. The higher education finance surveys and reports produced by the National Center for Education Statistics in the U.S. Department of Education provide extensive institution-level data, which can be aggregated to the sector, state, and national levels. Other data sources, including the Bureau of Economic Analysis, the Bureau of Labor Statistics, and the U.S. Census Bureau, provide information relevant to other aspects of higher education financing and operations. Together these federal sources provide a rigorous foundation and reference points for our collective understanding of how we finance higher education and for what purposes.

Over the years a community of policy analysts has utilized federal surveys, collected supplemental data, and performed a wide range of analytical studies to inform state-level policy and decisions. Directly and indirectly, the SHEF report is indebted to this long tradition of studies which give policymakers and educators perspective on state higher education finance in the United States.

In particular, this report builds directly on a 25-year effort by Kent Halstead, an analyst and 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 from the early 1970s to the late 1990s. Halstead's data were frequently used in the states as a resource to inform policy decisions. While he never described it as such, his survey became widely known as the "Halstead Finance Survey." It is an honor to build on his work.

SHEF also draws on the surveys and analytical tools provided by the *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.

SHEEO is deeply indebted to the staff of state higher education agencies who provide the state-level data essential for the preparation of this report. Their names and organizations are listed in *Appendix C*. We also appreciate the input and suggestions from many state higher education finance officers (SHEFOs) and others who have contributed much to the development of this report. Kelli Parmley led the staff efforts in assembling the data and drafting the report with assistance from Natalie Mischler. Charlie Lenth and Gloria Auer gave the narrative their expert editorial touches. Allison Bell provided finishing touches to the final report, Susan Winter designed the publication, and Hans L'Orange provided leadership and counsel.

Finally, we gratefully acknowledge the assistance of the College Board in financing the costs of publishing and distributing the FY 2007 report.

Paul E. Lingenfelter
President
State Higher Education Executive Officers

Table of Contents

List of tables and Figures

Figures:

Tables:

Introduction

The State Higher Education Finance (SHEF) report is produced annually by the State Higher Education Executive Officers (SHEEO) to help policymakers and educators address broad public policy questions with respect to public financing of higher education. These questions include:

- What levels of state funding to colleges and universities are necessary to maintain 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 student financial assistance is necessary to provide meaningful educational opportunities to students from low- and moderate-income families?
- How might colleges and universities use available resources to increase productivity without impairing the quality of services to students?

No single report can provide definitive answers to such broad and fundamental questions of public policy. What the SHEF report does provide, however, is information to help inform decisions in these areas. This report includes:

- An **Overview and Highlights** of national trends and the current status of state funding for higher education;
- An explanation of the **Measures, Methods, and Analytical Tools** used in the report;
- A description of the **Revenue Sources and Uses** for Higher Education, including state tax and non-tax revenue, local tax support, tuition revenue, and the proportion of this funding available for general educational support;
- An analysis of **National Trends in Enrollment and Revenue**, in particular, changes over time in the public resources available for general operating support;
- **Interstate Comparisons – Making Sense of Many Variables**, using tables, graphs, and two-dimensional displays to locate and compare states; and
- **State Wealth, Taxes, and Allocations for Higher Education**, along with ways to take these factors into account in making interstate comparisons.

Please note: All years referenced in the body of this publication refer to state fiscal years, which commonly start July 1 and run through June 30 of the following calendar year. All enrollments are full-time-equivalent for an academic year (including summer term). National averages are calculated using the sum of all the states. For example, the national average per FTE expenditure is calculated as the total of all states' expenditures divided by the total of all states' FTE.

Overview and Highlights

National Trends in State Funding for Higher Education

State and local governments' financial commitments to higher education have increased substantially over the past several decades. In 1982, state and local governments combined provided $23.5 billion in direct support for general operating expenses of public and independent higher education institutions. This investment increased to $42.1 billion in 1991, $67.8 billion in 2001, and $83.5 billion by 2007.

The $83.5 billion in current support represents a $6 billion (7.7 percent) increase from 2006. In addition to state and local revenue, public institutions collected net tuition revenue of $39.4 billion in 2007, for a total of $122.8 billion available to support the general operating expenses of higher education from these combined sources (see *Figures 1* and *2* for a summary).

The share of total revenue for general operating expenses to higher education originating from net tuition revenue showed a slight decrease from 32.3 percent in 2006 to 32.0 percent in 2007. Tuition revenue collected by independent (private, not-for-profit) and for-profit institutions are not included in this total.

Of the $83.5 billion in state and local support during 2007, 79 percent was allocated to the general operating expenses of public higher education. Special-purpose or restricted state appropriations for research, agricultural extension, and medical education accounted for another 12 percent of the total. The percent of total support allocated for financial aid to students attending public institutions declined slightly from 5.8 percent in 2006 to 5.7 percent in 2007, while aid to students attending independent institutions remained constant at 2.7 percent of the total.

Analysis of the data indicates that constant dollar per student state and local funding for public colleges and universities continued to rebound in 2007. State and local support per full-time-equivalent student was $6,773 in 2007, a 3.9 percent constant dollar increase over 2006 and substantially higher than the 25-year constant dollar low of $6,204 in 2005. Continued growth of state support and a leveling off of enrollment growth allowed for the rebound to continue into 2007.

Highlights of the SHEF report provided directly below are intended to illustrate the long-term patterns, shorter-term changes, and state-level variables affecting the resources available to support higher education between 1980 and 2007. These and other factors that shape higher education funding are examined in more detail in the sections of the full report that follow.

Long-Term Revenue and Enrollment Patterns

1. Since 1982, FTE enrollment at public institutions of higher education increased from 7.4 million to 10.2 million.
2. Educational appropriations per FTE (defined to include state and local support for general higher education operations) fell to $6,204 in 2005 (2007 dollars), a 25-year low in inflation-adjusted terms. Educational appropriations per FTE grew to $6,520 in 2006 and to $6,773 in 2007, 9.2 percent higher than 2005 in constant dollars.
3. Tuition charges are the other primary source of revenue used to support public higher education (excluding research and independent operations). Net tuition revenue typically has increased faster when state and local revenue have failed to keep pace with enrollment growth and inflation. In 2007, increases in state and local revenue exceeded the growth of net tuition revenue, and the share of total educational revenue from net tuition decreased for the first time since 2000.

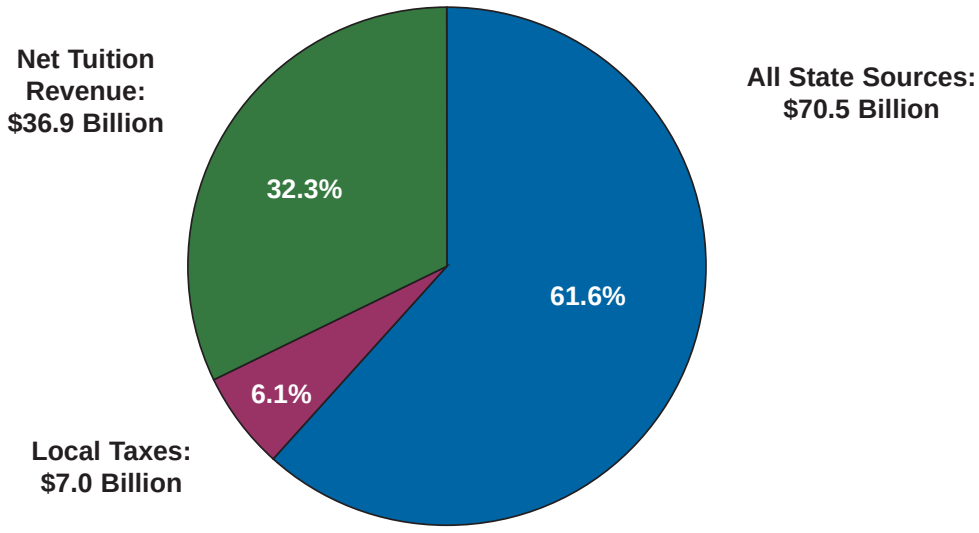
4. Net tuition per FTE increased by only 2.3 percent, or $88 (constant dollars), in 2007, a decrease in the rate of growth. By comparison, year-over-year increases in constant dollar net tuition revenue per FTE grew between 4.9 percent and 5.6 percent in each of the previous three years.

5. Constant dollar total educational revenue (state/local support plus net tuition) per FTE declined in the early 1990s from $9,863 in 1990 to $9,448 in 1993. Thereafter, total educational revenue per FTE grew steadily from 1994 to 1999, reaching $10,768, or about 9.2 percent higher than it was in 1990. Total revenue per FTE then fell sharply (10.7 percent) from 2001 to 2004 (to $9,686) and rebounded to $10,618, or 9.6 percent, between 2004 and 2007.

6. Over the last 20 years, the share of total educational revenue derived from tuition increased over 10 percentage points from approximately 22% to a high of 36.6% in 2006. In 2007, it declined slightly to 36.2 percent.

Figure 1

State, Local and Net Tuition Revenue Supporting General Operating Expenses of Higher Education, U.S., Current Dollars

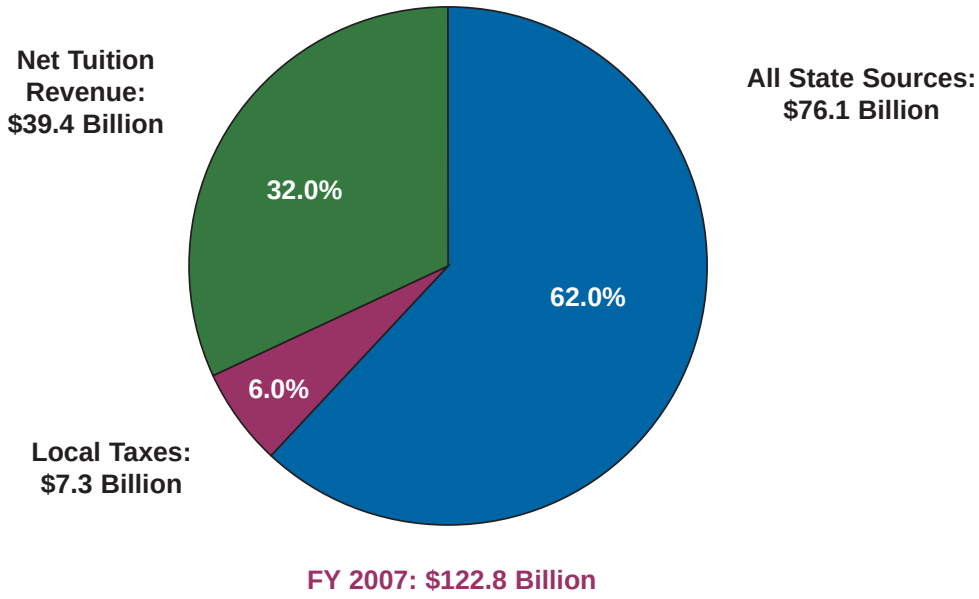


FY 2006: $114.4 Billion

Source: *SHEEO State Higher Education Finance (SHEF)*

Figure 2

State, Local and Net Tuition Revenue Supporting General Operating Expenses of Higher Education, U.S., Current Dollars



FY 2007: $122.8 Billion

Source: *SHEEO SHEF*

Changes Over the Past Five Years in the States

Total public higher education enrollment and participation rates have increased substantially in recent years. Following sharp increases nationally from 2002 through 2005, FTE enrollment at public institutions of higher education slowed somewhat, but there are no signs of a decline in the demand for higher education. These enrollment trends significantly affected the per student revenue available to support higher education, although across states both enrollment and appropriations growth varied widely from the national average.

7. Nationally, FTE enrollment grew 10.6 percent in the past 5 years. Every state experienced FTE enrollment growth with the exception of Louisiana, which is gradually recovering from enrollment losses resulting from Hurricanes Rita and Katrina.

8. The five states with the fastest growing enrollment (South Dakota, Nevada, Kansas, New Mexico, and North Carolina) all had 5-year increases above 20 percent, while the two states with the slowest enrollment growth (Washington and Oregon) had 5-year increases below 1 percent. Louisiana, the only state with an enrollment decline, saw a 3.2 percent FTE decrease during the past 5 years.

9. Per FTE total educational appropriations increased in only 15 of the 50 states between 2002 and 2007. Across all 50 states, the direction and degree of change in educational appropriations varied from -26.1 percent to +28.6 percent, although clustered within 10 percentage points of the national mean (-7.7 percent) in more than half the states.

10. Total educational revenue per FTE (which includes net tuition revenue) declined 1.2 percent on average between 2002 and 2007. Slightly more than half of the states experienced growth in this measure, however, led by Alabama with 36.9 percent growth in total educational revenue per FTE.

11. Fourteen states (Alabama, Delaware, Indiana, Iowa, Maine, Maryland, Michigan, Minnesota, Missouri, Pennsylvania, Rhode Island, South Carolina, Tennessee, and Vermont) had above average total educational revenue despite below average educational appropriations, the result of above average net tuition. The reverse was true in California and Idaho; these states had below average total educational revenue despite above average educational appropriations as a result of below average net tuition revenue.

Wealth, Taxes, and Allocations for Higher Education

Each state's unique combination of policy choices and fiscal and environmental conditions provides the context within which higher education funding occurs. The national trends outlined below give a sense of general conditions, but individual state contexts vary widely. The available data are from 1995 to 2005, lagging two years behind appropriations data reported elsewhere in this report.

12. Total taxable resources per capita, a statistic that captures state income and wealth, increased from $44,012 to $47,249 in current dollars between 2004 and 2005, a one-year increase of $3,237, or 7.4 percent. Per capita state and local tax revenue increased $256, or 7.5 percent over the same period. The effective tax rate stayed about the same – 7.80 percent and 7.81 percent, respectively.

13. Over a 10-year period, total taxable resources per capita increased 55.8 percent, while the effective tax rate declined 4.4 percent. On average, the nation's taxpayers have become wealthier and they are paying a smaller share of their wealth in state and local taxes.

The proportion of state and local tax revenue allocated to higher education declined from 6.9 percent in 1995 to 6.5 percent in 2005.

Looking Ahead

Looking back over the past 25 years, state and local support for higher education has twice "recovered," following major economic recessions, to levels that exceeded previous support. The pattern of recovery following recession has begun a third time over the past two years, but constant dollar, per student state support has not yet returned to the level reached in 2000 and 2001. From 2005 to 2007, per student state support increased 9.2 percent in constant dollars, but funding is still $822 (about 11 percent) below the peak reached in 2000.

Will the current recovery continue in 2008? Some indicators appear to be positive. The annual *Grapevine* survey at Illinois State University reports a 7.5 percent increase for 2008 in state appropriations for higher education. FY 2008 data for local tax support and higher education enrollment, however, will not be available until next year.

Current information on the economic outlook for 2009 suggests that tax revenue available to support higher education and other services will either decline or increase only marginally in a number of states.

As shown in the comparative state statistics, conditions in individual states can vary dramatically from the national trends described in this report. Every state, however, faces similar questions in meeting the growing needs of its people and communities for higher education, as well as for other public services. The comparative and trend information in this study should be helpful to policy leaders in every state as they determine their goals for higher education and develop a strategy for pursuing them.

Measures, Methods, and Analytical Tools

Primary SHEF Measures

To assemble the annual SHEF report, SHEEO collects data on all state and local revenue used to support higher education, including revenue from taxes, lottery receipts, royalty revenue, and state-funded endowments. It also identifies the major purposes for which these public revenue are provided, including general institutional operating expenses, student financial assistance, and support for centrally-funded research, medical education, and extension programs. The analysis of these data yields the following key indicators:

- **State and Local Support** – consisting of state tax appropriations and local tax support plus additional non-tax funds (e.g., lottery revenue) that support or benefit higher education, and funds appropriated to other state entities for specific higher education expenditures or benefits (e.g., employee fringe benefits disbursed by the state treasurer).
- **Educational Appropriations** – that part of state and local support available for public higher education operating expenses, defined to exclude spending for research, agriculture, and medical education, as well as support to independent institutions or students attending them. Since funding for medical education and other major non-instructional purposes varies substantially across states, excluding these funding components helps to improve the comparability of data on per student funding.
- **Net Tuition Revenue** – the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees. This is a measure of the resources available through tuition and fees to support instruction and related operations at public higher education institutions. Net tuition revenue generally reflects the share of instructional support received from students and their families, although it is not the same and does not take into account many factors that need to be considered in analyzing the "net price" students pay for higher education.[1]
- **Total Educational Revenue** – the sum of educational appropriations and net tuition revenue. It measures the amount of revenue available to public institutions to support instruction (excluding medical students). Very few public institutions have significant non-restricted revenue from gifts and endowments to support instruction.

[1] SHEF does not provide a measure of "net price," a term that generally refers to the cost of attending college after deducting assistance provided through federal, state, and institutional grants. SHEF does not deduct federal grant assistance (primarily from Pell Grants) from gross tuition revenue, since these are non-state funds that substitute, at least in part, for costs otherwise borne by students.

In addition, many other factors complicate the calculation of net price to students. Non-tuition costs (room and board, transportation, books, and incidentals) typically total $10,000 or more in addition to tuition costs. This requires students with a low expected family contribution (most Pell recipients) to augment federal grants with a substantial contribution from part-time work or loans, even at a comparatively low-tuition public institution.

As well, the availability of federal tuition tax credits since 1999 has helped reduce "net price" for middle and lower-middle income students. While these tax credits have no impact on the net tuition revenue received by institutions, they do reduce the "net price" paid by students. SHEF's net tuition revenue measure is a simpler and more direct indicator of the proportion of public higher education costs borne by students and families.

- **Full-Time-Equivalent Enrollment (FTE)** – a measure of enrollment equal to one student enrolled full-time for one academic year, calculated from the aggregate number of enrolled credit hours (including summer session enrollments). SHEF excludes most non-credit or non-degree program enrollments; medical school enrollments also are excluded for reasons mentioned above. FTE reduces multiple types of enrollment to a single measure in order to compare changes in total enrollments across states and sectors, and to provide a straightforward method for analyzing revenue on a per student basis.

Adjustments for Comparability

SHEF's analytic methods are designed to make interstate analyses of higher education finance as comparable as possible. To accomplish this, the State Higher Education Finance (SHEF) report employs three adjustments:

- Cost of Living Adjustment (COLA) to account for cost of living differences among the states,
- Enrollment Mix Index (EMI) to adjust for differences in the mix of enrollment and costs among types of institutions across the states, and
- Higher Education Cost Adjustment (HECA) to adjust for inflation over time.

Technical Papers A, B and *C* appended to this report describe these adjustments in some detail. Tables show the actual effects of these adjustments on data provided by individual states, including the adjustments from current to constant, inflation-adjusted dollar values that are made annually to reflect inflation. Additional appendices provide a glossary of terms and definitions, a copy of the data collection instrument, and a list of state data providers.

Financial Data in Perspective: Uses and Cautions

Higher education financial analysis is essential, but using financial data can be tricky and even deceptive. This section is intended to help readers and users focus on some of the core purposes of interstate financial analysis, while being cognizant of limitations inherent in the data and methods.

Comparing institutions and states using reasonably comparable measures is a difficult task, even for the seemingly most basic components of finance such as expenditures per student. As a starting point, consider how different the states are, even after adjusting for population size. They vary in climate, energy costs, housing costs, population densities, growth rates, resource bases, and the mix of industries and enterprises. 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, and these vary in their extent and concentration.

State higher education systems also differ. Some have many small institutions, others fewer but larger institutions. Some have many independent (privately controlled) institutions; others rely almost entirely on public institutions and varying combinations of research universities, community colleges, and four-year universities. Across states, tuition policies and rates vary, as do the amounts and types of financial aid, which in turn affect enrollment patterns. Some states have multiple institutions that offer high-cost medical education and engineering programs, while others provide substantially more funding for research or emphasize undergraduate education.

In addition to these differences, technical factors can make interstate comparisons misleading. As one 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 through 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 flawless comparisons.

The SHEF report seeks to provide – to the extent possible – comparable data and reliable methods for examining many of the most fundamental financial issues facing higher education, particularly at the state level. Its purpose is to help educators and policymakers:

- Examine whether or not state funding for colleges and universities has kept pace with enrollment growth and inflationary cost increases;
- Focus on the major purposes for state spending on higher education and on how these investments are allocated;
- Assess trends in the proportion or “share” that students and families are paying for higher education;
- See how funding of their state’s higher education system compares to other states; and
- Assess the capacity of their state economy and tax policies to generate revenue to support public priorities such as higher education.

While making finance data cleaner and more comparable, SHEF’s analytic methods also add complexity and risk of error. The truth is that all comparisons can claim only to be "valid, more or less," and SHEF is no exception. Analysts with knowledge of particular states probably know of other factors that should be taken into account, or that could mislead comparative analysis. SHEEO continues to welcome all efforts to improve the quality of its data and analytical tools. We urge readers and users to see it for what it is, and help us work together to improve both methods and understanding.

Many educators and policymakers (and segments of the public) may think that interstate financial analysis should specify what "appropriate" or "sufficient" funding for higher education would be. But sufficiency is meaningful only in the context of a particular state’s objectives and circumstances. State leaders, educators, and others must work together to set goals and develop strategies to achieve those goals, and then determine the amount and allocation of funds required for success.

Whether the objective is to sustain competitive advantage or to improve the postsecondary education system, money is always an issue. With additional resources, educators can serve more students at higher levels of quality. But more spending does not necessarily yield proportional increases in quantity or quality.[2] Efficiency is a thorny issue in educational finance; educators always can find good uses for additional resources, and resources always are limited. If educators and policymakers can agree that it is highly desirable to achieve widespread educational attainment more cost-effectively, they can work together to increase educational productivity. Authentic productivity gains require sustained effort rather than across-the-board cuts, using both incentives and innovation.

The question, "How much funding is enough?" has no easy answer at the state or national level. Educators and policymakers must work together to address such key questions as:

- 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?

Good financial data and analysis is clearly essential for addressing such questions.

[2] Jones, D., and Kelly, P. (2005). *A new look at the institutional component of higher education finance: A guide for evaluating performance relative to financial resources.* Boulder, CO: NCHEMS.

Revenue Sources and Uses

Support for higher education involves a substantial financial commitment by state and local governments. Twenty-five years ago, in 1982, state and local governments invested $23.5 billion (in current dollars) in direct support for the operations of public and independent higher education institutions. By 2007, state and local support for higher education reached $83.5 billion, including an increase of 7.7 percent during the past year alone (*Table 1*).

This section provides data and analysis on these sources of state and local government support for higher education, focusing on selected years in the period beginning in 1982 and providing greater detail on the most recent 5 years (2002-2007). It also provides an overview of the major uses of that support, including state support for (1) research, agriculture extension, and medical education; (2) student financial aid; and (3) independent (private, not-for-profit) institutions.[3]

As shown on *Table 1*, sources for the $83.5 billion state and local government support for higher education in 2007 included the following:

- State sources accounted for 91 percent, with 88 percent coming from appropriations from state tax revenue.
- Non-tax appropriations, mostly from state lotteries, were a small but growing portion of state funds, increasing from one percent of appropriations to three percent in 2007.
- Local appropriations accounted for 9.0 percent, with some degree of local tax support for higher education in 31 states.
- State-funded endowment earnings, a source for higher education revenue in nine states, accounted for another 0.4 percent.
- Oil and mineral extraction fees or other lease income (generally not appropriated) accounted for 0.2 percent. Wyoming reported the greatest reliance on these sources, at 16.3 percent of state and local revenue.

Major uses of the $83.5 billion in 2007 state and local government funding for higher education included:

- $65.9 billion (79 percent) was revenue available for general operating expenses of public higher education institutions.
- Special-purpose appropriations for research, agricultural extension, and medical education accounted for $10.2 billion, or 12 percent.
- State-funded student financial aid programs constituted 8.4 percent of the total, including state-funded programs to students attending independent as well as public institutions.
- The remaining 0.3 percent was in direct support of independent institutions in the 16 states with such state-funded programs.

These proportional allocations and uses of state and local support for higher education did not change significantly between 2006 and 2007.

[3] *Supplemental SHEF Tables*, which are available at www.sheeo.org, provide more detailed data and tables on state-by-state sources and uses of higher education funding for 2007. As noted, revenue sources vary considerably across states and from the national averages.

Table 1

Major Sources and Uses of State and Local Government Support, Fiscal 2002-2007 (current dollars in millions)

Sources	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
State						
Tax Appropriations[1]	63,295	62,340	61,255	63,274	67,997	73,277
Appropriated Non-Tax Support	883	1,256	1,399	1,731	1,886	2,209
Non-Appropriated Support	141	123	128	163	181	152
State-Funded Endowment Earnings	252	260	276	292	303	316
State Total						
Local Tax Appropriations	5,954	6,374	6,675	6,657	6,969	7,347
Total	$70,585	$70,420	$69,826	$72,230	$77,463	$83,464
Uses	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Research-Agric-Medical	9,698	9,450	9,299	9,444	9,649	10,208
Public Student Aid[2]	2,752	3,252	3,631	4,029	4,471	4,784
Out-of-State Student Aid	24	31	33	35	36	38
Independent Student Aid[3]	1,778	1,925	1,969	2,026	2,105	2,249
Independent Institutions	264	266	267	259	264	284
General Public Operations	56,069	55,496	54,627	56,437	60,939	65,901
Total	$70,585	$70,420	$69,826	$72,230	$77,463	$83,464
(Percentages)						
Sources	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
State						
Tax Appropriations[1]	90%	89%	88%	88%	88%	88%
Appropriated Non-Tax Support	1%	2%	2%	2%	2%	3%
Non-Appropriated Support	0%	0%	0%	0%	0%	0%
State-Funded Endowment Earnings	0%	0%	0%	0%	0%	0%
State Total	91%	91%	90%	91%	91%	91%
Local Tax Appropriations	8%	9%	10%	9%	9%	9%
Total	99.9%	99.9%	99.9%	99.8%	99.8%	99.8%
Uses	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Research-Agric-Medical	14%	13%	13%	13%	12%	12%
Public Student Aid[2]	4%	5%	5%	6%	6%	6%
Out-of-State Student Aid	0%	0%	0%	0%	0%	0%
Independent Student Aid[3]	3%	3%	3%	3%	3%	3%
Independent Institutions	0%	0%	0%	0%	0%	0%
General Public Operations	79%	79%	78%	78%	79%	79%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

1. "State Tax Appropriations" include administered funds and prior multi-year appropriations.

2. "Public Student Aid" is state appropriated student financial aid for public institution tuition and fees. Includes aid appropriated outside the recognized state student aid program(s). Some respondents could not separate tuition aid from aid for living expenses.

3. "Independent Student Aid" is state appropriated student financial aid for students attending independent institutions in the state. Includes the independent sector's portion of state aid program(s).

Source: *SHEEO SHEF*

National Trends in Enrollment and Revenue

This section describes trends in higher education enrollments and relationships to the available revenue and other components of financing. While the focus is on national trends, these trends are in fact composites of 50 unique and varied state trends. The following section and the *Supplemental SHEF Tables* (on the website www.sheeo.org) provide detailed information on the varied patterns across states.

Historical data demonstrate the close, often counter-cyclical relationships between higher education enrollment and revenue over time. As shown in *Figure 3*, in 2005, state and locally financed educational appropriations for public higher education hit the lowest level ($6,204 per FTE) in a quarter century, driven by accelerating enrollment growth, inflation, and the failure of state and local funding to keep pace in the immediately preceding years. Public funding per FTE first rebounded in 2006 to $6,520 per FTE as a result of increased appropriations and slower enrollment growth, and grew further in 2007 with a 3.6 percent increase to $6,771 per FTE (all in constant dollars).

Figure 3 illustrates the following:

Full-Time-Equivalent Enrollment (FTE)

- Nationally, the long-term enrollment trend for public institutions indicates continued growth.
- Enrollment grew rapidly from 2000 to 2005, and then more modestly in 2006 and 2007 (see the "public FTE enrollment" trend line in *Figure 3*).
- The rate of growth varies from year to year in response to the economy and job market as well as underlying demographic factors.

Educational Appropriations

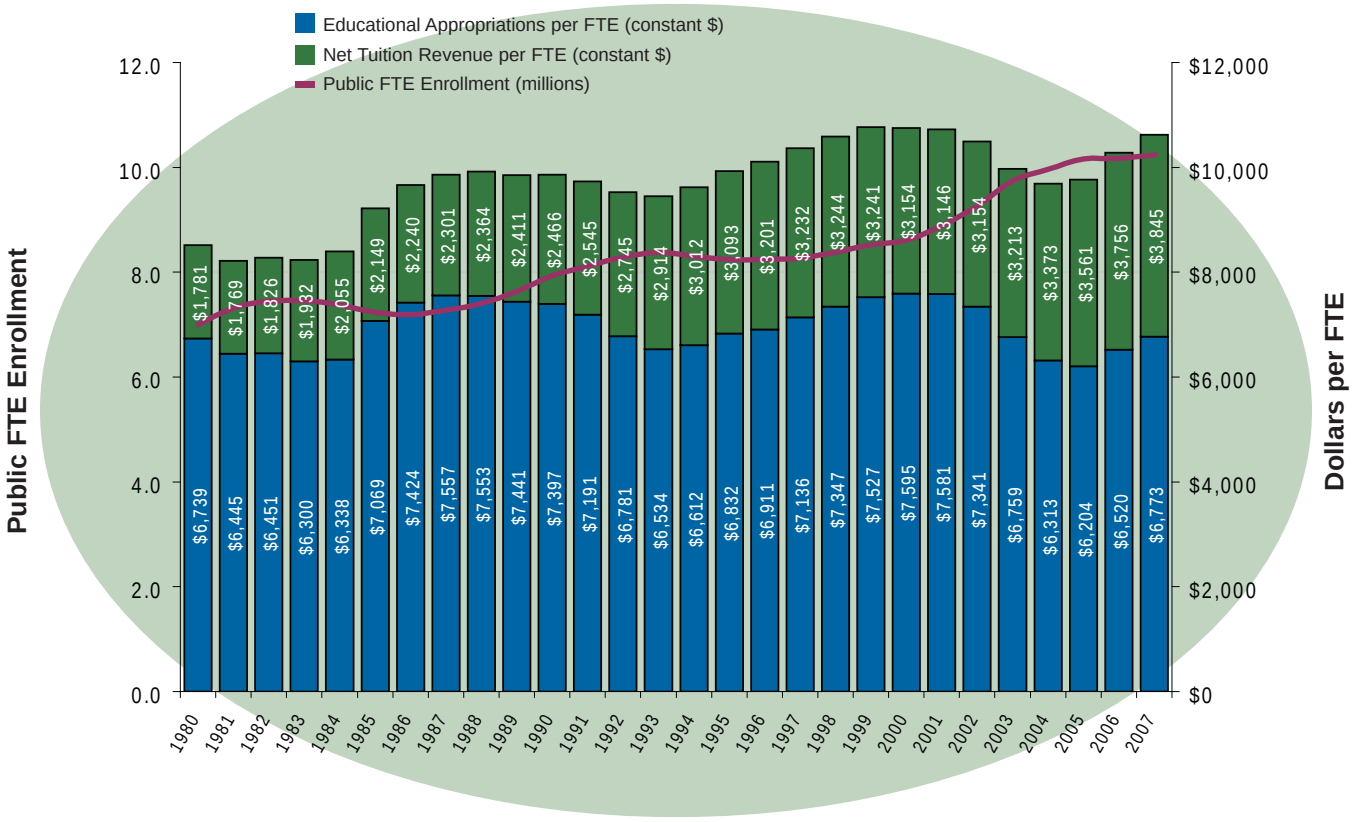
- Educational appropriations per FTE (see the blue bars in *Figure 3*) reached a high of $7,595 in 2000.
- Following five years of decline (2001, 2002, 2003, 2004, and 2005), per student educational appropriations increased in 2006 and 2007, recovering to $6,773.
- Despite two years of growth, appropriations per FTE remained lower in 2007 (in constant dollars) than in most years since 1980.

Net Tuition Revenue

- The rate of increase in net tuition slowed over the past two years, but net tuition has not declined significantly as a percentage of total educational revenue.
- The rate of growth in net tuition revenue was particularly steep during periods when state and local support fell short of inflation and enrollment growth, typically during and immediately following economic recessions.

Figure 3

Public FTE Enrollment, Educational Appropriations and Total Educational Revenue per FTE, U.S., Fiscal 1982-2007



Note: *Constant 2007 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA).*

Source: *SHEEO SHEF*

Net Tuition Revenue at Public Institutions – Further Discussion

Among the important, policy-relevant financial issues facing policymakers, the increased reliance on tuition revenue to support the services provided by higher education stands out as needing better data and analysis. The SHEF data collection instrument requests states to calculate and report annual estimates for gross tuition and fee revenue based on rates and credit-hour enrollment. Across all states, these gross tuition and fee assessments in public postsecondary institutions totaled $49.8 billion in 2007. After subtracting state-funded public financial aid, institutional discounts and waivers, and tuition and fees paid by medical school students, the net tuition revenue available to support "general operating costs" was $39.4 billion, 79.1 percent of gross assessments.

The resulting net tuition revenue for selected years between 1982 and 2007 are reported on *Table 2* in current dollars and on *Table 3* in constant dollar values.[4]

As shown in *Figure 3*, net tuition revenue has grown most rapidly as a percentage of total educational revenue in public institutions during periods when constant dollar state support per student declined. Nationally, net tuition accounted for just over 20 percent of total educational revenue in 1980, increasing to about 25 percent in 1984, which followed the recession of 1981-82. Net tuition revenue remained near that level through the rest of the 1980s. Following the recession of 1990-91, the net tuition share of educational revenue grew rapidly to 31 percent, where it stayed through the 1990s. After the recession in 2001, during which enrollment grew rapidly and aggregate state funding remained relatively constant for 3 years, net tuition share of total education revenue climbed to its current level of more than 36 percent.

These relationships between state support and tuition revenue have received substantial public attention. Some observers have suggested that states are abandoning their historical commitment to public higher education. National data and more careful attention to variable state conditions (see the following sections) strongly suggest that such a broad observation is not justified by the available data. It is also not consistent with the stated intentions of state policymakers.

The combination of state government support, local tax appropriations, and tuition revenue constitutes the principal source of support for instructional programs at public institutions. Non-state and non-tuition revenue sources are the principal means of funding for auxiliary enterprises, research, hospital operations, and other non-instructional programs and services.

Estimates made on the basis of institutional data reported to the National Center for Education Statistics indicate that the proportion of public institution revenue derived from tuition varies substantially. At public, two-year institutions, on average just over 75 percent of educational operating revenue is derived from state or local sources, with the remaining 25 percent coming from tuition revenue. At public four-year institutions, on average well over 40 percent of educational operating revenue is derived from tuition, with the remainder from state and other sources.

State support remains central to supporting educational services, although its importance tends to get lost in the complex budgets of large institutions. Even in public research universities, the combination of state support and tuition remains the dominant revenue source for instructional programs, and public support generally exceeds that provided through student charges. Multiple other sources of revenue received and used by research universities are associated with sponsored research and contracts, auxiliary enterprises, and hospitals and other medical activities. These activities may complement and enhance instruction, but they are typically expected to be mostly, or entirely, financially self-supporting.

[4] Detailed state-level information can be found in the *Supplemental SHEF Tables* (www.sheeo.org).

Table 2

Higher Education Finance Indicators (constant dollars in millions)

	1982[1]	1997[1]	2002	2006	2007	1 Year Change	5 Year Change	10 Year Change	25 Year Change
[A] State and Local Total Support	$57,978	$70,129	$82,894	$80,045	$83,464	4.3%	0.7%	19.0%	44.0%
State	$54,266	$64,227	$75,902	$72,844	$76,118	4.5%	0.3%	18.5%	40.3%
Local	$3,712	$5,902	$6,992	$7,201	$7,347	2.0%	5.1%	24.5%	97.9%
[B] State Support for Independent Institutions			$2,399	$2,448	$2,533				
Aid to Students			$2,089	$2,175	$2,249	3.5%	5.6%		
Operating Grants			$310	$273	$284	3.4%	7.7%		
[C] Allocated to Research-Agricultural-Medical (RAM)[2]	$9,931	$11,090	$12,514	$11,320	$11,585	2.3%	-7.4%	4.5%	16.7%
[D] Educational Appropriations [A-B-C]	$48,047	$59,039	$67,981	$66,278	$69,346	4.6%	2.0%	17.5%	44.3%
[E] Net Tuition Revenue	$13,597	$26,734	$29,210	$38,181	$39,364	3.1%	34.8%	47.2%	189.5%
Total Educational Revenue [E+D]	$61,645	$85,773	$97,191	$104,459	$108,710	4.1%	11.9%	26.7%	76.3%
Net Tuition as a % of Total Educational Revenue	22.1%	31.2%	30.1%	36.6%	36.2%	-0.3%	6.2%	5.0%	64.2%
FTE Enrollment[3]	7,448,283	8,270,628	9,260,826	10,165,841	10,237,893	0.7%	10.6%	23.8%	37.5%
Educational Approp per FTE	$6,451	$7,138	$7,341	$6,520	$6,773	3.9%	-7.7%	-5.1%	5.0%
Net Tuition per FTE	$1,826	$3,232	$3,154	$3,756	$3,845	2.4%	21.9%	18.9%	110.6%
Total Educational Revenue per FTE	$8,276	$10,371	$10,495	$10,275	$10,618	3.3%	1.2%	2.4%	28.3%

Notes:

1. Data for aid to independent institutions and students attending private institutions not reported in 1982 or 1997.

2. This line also includes minor adjustments for appropriations returned to the state and funding for non-credit instruction.

3. FTE enrollment excludes medical school enrollments. Constant 2007 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA). Per FTE figures not in millions.

Source: *SHEEO SHEF*

Table 3

Higher Education Finance Indicators
(current dollars in millions)

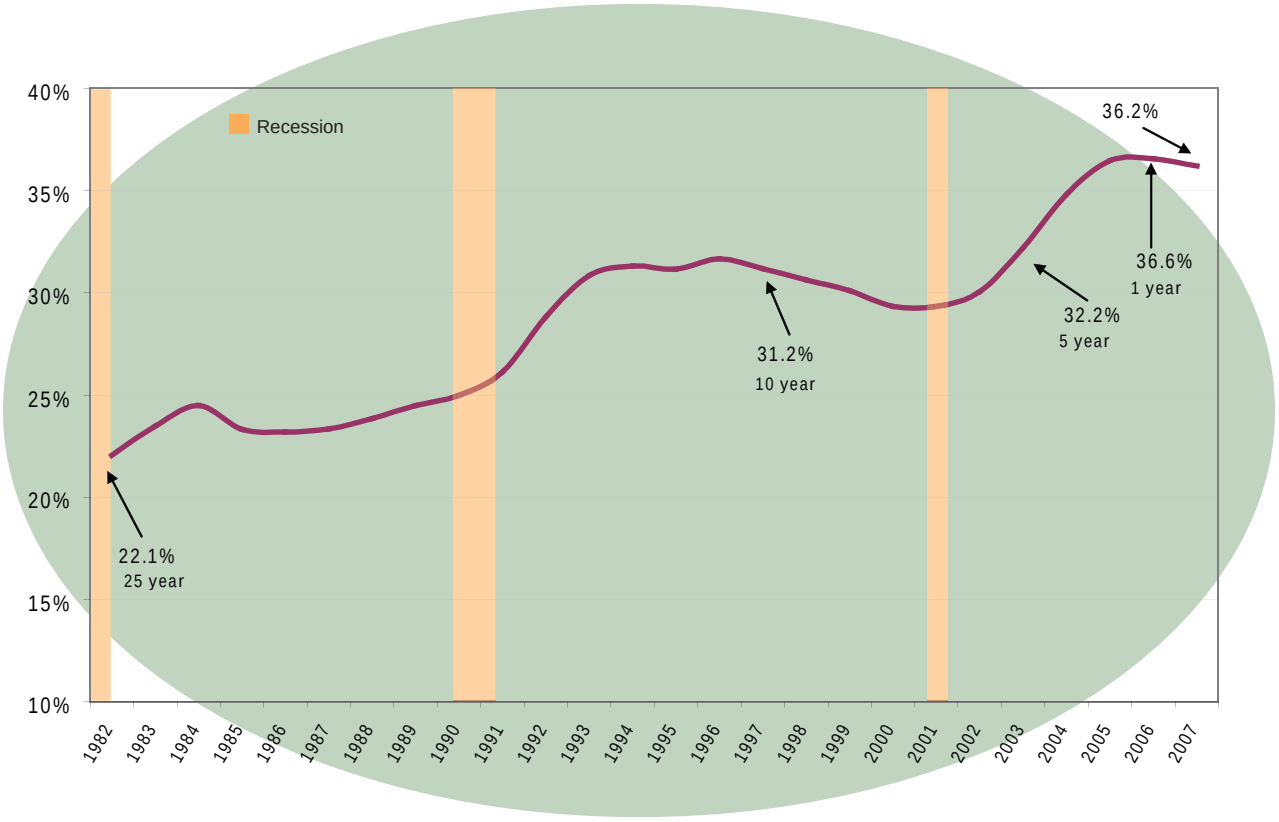
	1982[1]	1997[1]	2002	2006	2007	1 Year Change
[A] State and Local Total Support	$23,464	$50,308	$70,585	$77,463	$83,464	7.7%
State	$21,962	$46,074	$64,631	$70,495	$76,118	
Local	$1,502	$4,234	$5,954	$6,969	$7,347	
[B] State Support for Independent Institutions			$2,042	$2,369	$2,533	6.9%
Aid to Students			$1,778	$2,105	2,249	6.9%
Operating Grants			$264	$264	$284	7.5%
[C] Allocated to Research-Agricultural-Medical (RAM)[2]	$4,019	$7,955	$9,698	$9,649	$10,208	5.8%
[D] Educational Appropriations [A-B-C]	$19,445	$42,336	$57,886	$64,140	$69,346	8.1%
[E] Net Tuition Revenue	$5,503	$19,178	$24,872	$36,949	$39,364	6.5%
Total Educational Revenue [E+D]	$24,948	$61,515	$82,759	$101,089	$108,710	7.5%
Net Tuition as a % of Total Educational Revenue	22.1%	31.2%	30.1%	36.6%	36.2%	-0.3%
FTE Enrollment[3]	7,448,283	8,270,628	9,260,826	10,165,841	10,237,893	0.7%
Educational Approp per FTE	$2,611	$5,119	$6,251	$6,309	$6,773	7.4%
Net Tuition per FTE	$739	$2,319	$2,686	$3,635	$3,845	5.8%
Total Educational Revenue per FTE	$3,350	$7,438	$8,936	$9,944	$10,618	6.8%

Notes:
1. Data for aid to independent institutions and students attending private institutions not reported in 1982 or 1997.
2. This line also includes minor adjustments for appropriations returned to the state and funding for non-credit instruction.
3. FTE enrollment excludes medical school enrollments. Per FTE figures not in millions.

Source: *SHEEO SHEF*

Figure 4

Net Tuition as a Percent of Public Higher Education Total Educational Revenue, U.S., Fiscal 1982-2007



Source: *SHEEO SHEF*

Interstate Comparisons – Making Sense of Many Variables

National averages and trends often mask substantial variation and important differences across the 50 states. This section provides ways to examine interstate differences more closely. First, it explains in greater detail the adjustments SHEF makes to state-level data to reflect two significant factors: differences in the cost of living across states, and level of enrollment among different categories of institutions. Next, it illustrates differences across single variables, or dimensions of higher education financing; for example, rates of enrollment growth or the varying proportions of public versus tuition financing. Third, it compares, or "locates," states in relation to one another across two variables or dimensions of higher education finance; for example, taking into account both where a state currently stands in its support for higher education and whether the level of support has been decreasing or increasing relative to other states.

SHEF Adjustments to Facilitate Interstate Comparisons

Many factors affect the decisions and relative positions of states in their funding of higher education. Although no comparative analysis can take all of these into account, SHEF makes two adjustments to reflect the most basic differences – differences in cost of living across states and in the public postsecondary enrollment mix among different types of institutions.

Table 12 (in *Technical Paper B*) shows the impact of SHEF cost of living and enrollment mix adjustments on total educational revenue per FTE for 2007. These adjustments tend to draw states toward the national mean; for example, states with a high cost of living also tend to support higher education at above average levels, in which case, the SHEF adjustments reduce this difference. The size and direction of these adjustments vary across states. In brief:

- 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 enrollment in higher cost institutions (e.g., research institutions) exceeds the national average, the dollars per FTE are adjusted downward. In states with a relatively inexpensive enrollment mix (e.g., more community colleges), the dollars per FTE are adjusted upward.
- 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 that possess both a more expensive enrollment mix and a higher cost of living (e.g., Colorado). In some states, the two factors cancel out each other (e.g., Washington).

Comparing States across Single Dimensions or Variables

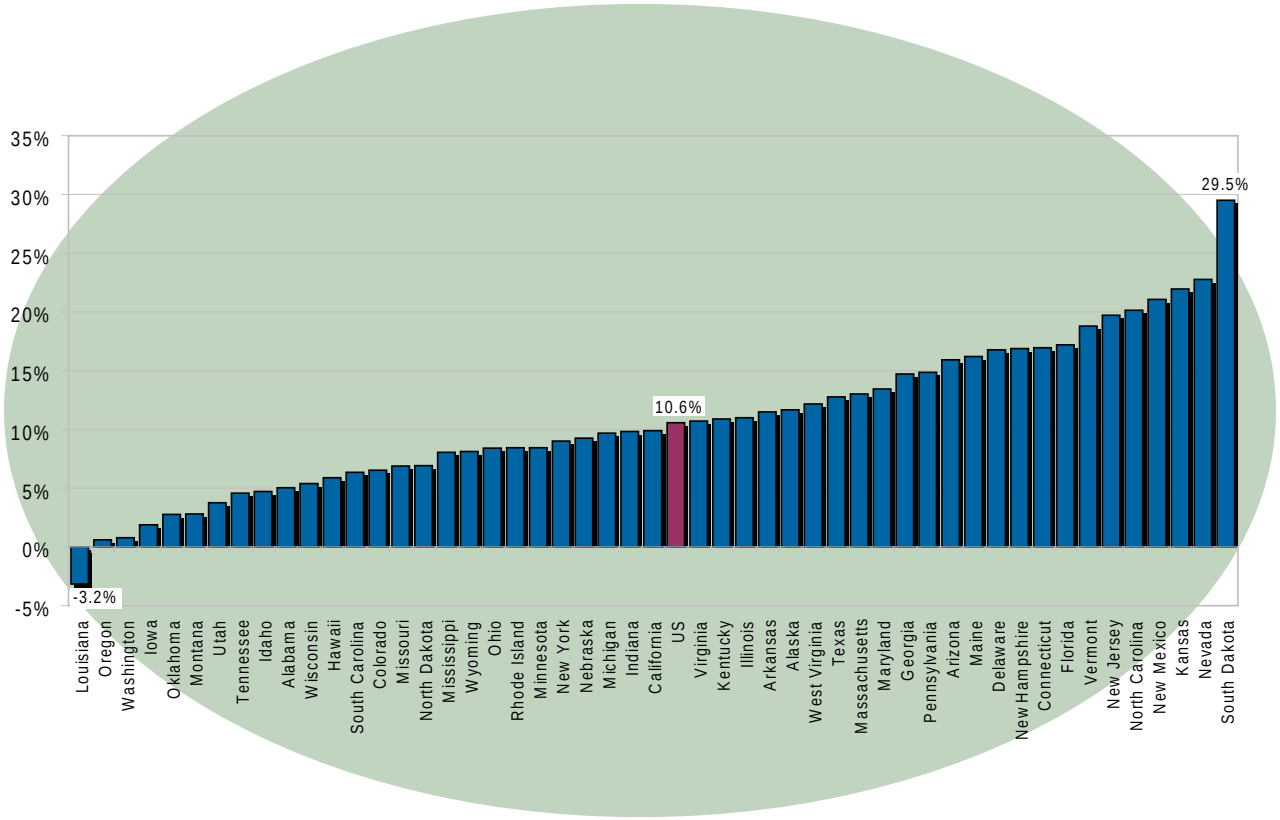
Figures 5-11 illustrate the characteristics and extent of variability across states with respect to: higher education enrollment growth, total state and local appropriations, the proportion of tuition-derived revenue, total revenue available for public educational programs, and current funding in the context of each state's average national position over the past 28 years.

Figure 5 (and the accompanying data in *Table 4*) shows change in full-time-equivalent enrollment (FTE) in public higher education by state for the 5 years between 2002 and 2007.

- Forty-nine of the states have seen increases in public higher education enrollment since 2002. The exception to this is Louisiana, where enrollment declines reflect the effects of Hurricanes Katrina and Rita.
- The 24 states in which enrollment growth exceeded the national average of 10.6 percent include both large and small states, high and low population growth states, and several states (for example, South Dakota) where enrollment increased much faster than overall population changes.
- Data improvements and corrections occasionally affect comparisons. For instance, the rapid enrollment growth in Kansas and New Jersey is partially due to the inclusion of summer FTE for the first time in 2006.

Figure 5

Full-Time-Equivalent (FTE) Enrollment in Public Higher Education
Percent Change by State, Fiscal 2002-2007



Source: *SHEEO SHEF*

Table 4

Public Higher Education Full-Time-Equivalent (FTE) Enrollment

State	FY 2002	FY 2006	FY 2007	1 Year % Change	1 Year Rank	5 Year % Change
Alabama	173,687	180,985	182,409	0.8%	25	5.0%
Alaska	16,706	18,785	18,656	-0.7%	38	11.7%
Arizona	191,176	219,454	221,635	1.0%	21	15.9%
Arkansas	92,722	101,344	103,369	2.0%	10	11.5%
California	1,535,202	1,662,105	1,686,828	1.5%	16	9.9%
Colorado	147,724	158,876	157,382	-0.9%	41	6.5%
Connecticut	64,085	73,608	74,951	1.8%	11	17.0%
Delaware	26,775	31,269	31,269	0.0%	32	16.8%
Florida	442,010	507,927	518,086	2.0%	9	17.2%
Georgia	259,566	292,655	297,755	1.7%	13	14.7%
Hawaii	33,063	35,337	35,010	-0.9%	40	5.9%
Idaho	41,593	44,619	43,552	-2.4%	49	4.7%
Illinois	349,331	387,964	387,758	-0.1%	33	11.0%
Indiana	203,570	218,721	223,602	2.2%	8	9.8%
Iowa	110,834	112,341	112,934	0.5%	28	1.9%
Kansas	104,341	127,645	127,245	-0.3%	36	22.0%
Kentucky	131,313	144,336	145,605	0.9%	22	10.9%
Louisiana	172,092	166,536	166,671	0.1%	31	-3.2%
Maine	30,560	35,235	35,514	0.8%	24	16.2%
Maryland	174,136	192,614	197,521	2.5%	6	13.4%
Massachusetts	123,602	139,949	139,688	-0.2%	35	13.0%
Michigan	350,261	377,675	384,225	1.7%	14	9.7%
Minnesota	176,545	189,009	191,456	1.3%	19	8.4%
Mississippi	107,110	117,731	115,739	-1.7%	46	8.1%
Missouri	163,408	170,681	174,650	2.3%	7	6.9%
Montana	34,333	35,429	35,293	-0.4%	37	2.8%
Nebraska	67,683	72,622	73,940	1.8%	12	9.2%
Nevada	49,953	60,948	61,323	0.6%	27	22.8%
New Hampshire	27,455	31,720	32,093	1.2%	20	16.9%
New Jersey	188,839	228,080	226,072	-0.9%	39	19.7%
New Mexico	68,579	79,479	83,020	4.5%	1	21.1%
New York	466,866	500,182	508,909	1.7%	17	9.0%
North Carolina	286,345	338,644	344,056	1.6%	15	20.2%
North Dakota	33,139	35,887	35,429	-1.3%	44	6.9%
Ohio	353,571	380,655	383,278	0.7%	26	8.4%
Oklahoma	128,530	134,940	132,093	-2.1%	48	2.8%
Oregon	124,377	126,443	125,113	-1.1%	42	0.6%
Pennsylvania	293,742	327,235	337,425	3.1%	3	14.9%
Rhode Island	26,677	28,092	28,925	3.0%	4	8.4%
South Carolina	137,007	147,479	145,724	-1.2%	43	6.4%
South Dakota	22,573	29,253	29,231	-0.1%	34	29.5%
Tennessee	160,822	170,412	168,187	-1.3%	45	4.6%
Texas	704,310	820,788	794,211	-3.2%	50	12.8%
Utah	98,654	104,349	102,372	-1.9%	47	3.8%
Vermont	16,379	18,868	19,457	3.1%	2	18.8%
Virginia	246,637	265,615	273,039	2.8%	5	10.7%
Washington	213,147	213,055	214,847	0.8%	23	0.8%
West Virginia	64,799	71,717	72,679	1.3%	18	12.2%
Wisconsin	204,123	214,065	215,098	0.5%	29	5.4%
Wyoming	20,874	22,483	22,569	0.4%	30	8.1%
US	**9,260,826**	**10,165,841**	**10,237,893**	**0.7%**		**10.6%**

Note: *Full-Time-Equivalent enrollment equates student credit hours to full time, academic year students, but excludes medical students.*

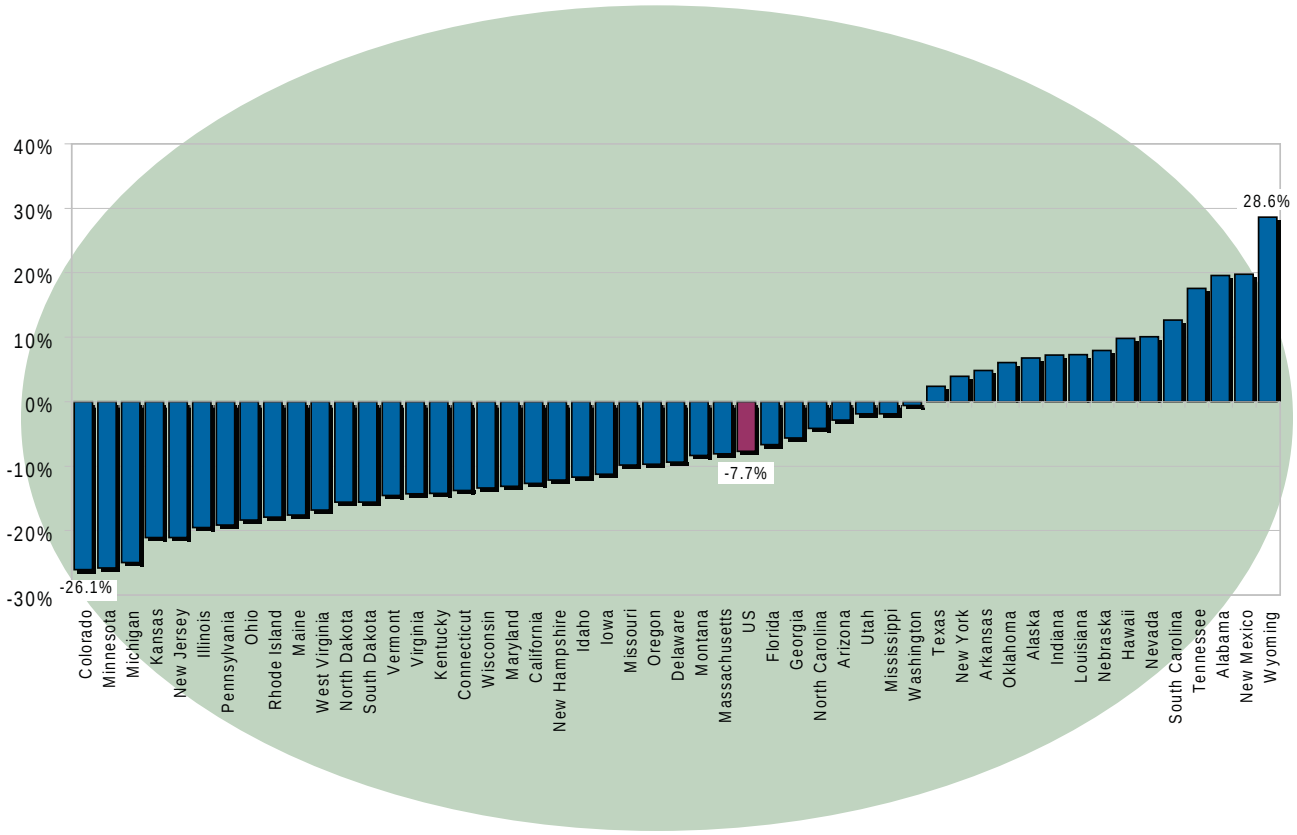
Source: *SHEEO SHEF*

Figure 6 (and the accompanying data in *Table 5*) shows the percent change by state in higher education appropriations per public FTE student between 2002 and 2007.

- Only 15 states increased per student support for public institutions during this 5-year period, and only 1 state (Wyoming) by more than 20 percent.
- On average, states decreased per student appropriations to public higher education by 7.7 percent.
- Five states decreased per student public appropriations by 20 percent or more. Colorado trailed all states with a 26.1 percent decline.

Figure 6

Educational Appropriations per FTE
Percent Change by State, Fiscal 2002-2007



Source: *SHEEO SHEF*

Table 5

Public Higher Education Educational Appropriations per FTE

State	FY 2002	FY 2006	FY 2007	1 Year % Change	FY 2007 Index to U.S. Average	5 Year % Change
Alabama	$5,856	$6,132	$7,001	14.2%	1.03	19.6%
Alaska	$10,792	$10,461	$11,525	10.2%	1.70	6.8%
Arizona	$7,073	$6,503	$6,871	5.7%	1.01	-2.9%
Arkansas	$6,954	$7,207	$7,292	1.2%	1.08	4.9%
California	$8,111	$6,886	$7,083	2.9%	1.05	-12.7%
Colorado	$4,646	$3,136	$3,434	9.5%	0.51	-26.1%
Connecticut	$9,523	$7,998	$8,210	2.6%	1.21	-13.8%
Delaware	$6,525	$5,815	$5,914	1.7%	0.87	-9.4%
Florida	$6,647	$5,708	$6,203	8.7%	0.92	-6.7%
Georgia	$9,420	$8,730	$8,888	1.8%	1.31	-5.6%
Hawaii	$7,510	$9,372	$8,245	-12.0%	1.22	9.8%
Idaho	$8,761	$7,467	$7,736	3.6%	1.14	-11.7%
Illinois	$8,740	$6,666	$7,032	5.5%	1.04	-19.5%
Indiana	$4,989	$5,020	$5,351	6.6%	0.79	7.3%
Iowa	$6,449	$5,719	$5,723	0.1%	0.84	-11.3%
Kansas	$7,130	$5,663	$5,627	-0.6%	0.83	-21.1%
Kentucky	$8,933	$7,698	$7,662	-0.5%	1.13	-14.2%
Louisiana	$6,586	$6,295	$7,066	12.2%	1.04	7.3%
Maine	$7,023	$5,689	$5,786	1.7%	0.85	-17.6%
Maryland	$8,731	$6,757	$7,586	12.3%	1.12	-13.1%
Massachusetts	$7,992	$7,335	$7,348	0.2%	1.08	-8.1%
Michigan	$7,132	$5,514	$5,353	-2.9%	0.79	-24.9%
Minnesota	$7,918	$5,990	$5,875	-1.9%	0.87	-25.8%
Mississippi	$6,623	$5,725	$6,498	13.5%	0.96	-1.9%
Missouri	$6,932	$6,233	$6,253	0.3%	0.92	-9.8%
Montana	$4,786	$4,595	$4,386	-4.6%	0.65	-8.4%
Nebraska	$6,509	$7,091	$7,025	-0.9%	1.04	7.9%
Nevada	$7,571	$8,945	$8,336	-6.8%	1.23	10.1%
New Hampshire	$3,057	$2,629	$2,685	2.1%	0.40	-12.2%
New Jersey	$9,218	$7,582	$7,275	-4.0%	1.07	-21.1%
New Mexico	$7,945	$9,459	$9,518	0.6%	1.41	19.8%
New York	$7,818	$7,569	$8,127	7.4%	1.20	4.0%
North Carolina	$9,238	$8,701	$8,854	1.8%	1.31	-4.2%
North Dakota	$5,598	$4,799	$4,726	-1.5%	0.70	-15.6%
Ohio	$5,494	$4,599	$4,486	-2.4%	0.66	-18.3%
Oklahoma	$6,945	$6,416	$7,369	14.9%	1.09	6.1%
Oregon	$5,152	$4,340	$4,653	7.2%	0.69	-9.7%
Pennsylvania	$6,467	$5,282	$5,227	-1.0%	0.77	-19.2%
Rhode Island	$6,369	$5,449	$5,229	-4.0%	0.77	-17.9%
South Carolina	$5,608	$6,094	$6,317	3.7%	0.93	12.6%
South Dakota	$5,419	$4,655	$4,575	-1.7%	0.68	-15.6%
Tennessee	$6,509	$6,703	$7,651	14.1%	1.13	17.6%
Texas	$7,884	$7,391	$8,074	9.2%	1.19	2.4%
Utah	$5,886	$5,654	$5,774	2.1%	0.85	-1.9%
Vermont	$2,669	$2,357	$2,281	-3.2%	0.34	-14.6%
Virginia	$6,817	$5,280	$5,842	10.7%	0.86	-14.3%
Washington	$6,776	$6,619	$6,736	1.8%	0.99	-0.6%
West Virginia	$6,064	$4,686	$5,045	7.6%	0.74	-16.8%
Wisconsin	$7,131	$5,957	$6,176	3.7%	0.91	-13.4%
Wyoming	$11,438	$13,464	$14,709	9.2%	2.17	28.6%
US	**$7,341**	**$6,520**	**$6,773**	**3.9%**		**-7.7%**

Notes:

– *Educational appropriations measure state and local support available for public higher education operating expenses and exclude appropriations for independent institutions, financial aid for students attending independent institutions, and research.*

– *Adjustment factors, to arrive at constant dollar figures, include Cost of Living Adjustment (COLA), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The Cost of Living Adjustment (COLA) is not a measure of inflation over time.*

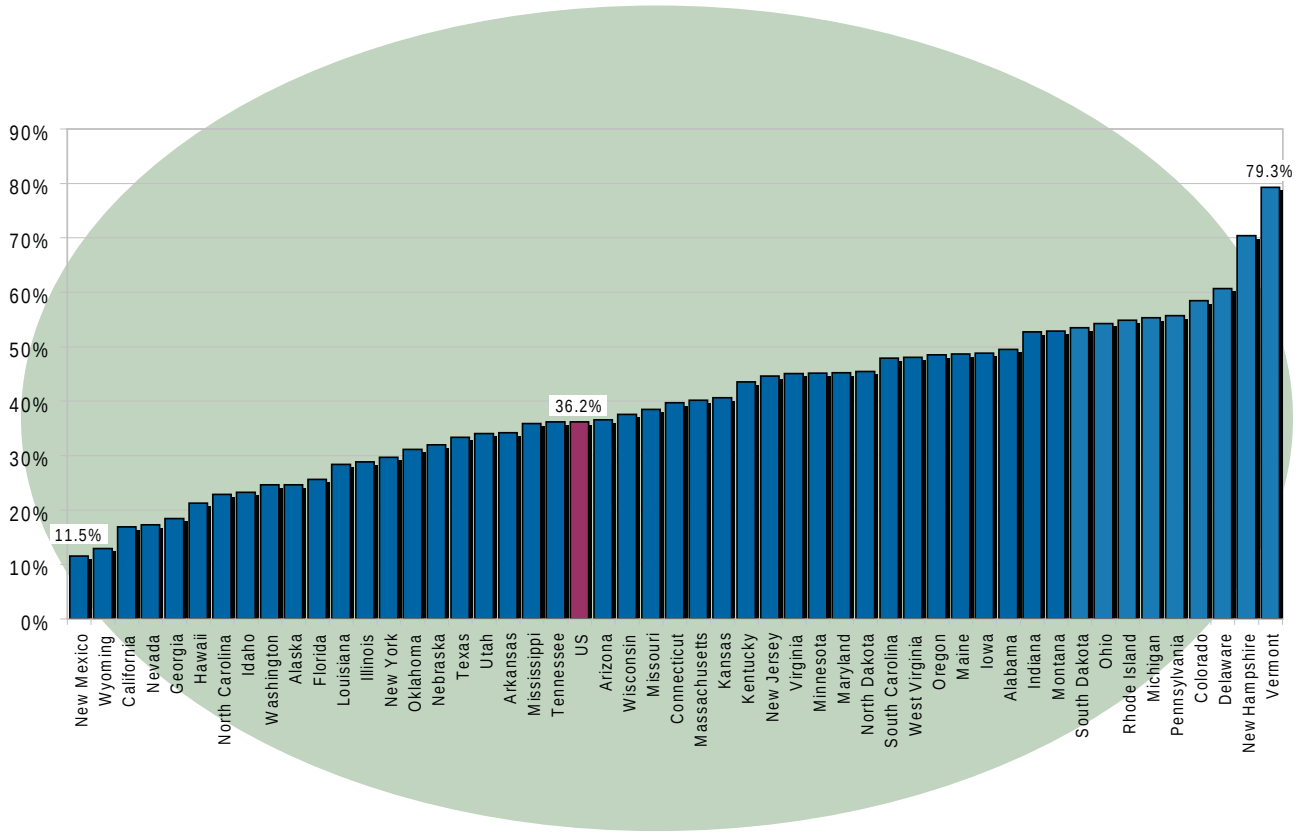
Source: *SHEEO SHEF*

Figure 7 shows net tuition revenue as a percent of public higher education total educational revenue by state for 2007. The accompanying *Table 6* shows the dollar values of the net tuition per FTE by state.

- The states vary widely in the percent of educational revenue supported by net tuition, from a low of 11.5 percent in New Mexico to a high of 79.3 percent in Vermont.
- Twenty-nine states are above the national average in the proportion of educational revenue from tuition sources.
- Only 21 states, including several large states, are below the national average of 36.2 percent for the proportion of revenue derived from tuition.

Figure 7

Net Tuition as a Percent of Public Higher Education Total Educational Revenue by State, Fiscal 2007



Note: *Dollars adjusted by 2007 HECA, Cost of Living Adjustment, and Enrollment Mix; Net Tuition*

Source: *SHEEO SHEF*

Table 6

Public Higher Education Net Tuition per FTE (constant dollars)

State	FY 2002	FY 2006	FY 2007	1 Year % Change	FY 2007 Index to U.S. Average	5 Year % Change
Alabama	$4,275	$6,946	$6,864	-1.2%	1.79	60.6%
Alaska	$2,904	$3,611	$3,774	4.5%	0.98	30.0%
Arizona	$3,148	$3,723	$3,968	6.6%	1.03	26.1%
Arkansas	$3,080	$3,671	$3,786	3.1%	0.98	22.9%
California	$858	$1,422	$1,441	1.4%	0.37	67.9%
Colorado	$4,169	$4,763	$4,828	1.4%	1.26	15.8%
Connecticut	$4,418	$5,450	$5,414	-0.6%	1.41	22.6%
Delaware	$7,897	$8,788	$9,135	3.9%	2.38	15.7%
Florida	$2,540	$2,201	$2,138	-2.9%	0.56	-15.8%
Georgia	$1,797	$1,854	$2,014	8.6%	0.52	12.1%
Hawaii	$1,797	$2,121	$2,223	4.8%	0.58	23.7%
Idaho	$2,035	$2,271	$2,343	3.2%	0.61	15.1%
Illinois	$2,208	$2,769	$2,855	3.1%	0.74	29.3%
Indiana	$4,489	$5,331	$5,968	12.0%	1.55	32.9%
Iowa	$4,239	$5,272	$5,454	3.4%	1.42	28.7%
Kansas	$2,985	$3,526	$3,856	9.4%	1.00	29.2%
Kentucky	$3,681	$5,070	$5,906	16.5%	1.54	60.4%
Louisiana	$2,141	$3,022	$2,803	-7.3%	0.73	30.9%
Maine	$4,392	$5,280	$5,490	4.0%	1.43	25.0%
Maryland	$5,293	$6,487	$6,264	-3.4%	1.63	18.3%
Massachusetts	$3,805	$4,870	$4,935	1.3%	1.28	29.7%
Michigan	$5,174	$6,400	$6,638	3.7%	1.73	28.3%
Minnesota	$3,287	$4,736	$4,834	2.1%	1.26	47.1%
Mississippi	$3,289	$3,485	$3,633	4.2%	0.94	10.5%
Missouri	$3,016	$4,178	$3,908	-6.5%	1.02	29.6%
Montana	$3,725	$4,740	$4,926	3.9%	1.28	32.3%
Nebraska	$3,105	$3,693	$3,310	-10.4%	0.86	6.6%
Nevada	$1,795	$1,719	$1,745	1.5%	0.45	-2.8%
New Hampshire	$6,894	$5,667	$6,384	12.7%	1.66	-7.4%
New Jersey	$5,138	$5,554	$5,859	5.5%	1.52	14.0%
New Mexico	$961	$1,602	$1,243	-22.4%	0.32	29.4%
New York	$3,137	$3,494	$3,436	-1.6%	0.89	9.6%
North Carolina	$2,523	$2,711	$2,624	-3.2%	0.68	4.0%
North Dakota	$2,598	$3,910	$3,934	0.6%	1.02	51.4%
Ohio	$4,333	$5,145	$5,319	3.4%	1.38	22.7%
Oklahoma	$1,399	$3,199	$3,330	4.1%	0.87	138.0%
Oregon	$4,101	$4,374	$4,386	0.3%	1.14	6.9%
Pennsylvania	$6,514	$6,645	$6,578	-1.0%	1.71	1.0%
Rhode Island	$4,887	$6,059	$6,362	5.0%	1.65	30.2%
South Carolina	$4,131	$5,751	$5,807	1.0%	1.51	40.6%
South Dakota	$4,708	$5,007	$5,261	5.1%	1.37	11.7%
Tennessee	$4,142	$4,430	$4,339	-2.1%	1.13	4.8%
Texas	$3,942	$3,516	$4,046	15.1%	1.05	2.7%
Utah	$2,107	$2,898	$2,987	3.1%	0.78	41.7%
Vermont	$8,080	$8,413	$8,719	3.6%	2.27	7.9%
Virginia	$3,283	$4,776	$4,802	0.5%	1.25	46.2%
Washington	$1,778	$2,104	$2,204	4.8%	0.57	24.0%
West Virginia	$3,782	$4,536	$4,665	2.9%	1.21	23.4%
Wisconsin	$2,853	$3,724	$3,717	-0.2%	0.97	30.3%
Wyoming	$2,415	$2,284	$2,187	-4.2%	0.57	-9.5%
US	**$3,154**	**$3,756**	**$3,845**	**2.4%**		**21.9%**

Notes:
- *Net Tuition Revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees.*
- *Adjustment factors, to arrive at constant dollar figures, include Cost of Living Adjustment (COLA), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The Cost of Living Adjustment (COLA) is not a measure of inflation over time.*

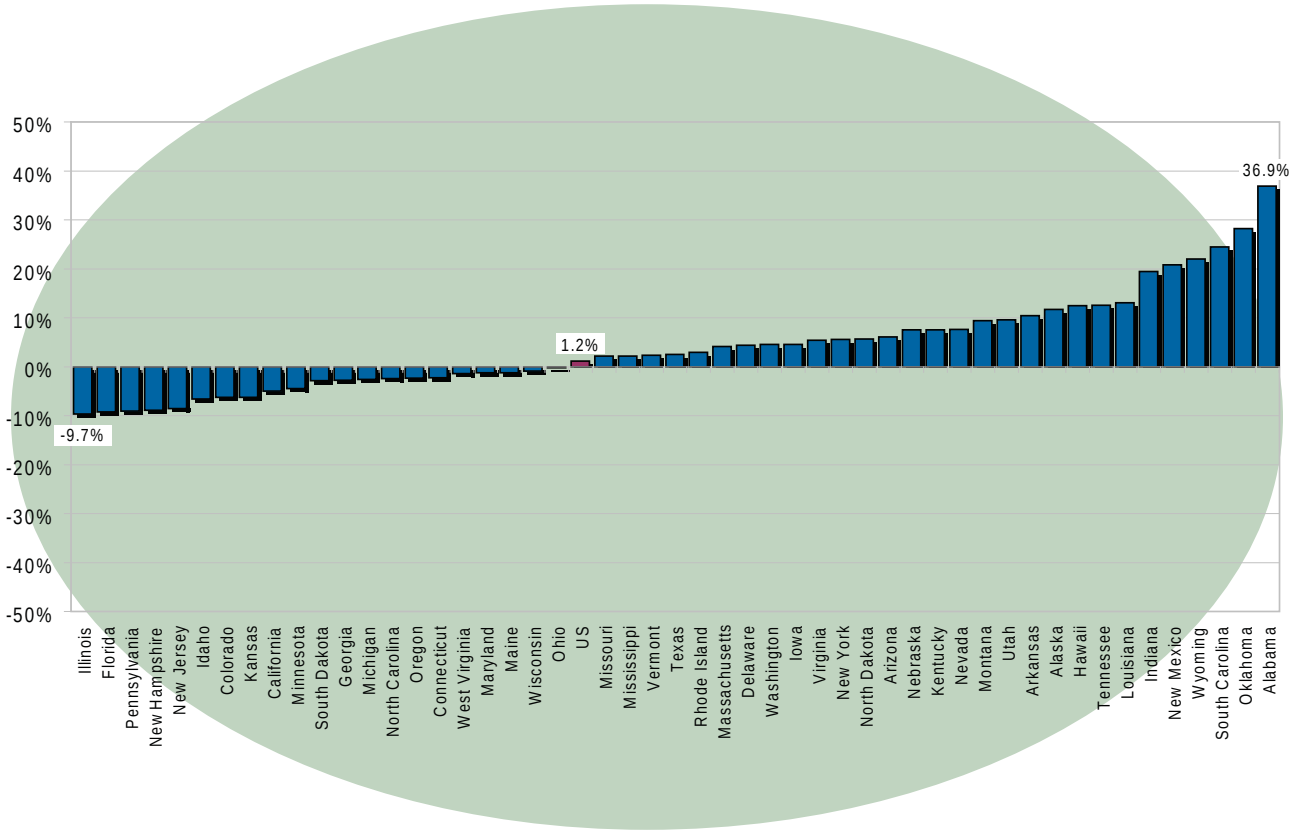
Source: *SHEEO SHEF*

Figure 8 (and the accompanying data in *Table 7*) shows the percent change by state in total educational revenue per FTE in public higher education from 2002 to 2007.

- Twenty-nine states increased total educational revenue per student, led by Alabama with a 36.9 percent increase.
- In 21 states, total educational revenue per FTE decreased. Illinois had the greatest decrease in this time period at 9.7 percent.
- The U.S. average was a 1.2 percent increase in educational revenue per FTE.

Figure 8

Total Educational Revenue per FTE
Percent Change by State, Fiscal 2002-2007



Note: *Dollars adjusted by 2007 HECA, Cost of Living Adjustment, and Enrollment Mix; Total Educational Revenues*

Source: *SHEEO SHEF*

Table 7

Public Higher Education Total Educational Revenue per FTE (constant dollars)

State	FY 2002	FY 2006	FY 2007	1 Year % Change	FY 2007 Index to U.S. Average	5 Year % Change
Alabama	$10,131	$13,077	$13,865	6.0%	1.31	36.9%
Alaska	$13,696	$14,071	$15,300	8.7%	1.44	11.7%
Arizona	$10,221	$10,226	$10,839	6.0%	1.02	6.0%
Arkansas	$10,034	$10,878	$11,077	1.8%	1.04	10.4%
California	$8,969	$8,307	$8,524	2.6%	0.80	-5.0%
Colorado	$8,815	$7,899	$8,262	4.6%	0.78	-6.3%
Connecticut	$13,941	$13,448	$13,624	1.3%	1.28	-2.3%
Delaware	$14,422	$14,602	$15,049	3.1%	1.42	4.3%
Florida	$9,187	$7,909	$8,340	5.4%	0.79	-9.2%
Georgia	$11,217	$10,585	$10,902	3.0%	1.03	-2.8%
Hawaii	$9,306	$11,493	$10,468	-8.9%	0.99	12.5%
Idaho	$10,796	$9,738	$10,079	3.5%	0.95	-6.6%
Illinois	$10,948	$9,435	$9,887	4.8%	0.93	-9.7%
Indiana	$9,478	$10,351	$11,319	9.3%	1.07	19.4%
Iowa	$10,688	$10,991	$11,177	1.7%	1.05	4.6%
Kansas	$10,115	$9,189	$9,484	3.2%	0.89	-6.2%
Kentucky	$12,614	$12,768	$13,568	6.3%	1.28	7.6%
Louisiana	$8,727	$9,317	$9,868	5.9%	0.93	13.1%
Maine	$11,415	$10,969	$11,276	2.8%	1.06	-1.2%
Maryland	$14,025	$13,244	$13,850	4.6%	1.30	-1.2%
Massachusetts	$11,797	$12,206	$12,283	0.6%	1.16	4.1%
Michigan	$12,306	$11,914	$11,991	0.7%	1.13	-2.6%
Minnesota	$11,205	$10,727	$10,709	-0.2%	1.01	-4.4%
Mississippi	$9,912	$9,211	$10,131	10.0%	0.95	2.2%
Missouri	$9,949	$10,412	$10,161	-2.4%	0.96	2.1%
Montana	$8,510	$9,335	$9,312	-0.2%	0.88	9.4%
Nebraska	$9,614	$10,785	$10,334	-4.2%	0.97	7.5%
Nevada	$9,367	$10,663	$10,081	-5.5%	0.95	7.6%
New Hampshire	$9,951	$8,296	$9,069	9.3%	0.85	-8.9%
New Jersey	$14,356	$13,136	$13,134	0.0%	1.24	-8.5%
New Mexico	$8,906	$11,061	$10,761	-2.7%	1.01	20.8%
New York	$10,954	$11,063	$11,563	4.5%	1.09	5.6%
North Carolina	$11,760	$11,412	$11,478	0.6%	1.08	-2.4%
North Dakota	$8,196	$8,709	$8,659	-0.6%	0.82	5.7%
Ohio	$9,827	$9,743	$9,805	0.6%	0.92	-0.2%
Oklahoma	$8,345	$9,615	$10,699	11.3%	1.01	28.2%
Oregon	$9,253	$8,714	$9,038	3.7%	0.85	-2.3%
Pennsylvania	$12,980	$11,927	$11,805	-1.0%	1.11	-9.1%
Rhode Island	$11,256	$11,508	$11,591	0.7%	1.09	3.0%
South Carolina	$9,739	$11,845	$12,124	2.4%	1.14	24.5%
South Dakota	$10,127	$9,662	$9,837	1.8%	0.93	-2.9%
Tennessee	$10,651	$11,133	$11,990	7.7%	1.13	12.6%
Texas	$11,825	$10,907	$12,120	11.1%	1.14	2.5%
Utah	$7,994	$8,552	$8,761	2.4%	0.83	9.6%
Vermont	$10,749	$10,769	$11,000	2.1%	1.04	2.3%
Virginia	$10,100	$10,056	$10,644	5.8%	1.00	5.4%
Washington	$8,554	$8,723	$8,940	2.5%	0.84	4.5%
West Virginia	$9,846	$9,222	$9,710	5.3%	0.91	-1.4%
Wisconsin	$9,984	$9,681	$9,893	2.2%	0.93	-0.9%
Wyoming	$13,853	$15,747	$16,896	7.3%	1.59	22.0%
US	**$10,495**	**$10,275**	**$10,618**	**3.3%**		**1.2%**

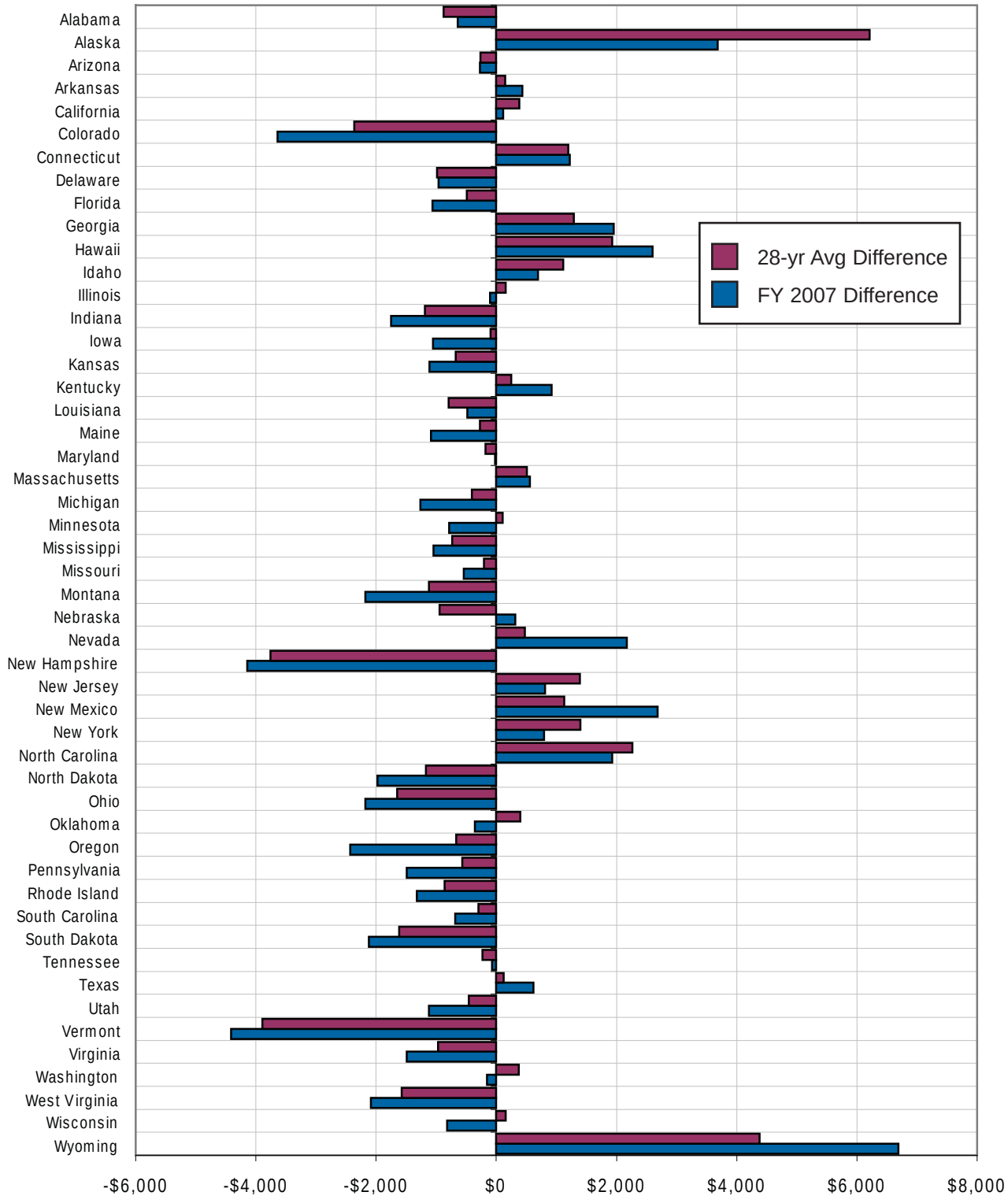
Notes:
– *Total Educational Revenue is the sum of educational appropriations and net tuition.*
– *Adjustment factors, to arrive at constant dollar figures, include Cost of Living Adjustment (COLA), Enrollment Mix Index (EMI), and Higher Education Cost Adjustment (HECA). The Cost of Living Adjustment (COLA) is not a measure of inflation over time.*
Source: *SHEEO SHEF*

Figure 9 compares per FTE state educational appropriations in terms of mean differences from the U.S. average, first over the long-term (1980-2007) and second with the most recent year (2007).

- In 2007, 21 states increased average educational appropriations per FTE relative to the national average compared to their historical average difference from the national average.
- Compared to the national mean, Wyoming's 2007 educational appropriations per FTE were highest, while Vermont's were lowest. 2007 appropriations levels in Vermont were comparatively close to its long-term position relative to the national average. Wyoming's 2007 appropriations per FTE are higher than its long-term position above the national average, reflecting recent growth in state support.

Figure 9

Educational Appropriations per FTE
Differences from Mean, 28-year Average and FY 2007 (constant dollars)



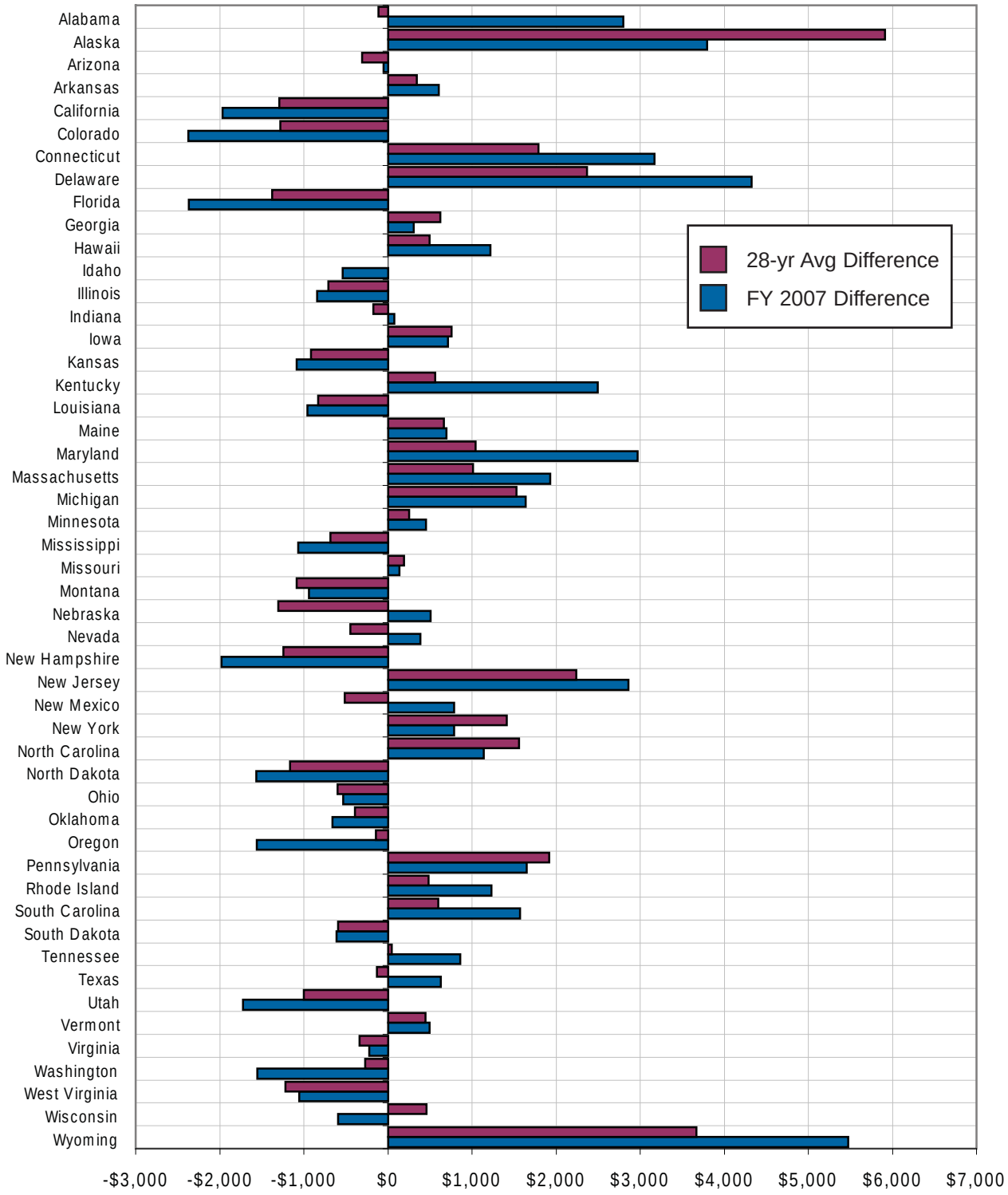
Note: *All dollars are adjusted by HECA, Cost of Living Adjustment, and Enrollment Mix.*
Source: *SHEEO SHEF*

Figure 10 compares the mean differences in total educational revenue per FTE between individual states and the U.S. average over the long-term (1980-2007), with those from the most recent year (2007).

- Comparing each state's historical average, 24 states saw increased educational revenue per FTE relative to the national average.
- Compared to the national mean, Wyoming's 2007 total educational revenue per FTE was highest, while Colorado's and Florida's were lowest. Wyoming's 2007 revenue reflects substantial growth above its long-term position, and Colorado's 2007 revenue reflects a substantial decrease from its long-term position.

Figure 10

Total Educational Revenue per FTE
Differences from Mean, 28-year Average and FY 2007 (constant dollars)



Note: *All dollars are adjusted by HECA, Cost of Living Adjustment, and Enrollment Mix.*
Source: *SHEEO SHEF*

Comparing States on Two Dimensions

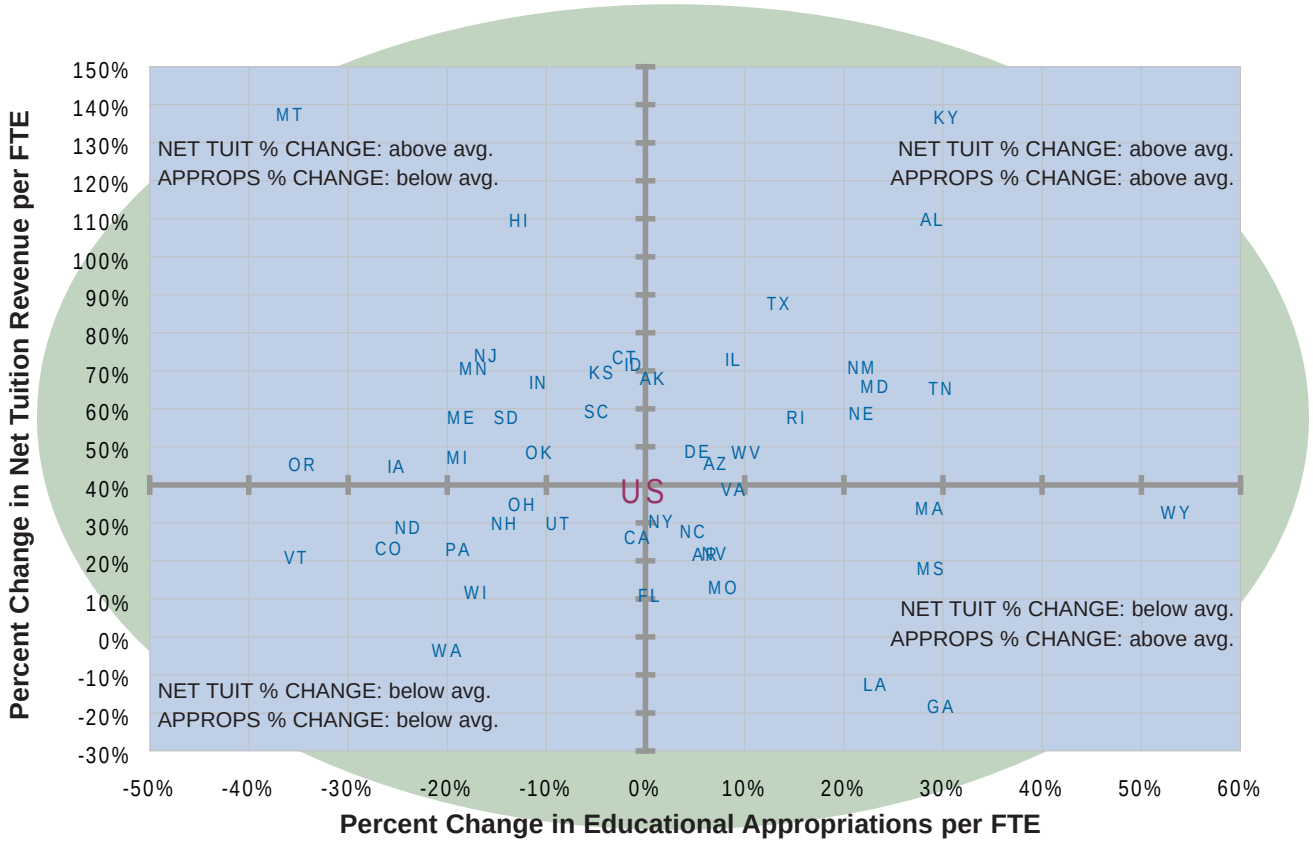
In this section, SHEF data are plotted along two dimensions to compare states with respect to two trends simultaneously. For example, analysts and policymakers might want to know not just where a state stands relative to others in terms of higher education support, but whether the state is gaining or losing over time relative to others.

Figure 11 displays the rate of change in the two primary components of educational revenue per FTE – educational appropriations and net tuition. Data on the horizontal axis indicate the extent to which educational appropriations grew or declined in constant dollars from 1992 to 2007. The vertical axis indicates the percentage change in net tuition revenue 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 appropriations changes, but lagged the national average in net tuition revenue changes.
- States in the lower left quadrant lagged the national average in both educational appropriations and tuition revenue changes.
- States in the upper left quadrant lagged the national average in educational appropriations changes, but exceeded the national average in net tuition changes.

Figure 11

Percent Change by State in Educational Appropriations and Net Tuition Revenue per FTE, Fiscal 1992- 2007



Notes:

1. Figures are adjusted for inflation, public system enrollment mix, and state cost of living.

2. Funding and FTE data are for public non-medical students only.

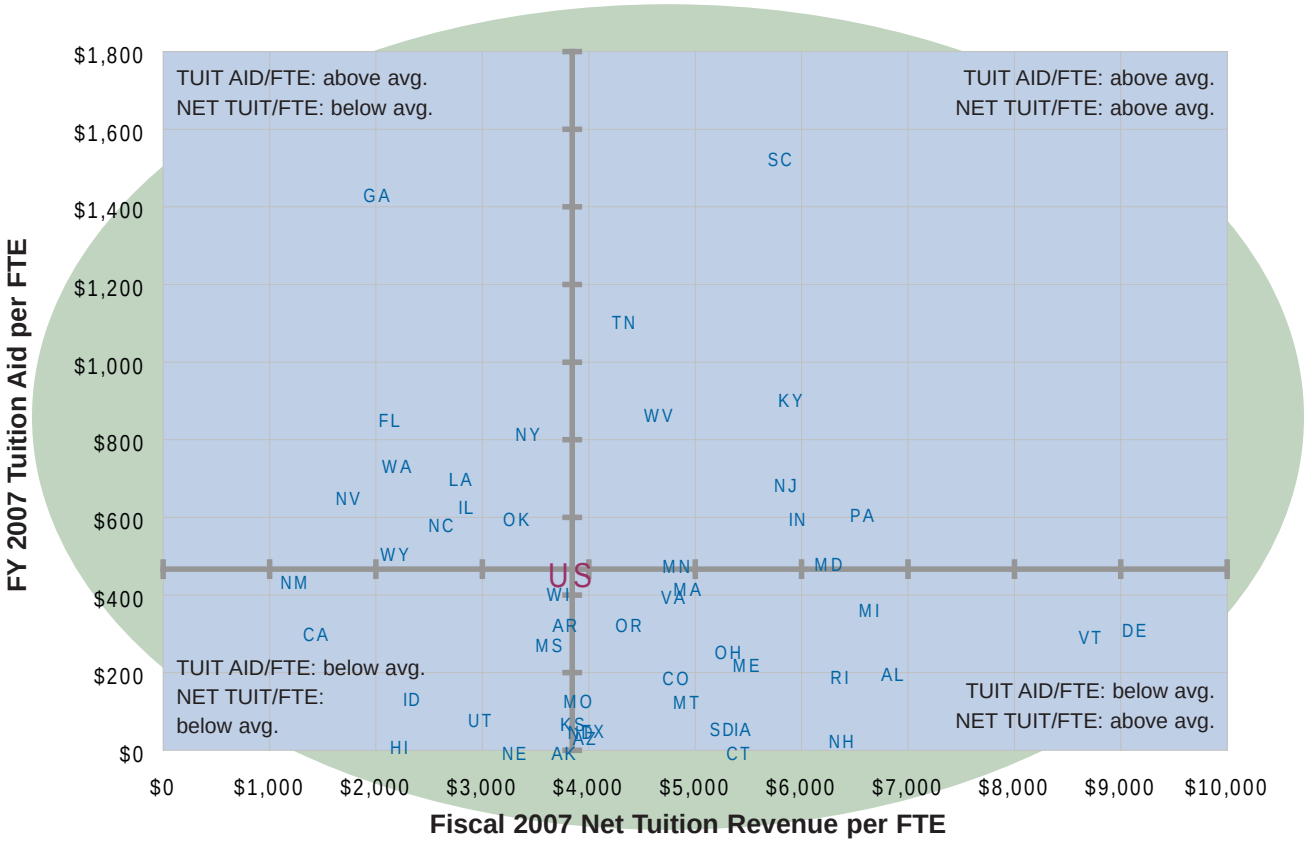
Source: *SHEEO SHEF*

Many states provide funding for student financial aid programs in order to help offset the cost of tuition. In *Figure 12*, points along the horizontal axis represent 2007 net tuition revenue per FTE for each state. Ordering along the vertical axis reflects per student state funding intended to help students pay public institution tuition during 2006.

- The nine states in the upper right quadrant exceeded the national average in both net tuition revenue and tuition aid.
- States in the lower right quadrant exceeded the national average in net tuition revenue, but fell below the national average in tuition aid.
- States in the lower left quadrant lagged the national average in both net tuition revenue and tuition aid.
- States in the upper left quadrant lagged the national average net tuition, and exceeded the national average in tuition aid.

Figure 12

Net Tuition Revenue per FTE and State-Funded Tuition Aid per FTE by State, Fiscal 2007 (public institutions only)



Notes:

1. Figures are adjusted for inflation, public system enrollment mix, and state cost of living.

2. Funding and FTE data are for public non-medical students only.

Source: *SHEEO SHEF*

State Wealth, Taxes, and Allocations for Higher Education

Within each state, policies and decisions about the financing of higher education are made in the context of prevailing economic conditions, tax structures, and competing budgetary priorities. Within this context, state policymakers face challenging questions including:

- What revenue are needed to support important public services?
- What level of taxation will generate those revenue without impairing economic productivity or individual opportunities?
- What combination of public services, spending, and tax policy is most likely to enhance economic growth, future assets, and the quality of life?
- What should the spending priorities be for different public services and investments?

Opinions vary widely about a host of issues concerning taxes, public services, and public investments. Differences of opinion and ideology combine with conditions in the economy and demography to affect state taxing and spending decisions. As these conditions change, policymakers reevaluate taxation policies.

No single standard exists to evaluate public policy decisions with respect to funding for higher education. Relevant, comparative information about states can, however, help inform higher education financing decisions. This section explores several types of comparative data and indicators, including relative state and personal wealth, tax capacity and effort, and comparative allocations to higher education.[5]

Nationally, effective state and local tax rates decreased over the last decade. As shown in *Table 8*, based on a combination of federal government data sources:

- Aggregate state wealth (total taxable resources) per capita increased 55.8 percent from 1995 to 2005, from $30,331 to $47,249.
- Total state and local tax revenue per capita increased more slowly, a 49.0 percent increase from $2,477 in 1995 to $3,690 in 2005.
- As a result, the national aggregate effective state and local tax rate (tax revenue as a percentage of state wealth) decreased from 8.2 percent to 7.8 percent over this period.

Also based on aggregate, national data, the allocation of the available state revenue to higher education remained relatively consistent between 1995 and 2005. Of total state and local revenue (including lottery proceeds), the allocation to higher education fluctuated between 6.9 percent and 6.5 percent during this period, and was 6.5 percent nationally in 2005, the most recent year available. The 2005 allocation to higher education was the lowest percentage since 1995.

[5] Part of this section draws on previous work by Kent Halstead to assemble data and develop indicators for higher education support per capita and relative to wealth (personal income), state tax capacity, and tax effort.

Table 8

State Wealth, Tax Revenue, Effective Tax Rates, and Higher Education Allocation; U.S. Averages, 1994-2004

	Wealth, Revenue, and Tax Rates			Allocation to Higher Education		
	Total Taxable Resources (TTR) per Capita[1]	State & Local Tax Revenue per Capita[2,3]	Effective Tax Rate[4]	State & Local Tax Revenue plus Lottery Profits[5] (thousands)	State & Local Higher Education Support[6] (thousands)	(percentage)
1995	$30,331	$2,477	8.17%	$669,085,320	$46,139,024	6.9%
1996	$31,984	$2,554	7.98%	$697,960,476	$47,798,564	6.8%
1997	$33,932	$2,668	7.86%	$737,767,519	$50,307,924	6.8%
1998	$36,008	$2,801	7.78%	$782,987,470	$54,006,965	6.9%
1999	$37,528	$2,917	7.77%	$824,249,176	$58,339,843	7.1%
2000	$39,981	$3,086	7.72%	$881,108,058	$63,263,061	7.2%
2001	$39,178	$3,195	8.15%	$921,556,887	$67,674,552	7.3%
2002	$39,635	$3,136	7.91%	$915,027,341	$70,584,958	7.7%
2003	$41,081	$3,106	7.56%	$915,311,067	$70,419,813	7.7%
2004	$44,012	$3,434	7.80%	$1,020,012,078	$69,826,150	6.8%
2005	$47,249	$3,690	7.81%	$1,108,355,477	$72,230,173	6.5%
10 Year % Change	**55.8%**	**49.0%**	**-4.4%**	**65.7%**	**56.5%**	**-5.5%**

Source Notes: *All dollars nominal.*

1. *Total Taxable Resources per Capita:*
   2002, 2003, 2004 data: U.S. Treasury Department, www.treas.gov/offices/economic-policy/resources/estimates.html
   1993-2001: Compson, Michael L. (March, 2003)
2. *State and Local Tax Revenue per Capita: U.S. Census Bureau, www.census.gov/govs/www/estimate.html and www.census.gov/popest/states/NST-ann-est.html*
3. *Local Tax Revenue in 2001 and 2003 are estimates; the following formulae were used*
   *FY2001 Local Tax Revenue = (((FY1998Local/FY1998State)+(FY1999Local/FY1999State)+(FY2000Local/FY2000State))/3)*FY2001State*
   *FY2003 Local Tax Revenue = (((FY1999Local/FY1999State)+(FY2000Local/FY2000State)+(FY2002Local/FY2002State))/3)*FY2003State*
4. *Effective Tax Rate = State & Local Tax Revenue per Capita / Total Taxable Resources per Capita*
5. *State and local tax revenue data from U.S. Census Bureau; lottery profits data from North American Association of State and Provincial Lotteries. An annual growth estimate of 4% was used to impute lottery values prior to 1995.*
6. *Higher Education Support = State and local tax and non-tax support for general operating expenses of public and independent higher education. Includes special purpose appropriations for research-agricultural-medical. Source: SHEEO SHEF*

In *Table 9*, state tax revenue per capita, total taxable resources per capita, and the effective tax rate are indexed to the national average in order to indicate the variability across states relative to the national average. Taxable resources per capita vary by more than a factor of two, from a low of $31,745 per capita to a high of over $75,000 per capita. Effective tax rates also vary substantially, from a low of 5.1 percent (in Delaware, which is a statistical outlier on both measures) to a high of 10.2 percent.

Table 10, based on federal data sources, shows two measures of state-by-state support for higher education (per capita and per $1,000 in personal income) for 2007. Per capita support for higher education varies from less than $94 in New Hampshire to more than $705 in Wyoming. Support for higher education relative to personal income varies from $2.27 to more than $15.00 per $1,000 of personal income across the states. Nationally, state and local support for higher education per $1,000 of personal income increased from $7.08 in 2005 to $7.19 in 2007.

These comparative statistics reflect interstate differences in wealth, population characteristics and density, participation rates, the relative size of the public and independent higher education sectors, student mobility, and numerous other factors. Poorer states often lag the national average in per capita support, but exceed the national average in support per thousand dollars of personal income. Similarly, sparsely populated states often exceed the national average in both per capita support and per thousand dollars of personal income.

Table 10 also provides an analysis of state support as a percentage of state budgets in 2005. While such statistics show relative investments in higher education, they do not necessarily indicate the relative "priority" or value of higher education to each state. They do reflect the different paths states have taken in financing a set of public purposes as they assess need, urgency, and financing options. As previously discussed, tuition revenue frequently (but not universally) have increased when state and local sources of support have not kept pace with enrollment growth and inflation. The data in *Table 8*, indicating a decrease in the effective state tax rate, combined with the pressures created by growing higher education enrollment, increasing demands for elementary and secondary funding, rising Medicaid costs, and other factors, help explain the stress on state budgets and policymakers.

Given the range of cross-state variability, assuring higher education access, determining appropriate levels of support, and sorting out "who pays, who benefits," in the context of state needs, resources, and other policy goals, remain complex tasks in every state.

Table 9

Tax Revenue, Taxable Resources, and Effective Tax Rates, by State, Fiscal 2005

State	Actual Tax Revenue (ATR) Per Capita		Total Taxable Resources (TTR) Per Capita		Effective Tax Rate (ATR/TTR)	
	Dollars	National Index	Dollars	National Index	Rate	National Index
Alabama	2,569	0.696	37,580	0.795	6.8%	0.875
Alaska	4,443	1.204	62,366	1.320	7.1%	0.912
Arizona	3,079	0.834	41,131	0.871	7.5%	0.959
Arkansas	2,902	0.786	35,458	0.750	8.2%	1.048
California	4,055	1.099	50,070	1.060	8.1%	1.037
Colorado	3,363	0.911	51,466	1.089	6.5%	0.837
Connecticut	5,398	1.463	66,762	1.413	8.1%	1.035
Delaware	3,894	1.055	75,615	1.600	5.1%	0.659
Florida	3,369	0.913	47,583	1.007	7.1%	0.907
Georgia	3,010	0.816	43,044	0.911	7.0%	0.895
Hawaii	4,338	1.176	47,904	1.014	9.1%	1.159
Idaho	2,926	0.793	37,665	0.797	7.8%	0.995
Illinois	3,849	1.043	48,991	1.037	7.9%	1.006
Indiana	3,405	0.923	42,427	0.898	8.0%	1.028
Iowa	3,273	0.887	44,358	0.939	7.4%	0.945
Kansas	3,415	0.925	44,662	0.945	7.6%	0.979
Kentucky	2,939	0.796	37,293	0.789	7.9%	1.009
Louisiana	3,173	0.860	42,754	0.905	7.4%	0.950
Maine	3,960	1.073	39,039	0.826	10.1%	1.299
Maryland	4,276	1.159	55,197	1.168	7.7%	0.992
Massachusetts	4,470	1.211	56,890	1.204	7.9%	1.006
Michigan	3,494	0.947	40,604	0.859	8.6%	1.102
Minnesota	4,088	1.108	50,210	1.063	8.1%	1.042
Mississippi	2,575	0.698	31,745	0.672	8.1%	1.039
Missouri	2,997	0.812	42,046	0.890	7.1%	0.913
Montana	2,913	0.789	37,324	0.790	7.8%	0.999
Nebraska	3,746	1.015	45,831	0.970	8.2%	1.046
Nevada	3,749	1.016	55,287	1.170	6.8%	0.868
New Hampshire	3,306	0.896	51,213	1.084	6.5%	0.826
New Jersey	4,890	1.325	59,276	1.255	8.2%	1.056
New Mexico	3,151	0.854	40,388	0.855	7.8%	0.999
New York	5,752	1.559	56,632	1.199	10.2%	1.300
North Carolina	3,149	0.853	44,129	0.934	7.1%	0.914
North Dakota	3,343	0.906	43,840	0.928	7.6%	0.976
Ohio	3,637	0.985	42,780	0.905	8.5%	1.088
Oklahoma	2,843	0.770	38,773	0.821	7.3%	0.939
Oregon	3,052	0.827	44,321	0.938	6.9%	0.882
Pennsylvania	3,710	1.005	44,647	0.945	8.3%	1.064
Rhode Island	4,191	1.136	49,272	1.043	8.5%	1.089
South Carolina	2,779	0.753	37,600	0.796	7.4%	0.946
South Dakota	2,715	0.736	45,584	0.965	6.0%	0.763
Tennessee	2,685	0.728	41,235	0.873	6.5%	0.834
Texas	3,015	0.817	46,748	0.989	6.4%	0.826
Utah	2,933	0.795	39,461	0.835	7.4%	0.952
Vermont	4,137	1.121	42,935	0.909	9.6%	1.234
Virginia	3,657	0.991	54,103	1.145	6.8%	0.865
Washington	3,651	0.989	48,897	1.035	7.5%	0.956
West Virginia	3,060	0.829	33,929	0.718	9.0%	1.155
Wisconsin	3,872	1.049	44,179	0.935	8.8%	1.122
Wyoming	5,251	1.423	62,926	1.332	8.3%	1.068
U.S.	**$3,690**	**1.000**	**47,249**	**1.000**	**7.81%**	**1.000**

Sources: *Population and tax revenue data from U.S. Census Bureau: www.census.gov/govs/www/estimate.html. Total Taxable Resources per capita from U.S. Treasury Department: www.treas.gov/offices/economic-policy/resources/estimates.html. Actual State + Local Tax Revenue by State, Fiscal 2005: www.census.gov/govs/www/estimate.html.*

Table 10

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

State	FISCAL 2007 Higher Education Support[1] Per Capita[2]	FISCAL 2007 National Index	FISCAL 2007 Higher Education Support[1] per $1000 of Personal Income	FISCAL 2007 National Index	FISCAL 2005 Tax Revenue & Lottery Profits[3] (thousands)	FISCAL 2005 Higher Education Support[1] (thousands)	FISCAL 2005 Allocation to Higher Education
Alabama	364	1.31	11.24	1.56	11,686,675	1,215,325	10.4%
Alaska	421	1.52	10.42	1.45	2,947,034	235,726	8.0%
Arizona	281	1.01	8.50	1.18	18,447,917	1,462,964	7.9%
Arkansas	287	1.04	9.55	1.33	8,053,926	667,259	8.3%
California	361	1.30	8.68	1.21	148,412,187	10,805,726	7.3%
Colorado	144	0.52	3.50	0.49	15,784,561	641,230	4.1%
Connecticut	264	0.95	4.87	0.68	19,165,332	787,967	4.1%
Delaware	262	0.94	6.45	0.90	3,511,387	203,478	5.8%
Florida	197	0.71	5.12	0.71	60,967,514	3,022,536	5.0%
Georgia	289	1.04	8.65	1.20	28,288,349	2,451,758	8.7%
Hawaii	392	1.42	10.00	1.39	5,523,747	409,727	7.4%
Idaho	252	0.91	8.08	1.12	4,208,546	350,259	8.3%
Illinois	278	1.00	6.90	0.96	49,752,495	3,316,264	6.7%
Indiana	230	0.83	6.83	0.95	21,526,117	1,417,478	6.6%
Iowa	285	1.03	8.15	1.13	9,755,951	784,526	8.0%
Kansas	348	1.25	9.45	1.31	9,447,776	887,032	9.4%
Kentucky	299	1.08	9.60	1.34	12,420,002	1,084,892	8.7%
Louisiana	340	1.23	9.78	1.36	14,410,915	1,287,849	8.9%
Maine	197	0.71	5.85	0.81	5,270,038	240,691	4.6%
Maryland	309	1.11	6.71	0.93	24,376,155	1,418,341	5.8%
Massachusetts	199	0.72	4.06	0.57	29,693,092	1,131,093	3.8%
Michigan	255	0.92	7.27	1.01	35,962,738	2,431,592	6.8%
Minnesota	269	0.97	6.57	0.91	21,062,819	1,273,328	6.0%
Mississippi	318	1.15	11.01	1.53	7,490,681	806,119	10.8%
Missouri	193	0.69	5.60	0.78	17,592,904	1,070,825	6.1%
Montana	185	0.67	5.71	0.79	2,728,922	156,024	5.7%
Nebraska	378	1.36	10.38	1.44	6,610,098	597,518	9.0%
Nevada	242	0.87	5.98	0.83	9,043,570	548,794	6.1%
New Hampshire	94	0.34	2.27	0.32	4,389,077	115,367	2.6%
New Jersey	251	0.90	5.09	0.71	43,361,774	2,082,506	4.8%
New Mexico	521	1.88	16.57	2.30	6,101,558	766,844	12.6%
New York	320	1.15	6.75	0.94	113,170,319	5,209,042	4.6%
North Carolina	401	1.45	11.92	1.66	27,307,108	2,936,456	10.8%
North Dakota	337	1.22	9.68	1.35	2,127,848	201,545	9.5%
Ohio	204	0.74	5.86	0.82	42,359,854	2,228,056	5.3%
Oklahoma	295	1.06	8.64	1.20	10,073,102	817,666	8.1%
Oregon	182	0.66	5.24	0.73	11,522,471	646,056	5.6%
Pennsylvania	182	0.66	4.69	0.65	46,871,818	2,117,998	4.5%
Rhode Island	186	0.67	4.70	0.65	4,807,174	184,604	3.8%
South Carolina	259	0.93	8.36	1.16	12,078,140	1,025,196	8.5%
South Dakota	226	0.82	6.67	0.93	2,223,140	163,452	7.4%
Tennessee	242	0.87	7.28	1.01	16,220,556	1,301,578	8.0%
Texas	286	1.03	7.68	1.07	70,210,682	5,905,955	8.4%
Utah	271	0.98	8.70	1.21	7,303,964	646,914	8.9%
Vermont	136	0.49	3.70	0.51	2,595,111	78,009	3.0%
Virginia	242	0.87	5.86	0.82	28,082,706	1,493,616	5.3%
Washington	252	0.91	6.24	0.87	23,089,642	1,411,664	6.1%
West Virginia	251	0.91	8.51	1.18	6,114,066	426,409	7.0%
Wisconsin	283	1.02	7.86	1.09	21,532,066	1,466,328	6.8%
Wyoming	705	2.54	16.30	2.27	2,671,853	298,590	11.2%
U.S.	$277	1.00	$7.19	1.00	$1,108,355,477	$72,230,173	6.5%

Source Notes:

1. *Higher Education Support = State and local tax and non-tax support for public and independent higher education. Includes special purpose appropriations for research-agricultural-medical. Source: SHEEO SHEF*
2. *Population and personal income data from U.S. Census Bureau and Bureau of Economic Analysis.*
3. *State and local tax revenue data from U.S. Census Bureau; lottery profits data from North American Association of State and Provincial Lotteries.*

Conclusion

States and the nation as a whole face challenging higher education financing and policy decisions. The pattern during the past three decades includes cyclical downturns in per student funding resulting from economic recessions, followed by recovery and growth. State and local revenue for higher education per student have declined and then recovered, often exceeding previous levels.

The SHEF studies for 2006 and 2007 (and the 2008 appropriations data collected by *Grapevine*) indicate a 3-year increase relative to inflation and student demand, following a period of declining public investment in higher education between 2001 and 2005. Budget conditions for 2009, however, seem less favorable in many states, and this national trend may not be sustained in the coming year.

Such recurring budgeting cycles can be challenging and sometimes discouraging. The resiliency of the commitment in the United States to higher education, however, suggests a growing recognition of its importance to our future. The data and analysis of this and future SHEF reports are intended to help higher education leaders and state policymakers focus on how discrete, year-to-year decisions fit into broader patterns of change over time, and how each step contributes – or not – to meeting longer term objectives.

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 brief technical paper discusses two relevant dimensions of inflation in higher education–the consumer and the provider perspectives–and describes a tool to benchmark the inflation experienced by providers, colleges, and universities.

The Consumer Perspective

The student, parent, or student aid provider most often views higher education prices compared to how much consumers pay for other goods and services. The Consumer Price Index for Urban Consumers (CPI-U) is most often used for such comparisons.

The CPI-U "market basket" consists of: housing (42 percent of the index), transportation (19 percent), food and beverages (18 percent), apparel and upkeep (7 percent), medical care (5 percent), entertainment (4 percent), and other goods and services (5 percent). To calculate the CPI-U, the Bureau of Labor Statistics measures average changes in the prices paid for these goods and services in 27 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 15 years. While consumer prices as measured by CPI-U grew by 48 percent between 1992 and 2007, the cost of medical care grew by 85 percent,[1] and enrollment-weighted tuition and fees for four-year public universities grew by 175 percent.[2] U.S. income per capita grew by 85 percent [3] 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.

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 (about 75 percent) on salaries and benefits for faculty and staff, and lesser amounts on 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.

[1] "Economic Report of the President." February 2007. Appendix B, table B-60: "Consumer Price Indexes for Major Expenditure Classes" (www.gpoaccess.gov/eop/2007/B60.xls).

[2] Source: Washington Higher Education Coordinating Board

[3] Source: Bureau of Economic Analysis

Kent Halstead developed the Higher Education Price Index (HEPI) to track changes in the prices paid by colleges and universities. This index, which tracks price changes since 1961, is based on a 1972 market basket of expenditures for colleges and universities. To estimate price changes for components in this market basket, Halstead used 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, using regression analysis to estimate price increases for more recent years. Since 2005, *Commonfund Institute* has maintained the HEPI project, continuing to provide yearly updates to the data based on a regression analysis.

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

- 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. Many policymakers 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 decided not to develop 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 20 years, such people have attracted increasingly higher compensation in both the private and public sectors, including colleges and universities.

SHEEO developed 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 reflects employer compensation costs including wages, salaries, and benefits.[4] The GDP IPD reflects general price inflation in the U.S. economy.[5] 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
3. The underlying indices are developed and routinely updated by the Bureaus of Labor Statistics and Economic Analysis.

[4] The Employment Cost Index (ECI) for White Collar Workers (excluding sales occupations), which has traditionally been used in SHEF, was discontinued in March 2006. The ECI for management, professional, and related occupations (not seasonally adjusted) is the closest to the discontinued index and is now used in SHEF. This index is available to 2001, and historical SHEF data was adjusted to represent this new series.

[5] Gross Domestic Product (GDP) is the total market value of all final goods and services produced in the country in a given year. It is 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.

Because the best available data suggest that faculty and staff salaries accounts for roughly 75 percent of college and university expenditures, the HECA is based on a market basket with two components–personnel costs (75 percent of the index), and non-personnel costs (25 percent). SHEEO constructed the HECA based on the growth of the ECI for 75 percent of costs, and the growth of the GDP IPD for 25 percent of costs.

Table 11 displays the three indices – the CPI-U, HEPI, and HECA – for the years 1990 to 2006. For comparison purposes, per capita income growth is shown.

Summary of the Indices

Between 1992 and 2007:

- Consumer prices grew by 48 percent;
- Provider prices for higher education grew 61 percent (as estimated by HECA);
- Provider prices for higher education grew 69 percent (as estimated by HEPI); and
- Per capita income grew 85 percent.

Table 11

CPI-U, HEPI, HECA, and Per Capita Personal Income, Indexed to Fiscal Year 2007

Fiscal Year	CPI-U[1]	HEPI[2]	HECA[3]	Per Capita Personal Income[4]
1992	67.70	62.10	59.00	54.00
1993	69.80	64.30	60.70	55.30
1994	71.60	66.23	62.70	57.40
1995	73.70	68.05	64.60	59.80
1996	75.70	69.85	66.50	62.60
1997	77.80	71.74	68.50	65.60
1998	79.20	73.95	71.00	69.70
1999	80.60	76.02	72.60	72.40
2000	82.90	79.01	75.60	77.30
2001	85.80	82.52	79.30	79.20
2002	87.30	85.15	82.60	79.80
2003	89.20	87.80	85.00	81.50
2004	91.20	90.87	88.90	85.70
2005	93.90	93.97	92.10	89.80
2006	97.50	96.77	96.70	94.90
2007	100.00	100.00	100.00	100.00

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. Since 2002, HEPI has been updated by the Commonfund Institute.
3. SHEEO, from BLS and BEA data.
4. U.S. Dept. of Commerce, Bureau of Economic Analysis: State Personal Income.

Technical Paper B

Adjusting for Interstate Differences in Cost of Living and Enrollment Mix

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 technical paper briefly describes two approaches for assessing the relative significance of two factors–cost of living and the enrollment mix among institutions.

The cost of living varies significantly across the 50 states. The most significant difference is median housing values – in the 2005 American Community Survey census these were $167,500 for the nation, but ranged from $84,400 to $477,000 across different regions and 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 enrollment in graduate programs will normally have a higher cost per FTE student than a state or institution with a larger proportion of enrollment in undergraduate and two-year degree programs.

SHEF Adjustments for Cost of Living and Enrollment Mix

The SHEF report provides separate analytical adjustments for differences among the states in the cost of living (COLA: Cost of Living Adjustment) and the mix of enrollments among categories of institutions (EMI: Enrollment Mix Index). 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).[1] 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 0.88 to 1.21 among the forty-eight contiguous states in 2003, the most recent year available for this data. 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 value of 1.21 is assigned to Alaska. The cost of living in Hawaii is about 30% higher than in the 48 continental United States. An examination of city-based cost of living adjustment factors led to the selection of a Hawaii cost of living adjustment factor of 1.35. This factor is comparable to Boston's ACCRA cost of living adjustment, but lower than Honolulu's adjustment of 1.64. Honolulu's adjustment factor would not be appropriate because, while most of Hawaii's higher education is concentrated there, it is a disproportionately high value.

SHEEO has developed an adjustment for interstate enrollment mix differences based on the proportion of enrollment in each state compared with the national proportions of enrollment by Carnegie Classification from 1980-2006. Because 2007 finance data are not yet released, the 2006 EMI is applied to 2007. The essential steps are as follows:

1. Integrated Postsecondary Education Data System (IPEDS) data for 2006 were used to develop a national average cost per fall FTE for each of the Carnegie Classifications of institutions. In addition, an aggregated national cost per FTE was calculated to be $10,253. The average national cost per FTE reflects the national enrollment mix among sectors, the most common of which are: Doctoral Research Extensive ($16,065); Doctoral Research Intensive ($11,423); Masters Colleges and Universities I ($9,622); and Associate Colleges ($8,171).

[1] Berry, W.D., R.C. Fording, and R.L. Hanson. *Cost of Living Index for the American States*, 1960-2003. (available at ICPSR Publication-Related Archive, study # 1275 http://webapp.icpsr.umich.edu/cocoon/ICPSR-STUDY/01275.xml)

2. For years 1984-2006, the proportion of each state's FTE in each of the Carnegie Classifications was calculated for each fall term, and then multiplied by the national average cost per FTE in 2005 for each respective classification. The sum of these products (the total state FTE for classification multiplied by the national average unit cost for classification) yields a number greater or less than $10,253, depending on the state's enrollment mix. This number is designated the state's enrollment mix unit cost for each respective year. If the state has relatively more enrollment 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 enrollment in lower cost Carnegie Classifications (e.g., community colleges) the enrollment mix unit cost will be less than the aggregated national unit cost. Due to missing data for years 1980 through 1983, fall 1980 FTE enrollment data by sector were used for the enrollment mix adjustment.

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 in 2006 equals 0.91 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 nine 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 12 shows the EMI, COLA, and combined EMI and COLA measures for each state. *Table 13* summarizes results for the SHEF adjustments for interstate cost of living and enrollment mix differences among the states. SHEEO welcomes comments on the utility and limitations of these analytical tools and any suggestions for improvement.

Table 12

Enrollment Mix Index (EMI) and Cost of Living Adjustments (COLA) by State, Fiscal 2007

State	EMI[1]	COLA[2]	EMI & COLA Combined
Alabama	1.050	0.902	0.947
Alaska	0.985	1.218	1.199
Arizona	1.047	0.964	1.009
Arkansas	0.953	0.887	0.846
California	0.907	1.090	0.988
Colorado	1.058	1.048	1.109
Connecticut	1.021	1.202	1.228
Delaware	1.187	0.993	1.179
Florida	1.025	0.921	0.944
Georgia	0.991	0.935	0.926
Hawaii	1.092	1.354	1.479
Idaho	1.052	0.957	1.006
Illinois	0.979	1.051	1.028
Indiana	1.108	1.001	1.109
Iowa	1.055	0.995	1.050
Kansas	1.058	0.999	1.057
Kentucky	1.002	0.905	0.907
Louisiana	1.043	0.901	0.940
Maine	1.015	1.091	1.107
Maryland	0.984	0.999	0.983
Massachusetts	0.968	1.218	1.179
Michigan	1.059	1.027	1.088
Minnesota	0.969	1.051	1.019
Mississippi	1.033	0.883	0.912
Missouri	0.972	0.997	0.969
Montana	1.030	0.951	0.980
Nebraska	1.009	1.011	1.020
Nevada	1.016	1.014	1.030
New Hampshire	1.090	1.152	1.255
New Jersey	0.930	1.193	1.110
New Mexico	1.064	0.955	1.016
New York	0.929	1.146	1.065
North Carolina	0.962	0.929	0.893
North Dakota	1.006	1.002	1.008
Ohio	1.086	1.009	1.095
Oklahoma	1.024	0.886	0.908
Oregon	1.042	1.020	1.063
Pennsylvania	1.037	1.068	1.107
Rhode Island	1.090	1.149	1.252
South Carolina	1.010	0.915	0.924
South Dakota	0.992	1.007	0.999
Tennessee	1.051	0.913	0.960
Texas	0.990	0.886	0.877
Utah	1.078	1.008	1.086
Vermont	1.185	1.122	1.329
Virginia	1.062	0.962	1.022
Washington	0.961	1.045	1.005
West Virginia	1.034	0.892	0.922
Wisconsin	1.022	1.031	1.053
Wyoming	1.066	0.966	1.030
U.S.	1.000	1.000	1.000

Notes:
1. Fall 2004 FTE data and FY 2005 financial data from IPEDS are used to produce this Enrollment Mix Index.
2. As of 2003

Table 13

Impact of Enrollment Mix and Cost of Living Adjustments on Interstate Comparison
of Total Educational Funding per FTE, Fiscal 2007

	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	10,458	106%	9,961	101%	11,596	117%	11,045	112%
Alaska	16,287	165%	16,539	167%	13,371	135%	13,578	137%
Arizona	10,015	101%	9,570	97%	10,384	105%	9,922	100%
Arkansas	8,903	90%	9,338	94%	10,036	101%	10,527	106%
California	7,946	80%	8,761	89%	7,291	74%	8,039	81%
Colorado	8,474	86%	8,008	81%	8,089	82%	7,644	77%
Connecticut	15,977	162%	15,641	158%	13,293	134%	13,014	132%
Delaware	16,657	168%	14,035	142%	16,771	170%	14,131	143%
Florida	7,261	73%	7,085	72%	7,883	80%	7,692	78%
Georgia	9,486	96%	9,573	97%	10,150	103%	10,243	104%
Hawaii	13,625	138%	12,471	126%	11,186	113%	10,239	104%
Idaho	9,531	96%	9,060	92%	9,964	101%	9,472	96%
Illinois	9,463	96%	9,670	98%	9,008	91%	9,204	93%
Indiana	10,709	108%	9,667	98%	10,694	108%	9,653	98%
Iowa	11,164	113%	10,580	107%	11,224	113%	10,637	108%
Kansas	9,398	95%	8,880	90%	9,411	95%	8,892	90%
Kentucky	11,201	113%	11,180	113%	12,379	125%	12,356	125%
Louisiana	8,264	84%	7,925	80%	9,169	93%	8,794	89%
Maine	11,753	119%	11,578	117%	10,776	109%	10,616	107%
Maryland	12,672	128%	12,875	130%	12,690	128%	12,893	130%
Massachusetts	13,931	141%	14,387	145%	11,437	116%	11,812	119%
Michigan	12,470	126%	11,774	119%	12,138	123%	11,460	116%
Minnesota	10,577	107%	10,912	110%	10,062	102%	10,381	105%
Mississippi	8,129	82%	7,868	80%	9,210	93%	8,913	90%
Missouri	9,765	99%	10,049	102%	9,791	99%	10,076	102%
Montana	8,903	90%	8,642	87%	9,362	95%	9,087	92%
Nebraska	10,645	108%	10,555	107%	10,526	106%	10,437	106%
Nevada	10,633	108%	10,466	106%	10,484	106%	10,320	104%
New Hampshire	10,076	102%	9,248	94%	8,747	88%	8,028	81%
New Jersey	14,111	143%	15,172	153%	11,823	120%	12,712	129%
New Mexico	10,874	110%	10,220	103%	11,389	115%	10,704	108%
New York	11,375	115%	12,240	124%	9,924	100%	10,678	108%
North Carolina	9,865	100%	10,259	104%	10,621	107%	11,044	112%
North Dakota	8,498	86%	8,444	85%	8,481	86%	8,428	85%
Ohio	9,918	100%	9,135	92%	9,829	99%	9,054	92%
Oklahoma	8,449	85%	8,248	83%	9,532	96%	9,305	94%
Oregon	9,032	91%	8,667	88%	8,852	89%	8,494	86%
Pennsylvania	12,781	129%	12,324	125%	11,970	121%	11,542	117%
Rhode Island	13,944	141%	12,796	129%	12,136	123%	11,136	113%
South Carolina	10,987	111%	10,880	110%	12,004	121%	11,888	120%
South Dakota	9,338	94%	9,414	95%	9,275	94%	9,351	95%
Tennessee	10,437	106%	9,929	100%	11,427	116%	10,870	110%
Texas	9,261	94%	9,351	95%	10,454	106%	10,555	107%
Utah	8,987	91%	8,338	84%	8,920	90%	8,276	84%
Vermont	13,849	140%	11,690	118%	12,346	125%	10,422	105%
Virginia	9,948	101%	9,367	95%	10,336	105%	9,732	98%
Washington	8,483	86%	8,823	89%	8,117	82%	8,442	85%
West Virginia	8,228	83%	7,961	80%	9,224	93%	8,925	90%
Wisconsin	9,953	101%	9,740	98%	9,656	98%	9,450	96%
Wyoming	15,702	159%	14,727	149%	16,248	164%	15,239	154%
U.S.	**$9,891**	**100%**	**$9,891**	**100%**	**$9,891**	**100%**	**$9,891**	**100%**

Source: *SHEEO SHEF*

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, 42 states include part of all of tuition and fees in state expenditures for higher education and 39 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 predominantly 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, including lotteries and royalty income.

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 revenue (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 and Local Support"

The SHEEO survey uses the state's *Grapevine* appropriations number and then adds the following data elements not included in *Grapevine*:

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

The SHEF report was originally built 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.

Like the "Halstead studies," the SHEEO study:

- 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;
- Collects annual FTE enrollment data to calculate more comparable estimates of state support per student;
- Examines state support for higher education in the context of a state's capacity to raise revenue from taxation;
- Examines the relative contribution of students to the cost of public higher education;
- Examines interstate differences in the cost of living and in the enrollment mix among different types of institutions.

Additionally, SHEEO's annual survey provides information on:

- 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 revenue, 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 – 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 75 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 25 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 75 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. It 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: Commonfund (www.commonfund.org; rollover “Investor Services” and choose “HEPI”).

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 enrollment at two-year community college and state-approved area vocational-technical centers. Medical school enrollment is 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 900.
- Undergraduate credit hour courses: One annual FTE is the sum of total credits divided by 30 (for semester-based calendar systems) or 45 (for quarter systems).
- Graduate and first-professional credit hour courses: One annual FTE is the sum of total credits divided by 24 (for semester systems) or 36 (for quarter systems). Source: SHEEO SHEF.

Revenue

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 appropriations;
- 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 independent institutions for capital outlay or operating expenses;
- Allocation of appropriations for financial aid grants to students attending in-state independent 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 – medical, 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 Revenue from students or their families. Net Tuition Revenue as a percentage of Total Educational Revenue. Source: SHEEO SHEF.

Total Educational Revenue. 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 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 revenue. 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: Bureau of Economic Analysis, the Office of Economic Policy, and the U.S. Department of Treasury (with the exception of net realized capital gains (from the Internal Revenue Service).

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 Mandatory Fee Assessments minus state-funded student financial aid, institutional discounts and waivers, and medical school student tuition revenue. Enrollment, state appropriations, and medical school tuition revenue are set aside in many SHEF analyses to improve interstate evaluation. Source: SHEEO SHEF.

APPENDIX B – DATA COLLECTION FORM

SHEEO HOME | SHEF COLLECTION HOME | ENTER COLLECTION | COLLECTION Q&A | GLOSSARY

SHEF 2006-07

Contact Information

For state:

Please submit the following contact information:

SHEFO to be cited * = required field

Name:*	
Title:*	
Organization:*	
Address:*	
City/State/Zip:*	
Phone:*	
Email:*	

Additional Associate I

Name:	
Title:	
Organization:	
Address:	
City/State/Zip:	
Phone:	
Email:	

Additional Associate II

Name:	
Title:	
Organization:	
Address:	
City/State/Zip:	
Phone:	
Email:	

Submit and Continue to Data Collection

SHEEO HOME | SHEF COLLECTION HOME | ENTER COLLECTION | COLLECTION Q&A | GLOSSARY

SHEF 2006-07

Collection Sections

2006-07 SHEF Collection: Collection period is **September 17-October 8, 2007 .**

For state:

You can complete this collection one section/subsection at a time.
You can stop and start as needed. After a section's data is submitted, it is saved.
Choose a section:

Section 1: Annual FTE Enrollment

Section 2: State Support for Operating Expenses of Higher Education

Subsection I . Gross State Support

Subsection II. Adjustments to Gross State Support

Section 3: Local Appropriations for Operating Expenses of Higher Education

Section 4: Research/Agriculture/Medical

Section 5: Public Institution Tuition Revenue

Edit Your Past Data:
• To edit your 2005-06 data, please use this linked Excel form. Email the completed form to Natalie Mischler at nmischler@sheeo.org.

• For prior years' data or for any assistance, please contact Kelli Parmley at 303-541-1609 or email at kparmley@sheeo.org.

Final Mandatory Step:
Review your 2006-07 Submission and Electronically Approve Your Data
(You can also use this summary page as a reminder of which sections you have completed.)

Note: After you have completed all sections, please go to **"Review your 2006-07 Submission and Electronically Approve Your Data."** If you are ready to *"Approve"* your data, please do so at the bottom of the page. Changes to data can still be made until **October 8** . Feel free to switch your status back to *"Not Approved"* as needed.

SHEEO HOME | SHEF COLLECTION HOME | ENTER COLLECTION | COLLECTION Q&A | GLOSSARY

SHEF 2006-07

Section 1: Annual FTE Public Enrollment

For state:

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.)

*** Credits counted in the FTE calculation, for purposes of SHEF, include credits that are state funded and could potentially lead to a degree.**

Numbers are in FTEs. DO NOT USE COMMAS.

All fields are required. Do not leave any fields blank. Use a "0" to indicate no entry.

VIEW YOUR 2005-06 DATA FOR THIS SECTION

1) 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. 0

2) Enrollments in schools of medicine, dentistry, veterinary medicine, and osteopathic medicine (hereafter referred to as medical schools). *(will be subtracted)* 0

NET FTE:

Comments:

Generate Totals | Reset to Last Saved Entry

SHEEO HOME | SHEF COLLECTION HOME | ENTER COLLECTION | COLLECTION Q&A | GLOSSARY

SHEF 2006-07

Section 2: State Support for Operating Expenses of Higher Education

For state:

Appropriations should reflect your best estimate, at the time of reporting, of amounts actually provided to institutions and expended during FY 2006-07.

Subsection I: Gross State Support

Please use full dollar amounts (ex.: 25535421). DO NOT USE COMMAS.

All fields are required. Do not leave any fields blank. Use a "0" and "N/A" to indicate no entry.

VIEW YOUR 2005-06 DATA FOR THIS SECTION

1) State Grapevine data: Appropriations from state government taxes to institutions for operations and other higher education activities. **Include student financial aid from state tax appropriations.**	0	
PROVIDE THE FOLLOWING DATA: (Only "No"s will be added to the total)		Is this in Grapevine?
2) Funding under state auspices for appropriated non-tax state support (e.g. monies from **lotteries** – including lottery scholarships, **tobacco settlement**, **casinos**, or other **gaming**) set aside by the state for higher education	0	
3) Funding under state auspices for non-appropriated state support (e.g. monies from receipt of **lease income, cattle-grazing rights fees** and **oil/mineral extraction fees** on land set aside by the state for higher education)	0	
4) 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)	0	
5) Interest or earnings received from state funded endowments set aside and pledged to public sector institutions	0	
6) Portions of multi-year appropriations from **previous years**	0	
7) Any other state funds ***not included*** above. (Please explain in the comments box below.)	0	WILL BE ADDED

GROSS STATE SUPPORT FOR PUBLIC & INDEP. HIGHER EDUCATION:

Comments:

Generate Totals | Reset to Last Saved Entry

SHEEO HOME | SHEF COLLECTION HOME | ENTER COLLECTION | COLLECTION Q&A | GLOSSARY

SHEF 2006-07

Section 2: State Support for Operating Expenses of Higher Education

For state:

Appropriations should reflect your best estimate, at the time of reporting, of amounts actually provided to institutions and expended during FY 2006-07.

Subsection II: Adjustments to Gross State Support

Please use full dollar amounts (ex.: 25535421). DO NOT USE COMMAS.

All fields are required. Do not leave any fields blank. Use a "0" and "N/A" to indicate no entry.

VIEW YOUR 2005-06 DATA FOR THIS SECTION

	Gross State Support from previous section	0

PROVIDE THE FOLLOWING DATA: (Only "Yes"s will be subtracted from the total)

			Is this in Gross State Support?
8)	Appropriations you expect will have to be returned to the state	0	
9)	State appropriated funds derived from federal sources	0	
10)	Portions of multi-year appropriations in the current year which are to be spread over other years	0	
11)	Tuition charges collected by the institution and remitted to the state as an offset to the state appropriation	0	
12)	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.	0	
13)	Public institution tuition and fees used for capital debt service/retirement and capital improvement other than that paid by user students for auxiliary enterprise debt service.	0	WILL BE SUBTRACTED
14)	Sums to independent institutions for capital outlay (new construction and debt service/retirement)	0	
15)	Sums to independent institutions for operating expenses	0	

16) Allocation of appropriations for student financial aid grants awarded to students attending state independent institutions (include dollars intended solely for students attending independent institutions and the independent sector's portion of state aid programs) (estimate if needed)	0	
17) Allocation of appropriations for student financial aid grants awarded to students attending out-of-state institutions (estimate if needed)	0	

NET STATE SUPPORT FOR PUBLIC HIGHER EDUCATION:

Comments:

Generate Totals | Reset to Last Saved Entry

SHEEO HOME | SHEF COLLECTION HOME | ENTER COLLECTION | COLLECTION Q&A | GLOSSARY

SHEF 2006-07

Section 3: Local Appropriations for Operating Expenses of Higher Education

For state:

Appropriations should reflect your best estimate, at the time of reporting, of amounts actually provided to institutions and expended during FY 2006-07.

Please use full dollar amounts (ex.: 25535421). DO NOT USE COMMAS.

All fields are required. Do not leave any fields blank. Use a "0" to indicate no entry.

VIEW YOUR 2005-06 DATA FOR THIS SECTION

1) Local Appropriations: From local government taxes to institutions for operating expenses.

LOCAL SUPPORT FOR PUBLIC INSTITUTIONS: 0

Comments:

Submit Data | Reset to Last Saved Entry

SHEF 2006-07

Section 4: Research-Agriculture-Medical (RES-AG-MED) Appropriations to Public Institutions of Higher Education

For state:

As a component of total state and local appropriations, report collectively the appropriations intended 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.: 25535421). DO NOT USE COMMAS.

All fields are required. Do not leave any fields blank. Use a "0" to indicate no entry.

VIEW YOUR 2005-06 DATA FOR THIS SECTION

1) 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.	0
2) Appropriated sums for agricultural experiment stations and cooperative extension services.	0
3) 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.	0
4) 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.	0
TOTAL APPROPRIATIONS FOR RES-AG-MED:	

Comments:

Generate Totals | Reset to Last Saved Entry

SHEEO HOME | SHEF COLLECTION HOME | ENTER COLLECTION | COLLECTION Q&A | GLOSSARY

SHEF 2006-07

Section 5: Public Institution Tuition Revenue

For state:

Please use full dollar amounts (ex.: 25535421). DO NOT USE COMMAS.

All fields are required. Do not leave any fields blank. Use a "0" to indicate no entry.

VIEW YOUR 2005-06 DATA FOR THIS SECTION

1) Gross Tuition plus Mandatory "Education and General" Fees * (public institutions) 0

2) Tuition and Fees waived or discounted by public institutions. (If you enter "0," please provide additional information in the comments box about why it is "0" for your state.) *(will be subtracted)* 0

3) State appropriated student aid for Tuition and Mandatory Fees for public institutions. *(will be subtracted)* 0

4) Tuition and Mandatory Fees paid by public Medical Students. *(will be subtracted)* 0

NET TUITION REVENUE FOR PUBLIC INSTITUTIONS:

* 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:

Generate Totals | Reset to Last Saved Entry

APPENDIX C – STATE DATA PROVIDERS

Alabama

Susan Cagle
Director Institutional Finance and Facilities
Alabama Commission on Higher Education
P. O. Box 3020000
Montgomery, AL 36130
(334) 242-2105
susan.cagle@ache.alabama.gov

Alaska

Jim Lynch
Associate Vice President for Finance
University of Alaska
P.O. Box 755120
Fairbanks, AK 99775
(907) 450-8121
jim.lynch@alaska.edu

Arizona

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

Arkansas

Charlette A. Moore
Financial Officer
Arkansas Department of Higher Education
114 East Capitol
Little Rock, AR 72201
(501) 371-2021
charlettem@adhe.edu

California

Kevin Woolfork
Budget Policy Coordinator
California Postsecondary Education Commission
770 L Street, Suite 1160
Sacramento, CA 95814-3396
(916) 322-8007
kwoolfork@cpec.ca.gov

Colorado

Andrew Carlson
Budget and Financial Aid Director
Colorado Department of Higher Education
1560 Broadway, Suite 1600
Denver, CO 80202
(303) 866-2723
andrew.carlson@cche.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

Alan Phillips
Data Analyst
Delaware Higher Education Commission
820 North French Street
Wilmington, DE 19801
(302) 577-5240
aphillips@doe.k12.de.us

Florida

Alisa Golden
Director of Business Services
Florida Department of Education
325 West Gaines Street, Suite 1224
Tallahassee, FL 32399-0400
(850) 245-9994
alisa.golden@fldoe.org

Annie W. Rosier
Director of University Budgets
Florida Board of Governors
325 West Gaines Street
Tallahassee, FL 32399-0400
(850) 245-9391
annie.rosier@flbog.org

Shruti Graf
Program Specialist
Florida Department of Education
325 West Gaines Street
Tallahassee, FL 32399-0400
(850) 245-7820
shruti.graf@fldoe.org

Georgia

Usha Ramachandran
Assistant Vice Chancellor for Fiscal Affairs
Board of Regents
270 Washington Street, SW
Atlanta, GA 30334
(404) 656-2276
Usha.Ramachandran@usg.edu

Kenneth Kincaid
Budget Director
Georgia Department of Technical and Adult Education
1800 Century Place, Suite 550
Atlanta, GA 30345-4304
(404) 679-1767
kkincaid@dtae.org

David V. Lee
Vice President, Strategic Research and Analysis
Georgia Student Finance Commission
2082 East Exchange Place
Tucker, GA 30084
(770) 724-9000
davidl@gsfc.org

Hawaii

Dennis H. Nishino
UH Program and Budget Manager
UH Budget Office
Administrative Services Building 1, Room 101
Honolulu, HI 92822
(808) 956-8513
Nishino@Hawaii.edu

Idaho

Scott Christie
Interim Chief Fiscal Officer
Office of the State Board of Education
650 West State Street
Boise, ID 83720
(208) 332-1581
scott.christie@osbe.idaho.gov

Illinois

Michael Baumgartner
Deputy Director, Planning and Budgeting
Illinois Board of Higher Education
431 East Adams, 2nd Floor
Springfield, IL 62701
(217) 557-7353
baumgartner@ibhe.org

Indiana

Bernard M. Hannon
Associate Commissioner for Finance
Indiana Commission for Higher Education
101 West Ohio Street, Suite 550
Indianapolis, IN 46204
(317) 464-4400
Bernih@che.in.gov

Iowa

Brad Berg
Policy and Operations Officer
Board of Regents, State of Iowa
11260 Aurora Avenue
Urbandale, IA 50322
(515) 281-3936
baberg@iastate.edu

Kansas

Diane Duffy
Vice President for Finance and Administration
Kansas Board of Regents
1000 SW Jackson Street, Suite 520
Topeka, KS 66612
(785) 296-3421
dduffy@ksbor.org

Kentucky

John Hayek
Interim Vice President, Finance
Council on Postsecondary Education
1024 Capital Center Drive, Suite 320
Frankfort, KY 40601
(502) 573-1555 ext. 280
John.Hayek@ky.gov

Louisiana

Donald J. Vandal
Deputy Commissioner for Finance and Administration
Louisiana Board of Regents
P.O. Box 3677
Baton Rouge, LA 70821-3677
(225) 342-4253
donnie.vandal@la.gov

Maine

Joanne L. Yestramski
CFO & Treasurer
University of Maine System
16 Central Street
Bangor, ME 04401
(207) 973-3351
jly@maine.edu

Maryland

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

Massachusetts

Sue Wolfe
Associate Vice Chancellor for Fiscal
and Administrative Policy
Massachusetts Board of Higher Education
One Ashburton Place, Room 1401
Boston, MA 02108
(617) 994-6986
swolfe@bhe.mass.edu

Michigan

Glen Preston
Budget Analyst
Office of the State Budget
Romney Building, 111 South Capitol, 6th Floor
Lansing, MI 48909
(517) 335-1539
prestong@michigan.gov

Minnesota

Jack Rayburn
Staff
Minnesota Office of Higher Education
1350 Energy Park Drive, Suite 350
Saint Paul, MN 55108
(651) 259-3967
jack.rayburn@state.mn.us

Mississippi

Linda McFall
Assistant Commissioner of Finance & Administration
MS Institutions of Higher Learning
3825 Ridgewood Road
Jackson, MS 39211
(601) 432-6732
lmcfall@mississippi.edu

Missouri

Adam Koenigsfeld
Senior Associate for Fiscal Affairs
Missouri Department of Higher Education
3515 Amazonas Drive
Jefferson City, MO 65109
(573) 751-2361
adam.koenigsfeld@dhe.mo.gov

Montana

Frieda Houser
Director of Budgeting and Accounting
Montana University System
46 North Last Chance Gulch
Helena, MT 59620-3201
(406) 444-0320
fhouser@montana.edu

Nebraska

Carna Pfeil
Associate Director
Coordinating Commission
for Postsecondary Education
P.O. Box 95005
Lincoln, NE 68509-5005
(402) 471-0029
carna.pfeil@ccpe.ne.gov

Nevada

Mike Reed
Vice Chancellor for Finance
Nevada System of Higher Education
2601 Enterprise Road
Reno, NV 89512
(775) 784-4901 ext 245
mike_reed@nshe.nevada.edu

Sharon Wurm
Director of Financial Aid
Nevada System of Higher Education
2601 Enterprise Road
Reno, NV 89512
(775) 784-4901 ext/ 235
wurm@nshe.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

Elizabeth S. Garlatti
Director, Finance and Research
New Jersey Commission on Higher Education
20 West State Street, P.O. Box 542
Trenton, NJ 08625-0542
(609) 292-3235
betsy.garlatti@che.state.nj.us

New Mexico

Deborah A. Garcia
Senior Financial Coordinator
New Mexico Higher Education Department
1068 Cerrillos Road
Santa Fe, NM 87505
(505) 476-6525
deboraha.garcia@state.nm.us

New York

Peggy O'Day
Assistant University Controller
SUNY System Administration
State University of New York
State University Plaza
Albany, NY 12246
(518) 443-5467
Peggy.ODay@SUNY.edu

Matthew Sapienza
University Budget Director
City University of New York
230 West 41st Street
New York, NY 10036
(646) 746-4275
Matthew.Sapienza@mail.CUNY.Edu

North Carolina

Scott Jenkins
Associate Vice President for Institutional Research
and Analysis
University of North Carolina-General Administration
910 Raleigh Road
Chapel Hill, NC 27515
(919) 962-4554
sjenkins@northcarolina.edu

North Carolina

Kimberly L. Van Metre
Systems Accounting & Special Projects Manager
North Carolina Community College System
5013 Mail Service Center
Raleigh, NC 27699-5013
(919) 807-7071
vanmetrek@nccommunitycolleges.edu

North Dakota

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

Ohio

Kathleen Hensel
Director, Finance
Ohio Board of Regents
30 East Broad Street, 36th Floor
Columbus, OH 43215
(614) 466-6675
khensel@regents.state.oh.us

Oklahoma

Amanda Paliotta
Vice Chancellor for Budget and Finance
Oklahoma State Regents for Higher Education
655 Research Parkway, Suite 200
Oklahoma City, OK 73107
(405) 225-9126
apaliotta@osrhe.edu

Oregon

Shonna Sedgwick Butler
Budget and Fiscal Operations Analyst
Oregon University System
P. O. Box 488
Corvallis, OR 97339-0488
(541) 737-2922
shonna_butler@ous.edu

Al Newnam
Researcher
Oregon Department of Community Colleges & Workforce Development
255 Capitol St NE
Salem, OR 97310
(503) 378-8648, ext 464
al.h.newnam@state.or.us

Susan Degen
Opportunity Grant Administrator
Oregon Student Asssistance Commission
1500 Valley River Drive, Suite 100
Eugene, OR 97401
(541) 687-7451
susan.r.degan@state.or.us

Pennsylvania

John M. Godlewski
Director, Bureau of Budget & Fiscal Management
Pennsylvania Department of Education
333 Market Street, 4th Floor
Harrisburg, PA 17126-0333
(717) 787-7808
jgodlewski@state.pa.us

Rhode Island

Robin Beaupre
Budget Administrator
Rhode Island Board of Governors for Higher Education
301 Promenade Street
Providence, RI 02908
(401) 455-9326
rbeaupre@etal.uri.edu

Mary Ann Welch
Director of Program Administration
Rhode Island Higher Education Assistance Authority
500 Jefferson Boulevard
Warwick, RI 02886
(401) 736-1170
mawelch@riheaa.org

South Carolina

Gary S. Glenn
Acting Director for Finance, Facilities & MIS
South Carolina Commission on Higher Education
1333 Main Street, Suite 200
Columbia, SC 29201
(803) 737-2155
gglenn@che.sc.gov

South Dakota

Monte R. Kramer
VP Administrative Services
South Dakota Board of Regents
306 East Capitol Suite 200
Pierre, SD 57501-2545
(605) 773-3455
montek@sdbor,edu

Tennessee

Jim Vaden
Associate Executive Director, Fiscal Affairs
Tennessee Higher Education Commission
404 James Robertson Parkway, Suite 1900
Nashville, TN 37243-0830
(615) 741-7575
jim.vaden@state.tn.us

Texas

Susan Brown
Assistant Commissioner, Planning and Accountability
Texas Higher Education Coordinating Board
P.O. Box 12788
Austin, TX 78711
(512) 427-6132
susan.brown@thecb.state.tx.us

Utah

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

Vermont

Wanda Arce
Director of Research
Vermont Student Assistance Corporation
P.O. Box 2000, 10 East Allen Street
Winooski, VT 05404
(800) 642-3177 x 250
arce@vsac.org

Thomas A. Robbins
VP Finance, CFO
Vermont State Colleges
P.O. Box 359
Waterbury, VT 05676
(802) 241-2531
robbinst@vsc.edu

J. Michael Gower
VP Finance and Administration
University of Vermont
Waterman Building, Room 352
Burlington, VT 05405
(802) 656-0219
Michael.Gower@uvm.edu

Virginia

Dan Hix
Finance Policy Director
State Council of Higher Education for Virginia
101 North 14th Street, 9th Floor
Richmond, VA 23219
(804) 225-3188
danhix@schev.edu

Washington

Jim Reed
Interim Director, Fiscal Policy
Washington State Higher Education
Coordinating Board
917 Lakeridge Way / P.O. Box 43430
Olympia, WA 98504-3430
(360) 753-7865
jimr@hecb.wa.gov

West Virginia

Terry Hess
Interim Co-Director of Finance and Facilities
West Virginia Higher Education Policy Commission
1018 Kanawha Boulevard
Charleston, WV 25301
(304) 558-0679
hess@hepc.wvnet.edu

Wisconsin

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

Wyoming

Phillip B. Harris
Vice President for Administration
University of Wyoming
Department # 3982, 1000 East University Avenue
Laramie, WY 82071
(307) 766-5768
pharris@uwyo.edu

Matt Petry
Director of Budget and Finance
Wyoming Community College Commission
2020 Carey Avenue, 8th Floor
Cheyenne, WY 82002
(307) 777-5859
mpetry@commission.wcc.edu

State Higher Education Executive Officers
3035 Center Green Drive, Suite 100, Boulder, Colorado, 80301
(303) 541-1600
www.sheeo.org