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**FY 2004**

**SHEEO**



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

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**FY 2004**

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

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## PREFACE & ACKNOWLEDGMENTS

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

SHEF builds directly on a twenty-five year effort by Kent Halstead, a prolific scholar of state policy for higher education, who conceptualized and implemented a report on state finance for higher education and created a file of state financial data that extends back to 1972. Halstead's data have been frequently used in the states as a resource to inform policy decisions. While he never described it as such, his survey became widely and popularly known as the "Halstead Finance Survey." It is a pleasure to acknowledge his contributions and an honor to build on his work.

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

The SHEEO staff is grateful for the input received from state higher education finance officers (SHEFOs) and others during the development of this second annual report. And finally, we are deeply indebted to the staff of state higher education agencies who have provided the data for this report. The names of those providing data for the fiscal 2004 report are listed in *Appendix C*.

Paul E. Lingenfelter  
Executive Director  
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# OVERVIEW AND SUMMARY OF NATIONAL TRENDS AND INTERSTATE COMPARISONS

## Overview

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

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

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

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

Appendices to the study provide supporting tables, a respondent listing, and a copy of the web-based data collection instrument. Readers may consult State Higher Education Finance, FY 2003, on the SHEEO website at [www.sheeo.org](http://www.sheeo.org), for three technical essays that discuss: a) the Higher Education Cost Adjustment (HECA) used by SHEF to estimate the effects of inflation on higher education; b) SHEF's analytical adjustments for interstate differences in the cost of living and the proportion of enrollments among types of public postsecondary institutions; and c) the differences between various information resources on state higher education finance.

## Summary of National Trends and Interstate Comparisons

The fiscal 2004 SHEF study documents a four-year period when state funding for higher education failed to keep pace with extraordinary enrollment growth and normal inflation in the United States, leaving per student state and local funding near their lowest levels nationally in 25 years.

### Current Status

1. In fiscal 2004, state and local governments provided about \$69.4 billion in direct support for general operating expenses of higher education (*Table 1*). State governments provided about 90 percent of this amount, mostly in appropriations from state tax revenues, with smaller amounts from lotteries, earnings on state endowments, and royalty or lease income.
2. Fiscal year 2004 state and local support per full-time-equivalent (FTE) student in public institutions was \$5,721, the lowest level of funding in the past 25 years, except for 1983, when state funding was \$5,702 in constant 2004 dollars. In 2001, state and local funding per FTE student was \$6,874, the highest point since fiscal year 1980 (*Figure 1*).

### Recent Trends, 2001 to 2004

3. Since 2001, state and local appropriations for education in public colleges and universities have been essentially flat, while enrollments have grown by 11.8 percent and higher education costs have gone up 10.3 percent, based on the Higher Education Cost Adjustment (HECA), derived by SHEEO from federal inflation indexes.
4. Educational appropriations per FTE. The combined effects of inflation and enrollment growth reduced per student state and local government support for public higher education by 16.8 percent from 2001 to 2004, from \$6,874 to \$5,721 in constant dollars (*Figure 2*). State and local support per FTE decreased in real terms by 8.5 percent in 2003 and 5.8 percent in 2004. "Educational appropriations" includes tax and non-tax support, but excludes research, medical instruction, and agricultural extension services, which accounted for 13.6 percent of state and local higher education spending in 2004.
5. Net tuition revenues per FTE in public institutions grew 10.7 percent faster than inflation (from \$2,879 to \$3,187 in constant dollars) since 2001, partially offsetting the reduction in per student support from state and local sources (*Figure 2*). In the aggregate, states increased support for student financial aid from about \$4 billion in 2001 to \$5 billion in 2004, which partially addressed tuition increases and enrollment growth (*Table 1*).
6. Total educational revenues per FTE in public institutions (educational appropriations plus net tuition) fell 8.7 percent between 2001 and 2004, from \$9,753 to \$8,908.

### National Enrollment and Funding Patterns, 1980 to 2004

Recent declines in state support for higher education have received substantial public attention. Some have suggested that states are abandoning their historical commitment to public higher education, expecting parents and students to pay a larger share of the cost. National data from the past quarter century and a more detailed and recent look within states indicate that this conclusion is premature and superficial. Overall, states have largely maintained operating revenues for higher education, even though they have struggled to keep pace with enrollment growth and inflation in times of recession. Constrained state budgets and rapid enrollment growth during economic downturns tend to depress state funding per student in a cyclical pattern, observed three times over the last 25 years. In fiscal 2004, state funding was at the low point of the most recent of these economic cycles.

7. From 1980 to 2004, state and local government support was outpaced by enrollment growth and by inflation as estimated by the HECA. Constant dollar educational appropriations per student varied from year to year, at times dramatically (*Figure 1*).
8. Fiscal 2004 represented the lower end of a funding cycle that left state support levels at \$5,721 per student. Following previous downturns, state support per FTE student rebounded when state revenues increased and enrollment growth moderated. While this pattern of recovery may not repeat in the coming years, history and the growing demand for higher education suggest that the states' commitment to higher education will continue.

9. State funding for higher education rebounded in 2005 and currently shows signs of further recovery in 2006. The national average nominal increase in state tax appropriations (about 84 percent of all state and local government support) was 3.8 percent from 2004 to 2005, according to the annual Grapevine survey from Illinois State University. Forty states increased funding in 2005 – with greater than average increases in some of the largest states – California, New York, Florida, North Carolina, New Jersey, and Virginia

### **National Trends and Interstate Comparisons, 1991 to 2004**

The choice of a baseline year is crucial in any analysis of fiscal data over time. Obviously choosing a "peak" or "valley" as the baseline year leads to dramatically different observations about enrollment growth and financial support levels. Fiscal year 1991 is chosen for many SHEF analyses because it was the beginning of the last decade, and the level of state support per student intersected the long-term trend line in that year. The national trends from fiscal 1991 to 2004 are as follows:

10. Since fiscal 1991, FTE enrollments in public institutions increased by 21.8 percent. Over half of this increase occurred since fiscal 2001, the beginning of the current downturn. The percentage increase in FTE enrollment for public postsecondary institutions since 2001 has already outstripped that of the previous two decades.
11. In constant 2004 dollars adjusted by the HECA, educational appropriations per FTE in public institutions dipped during the early 1990s recession and recovered by 2000. However, recent constant dollar decreases in educational appropriations per FTE result in an overall decrease of 12 percent, from \$6,499 in 1991 to \$5,721 in 2004. In inflation-adjusted terms, the average educational appropriation per student in 2004 was four percent below the average from 1994, but 17 percent lower than the peak of fiscal 2001 (*Figure 2*).
12. Total educational revenues per FTE in public institutions remained virtually constant from 1991 to 2004, outpacing inflation by 1.2 percent (*Figure 7*). This was achieved because net tuition revenue per FTE increased by 38.2 percent while educational appropriations per FTE decreased by 12.0 percent.
13. In public institutions, net tuition tends to grow as a percentage of total educational spending when state support per student decreases. Nationally, net tuition accounted for 26.2 percent of total educational revenues in 1991; it grew to 31 percent by 1993, remaining close to that level through 2002, then increased each of the last two years to its current level of 35.8 percent (*Figure 3*).
14. These national trends mask substantial variation among the states. Between 1991 and 2004, public institution enrollments ranged from 86.9 percent growth in Nevada to a decline of 8.5 percent in Missouri (*Figure 4*). Constant dollar educational appropriations per FTE grew 27.3 percent in Missouri and declined 42.2 percent in Vermont (*Figure 5*). In fiscal 2004, net tuition revenue per FTE ranged from \$7,927 in Vermont to \$1,152 in New Mexico. Net tuition as a percentage of total educational revenues ranged from 78.7 percent in Vermont to 15.5 percent in Wyoming (*Figure 6*).

While these data defy sweeping generalizations, a general pattern emerges. As more Americans enroll in higher education, states have recognized and responded to this demand in varying ways. When state resources fail to keep pace with enrollment demand and inflation (e.g., during a recession), tuition has grown and students have had to shoulder a greater portion of the financial burden.

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

The full report, State Higher Education Finance, FY 2004, is available at [www.sheeo.org](http://www.sheeo.org). Core indicators from the SHEF study through fiscal 2004 are available on the website of the National Information Center for Higher Education Policymaking and Analysis at [www.higheredinfo.org](http://www.higheredinfo.org).

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# MAKING SENSE OF INTERSTATE HIGHER EDUCATION FINANCE DATA

## Valid Comparisons – More or Less

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

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

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

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

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

The SHEF report can help educators and policy makers:

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

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

## What is the Point?

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

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

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

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

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

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

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

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



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## FUNDING SOURCES AND USES

This section provides information on all sources of state and local government support for higher education operations and grants, including non-tax revenue and lease income. It also reports major uses of that support, including state support of independent and public institutions. Source and use data are available only for fiscal years 2000 through 2004. For detailed information on states' sources and uses of higher education funding for fiscal year 2004, see *Tables A1-A6 in Appendix A*.

### Sources of State and Local Government Funding

State and local governments provided \$69.4 billion to higher education in 2004. Of this total:

- State tax appropriations accounted for 84.4 percent.
- Local appropriations accounted for 9.7 percent. Twenty-nine states had some local tax support for higher education.
- State appropriations from non-tax sources such as lotteries accounted for 1.9 percent. Georgia and South Carolina reported the greatest reliance on such support, at 18.9 percent of state and local revenue. Endowment earnings 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 such support, at 20.9 percent of state and local revenue.

### Tuition Revenue

Gross tuition and mandatory fee assessments in public postsecondary institutions totaled \$38 billion in fiscal year 2004. 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 for general operations was \$31.5 billion, 83.1 percent of gross assessments.

- Net tuition revenue brought the combined funds from state (62.1 percent), local (6.7 percent), and student sources (31.2 percent) to \$100.9 billion. Tuition revenue accounted for the greatest share of combined funding (73.9 percent) in Vermont, and the smallest share (10.7 percent) in New Mexico.

### Uses of State and Local Government Funding

In fiscal 2004, \$54.7 billion (78.8 percent) of state and local dollars were used for the general operation of public postsecondary institutions nationwide. Another 13.6 percent was dedicated to the operation of research, agricultural, and medical programs and services, ranging from 31.2 percent in Nebraska to zero in Rhode Island. The national total of \$9.5 billion in research/agricultural/medical funding was divided as follows:

- 39.7 percent for medical schools, and 23.6 percent for teaching hospitals and public patient care.
- 17.9 percent for research centers, laboratories, and institutes.
- 18.9 percent for agricultural experiment stations and cooperative extension services.

The remaining 7.5 percent of state and local funds was divided as follows:

- 4.4 percent of state and local funds went towards state-funded financial aid for public institution tuition and fees.
- 3.1 percent of state and local funds went towards in-state independent institutions and their students (financial aid and institutional operations). The percentage of the state budget dedicated to independent institutions ranged from zero in many states to 11.1 percent in Pennsylvania.

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

SHEEO has collected data on the various sources and uses of state and local government support since fiscal year 2000 (see *Table 1*). Funding from all sources grew from \$67.4 billion in 2001 to \$70.3 billion in 2002, then dropped to \$69.5 billion in 2003 and \$69.4 billion in 2004. While these data are insufficient to draw conclusions about enduring trends, they should prove useful in determining any changes in the sources of state funding for higher education, and in the allocation of funds to different purposes.

### Sources of Funds

Local government support accounted for a slightly greater share of resources in 2004 than in 2001. The state share decreased from 92 percent to 90.3 percent of total state and local funds over this same period. Non-tax appropriations, mostly from state lotteries, made up a small but rapidly growing portion of state funds, increasing from \$796 million in fiscal 2001 to \$1.4 billion in fiscal 2004.

### Uses of Funds

The most rapidly growing use of state and local funds between 2001 and 2004 was student financial aid. Public student assistance grew from 3.3 to 4.4 percent of total usage, and student aid at independent institutions grew from 2.4 to 2.7 percent.

## All Sources of Revenue for Public Institutions

The SHEF data include \$100.9 billion in fiscal 2004 revenues for the operation of state higher education systems, drawn from state government support (62.1 percent), local tax appropriations (6.7 percent), and net tuition (31.2 percent) (see *Table 2*). These constitute the principal revenue sources for instructional programs at public institutions; a portion also support research and service activities. Other non-state and non-tuition revenue sources are the principal means of funding for auxiliary enterprises, research, hospital operations, and other non-instructional programs.

In fiscal 2001, 58 percent of total funding from all sources at public degree-granting institutions came from state and local governments, tuition, and fees (see *Table 3*). The proportion of public institution revenues from state and local sources and net tuition varied by institution type: 49 percent for doctoral-extensive research universities, 75 percent for baccalaureate institutions, and 84 percent for public two-year colleges. Even in research universities, state/local support and tuition were the predominant revenue sources for instructional programs. Other sources were associated with sponsored research and contracts, auxiliary enterprises, and hospitals-activities that complement and enhance instruction, but are typically expected to be mostly, or entirely, self-supporting.

Table 1

**Major Sources and Uses of State and Local Government Support,  
Fiscal 2001-2004 (current dollars, in thousands)**

<b>Sources</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
State				
Tax Appropriations	60,325,645	62,480,622	59,402,456	58,562,847
Non-Tax Appropriations	796,231	855,673	1,233,145	1,352,463
Non-Appropriated	136,149	108,431	103,518	121,738
Endowment Earnings	228,332	235,570	259,671	263,913
Other <sup>1</sup>	582,895	701,372	2,259,897	2,366,730
State Total	62,069,253	64,381,669	63,258,687	62,667,691
Local Appropriations	5,373,932	5,870,401	6,279,868	6,723,679
Total	\$67,443,184	\$70,252,069	\$69,538,555	\$69,391,369
<b>Uses</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Research-Agriculture-Medical	9,387,581	9,776,996	9,520,646	9,454,378
Public Student Aid <sup>2</sup>	2,194,735	2,216,366	2,713,876	3,018,618
Out-of-State Student Aid	13,769	13,968	25,490	26,645
Independent Student Aid <sup>3</sup>	1,633,756	1,739,036	1,857,418	1,907,564
Independent Institutions <sup>4</sup>	284,097	263,956	265,794	267,197
Public Higher Ed Operations	53,929,246	56,241,747	55,155,330	54,716,968
Total	\$67,443,184	\$70,252,069	\$69,538,555	\$69,391,369
<b>(Percentages)</b>				
<b>Sources</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
State				
Tax Appropriations	89.4%	88.9%	85.4%	84.4%
Non-Tax Appropriations	1.2%	1.2%	1.8%	1.9%
Non-Appropriated	0.2%	0.2%	0.1%	0.2%
Endowment Earnings	0.3%	0.3%	0.4%	0.4%
Other <sup>1</sup>	0.9%	1.0%	3.2%	3.4%
State Total	92.0%	91.6%	91.0%	90.3%
Local Appropriations	8.0%	8.4%	9.0%	9.7%
Total	100.0%	100.0%	100.0%	100.0%
<b>Uses</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Research-Agriculture-Medical	13.9%	13.9%	13.7%	13.6%
Public Student Aid <sup>2</sup>	3.3%	3.2%	3.9%	4.4%
Out-of-State Student Aid	0.02%	0.02%	0.04%	0.04%
Independent Student Aid <sup>3</sup>	2.4%	2.5%	2.7%	2.7%
Independent Institutions <sup>4</sup>	0.4%	0.4%	0.4%	0.4%
Public Higher Ed Operations	80.0%	80.1%	79.3%	78.9%
Total	100.0%	100.0%	100.0%	100.0%

**Notes:** Components may not add to total and percentages may not add to 100 due to rounding.

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

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

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

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

**Source:** SHEEO SHEF

**Table 2****SHEF Revenues by Fund Source, Fiscal 2004**

<i>Current Dollars in Thousands</i>				
<b>Source</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Government Support	67,443,184	70,252,069	69,538,555	69,391,369
State	62,069,253	64,381,669	63,258,687	62,667,691
Local	5,373,932	5,870,401	6,279,868	6,723,679
Net Tuition Revenue	23,114,509	24,980,478	28,160,134	31,534,054
Total	\$90,557,693	\$95,232,548	\$97,698,689	\$100,925,423
<b>Percent of Total Source</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Government Support	74.5%	73.8%	71.2%	68.8%
State	68.5%	67.6%	64.7%	62.1%
Local	5.9%	6.2%	6.4%	6.7%
Net Tuition Revenue	25.5%	26.2%	28.8%	31.2%
Total	100.0%	100.0%	100.0%	100.0%

**Note:** Components may not add to total and percentages may not add to 100 due to rounding.

**Source:** SHEEO SHEF

**Table 3****Current Fund Revenue Distribution for Selected Types of Public Degree Granting Institutions, by Sector and Fund Source, Fiscal 2001 (percentages)**

<b>Fund Source</b>	<b>All Public</b>	<b>All Public Four-Year</b>	<b>Doctoral Extensive</b>	<b>Other Public Four-Year</b>	<b>Public Two-Year<sup>3</sup></b>
Tuition & Fees <sup>1</sup>	18.1%	17.8%	16.8%	31.7%	19.5%
State Governments	35.6%	33.7%	31.6%	41.3%	44.6%
Local Governments	4.0%	0.6%	0.3%	1.6%	19.5%
Federal Government <sup>2</sup>	11.2%	12.4%	13.6%	5.5%	5.4%
Private Gifts, Grants, & Contracts	5.1%	5.9%	6.7%	2.6%	1.2%
Endowment Earnings	0.8%	0.9%	1.2%	0.4%	0.1%
Educational Activities	2.8%	3.3%	3.7%	1.5%	0.7%
Auxiliary Enterprises	9.3%	10.2%	10.8%	12.7%	5.4%
Hospitals	9.5%	11.5%	11.5%	0.0%	0.0%
Other Current Income	3.7%	3.7%	3.8%	2.6%	3.6%
Total Current Fund Revenue	100.0%	100.0%	100.0%	100.0%	100.0%

**Notes:**

1. Includes federally supported aid received through students.

2. Includes appropriations, grants, contracts, and revenues associated with major federally funded research and development centers. Excludes Pell Grants.

3. Excludes tribal colleges.

**Source:** National Center for Education Statistics, "Digest of Education Statistics," 2003, Table 335



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# NATIONAL TRENDS AND INTERSTATE COMPARISONS

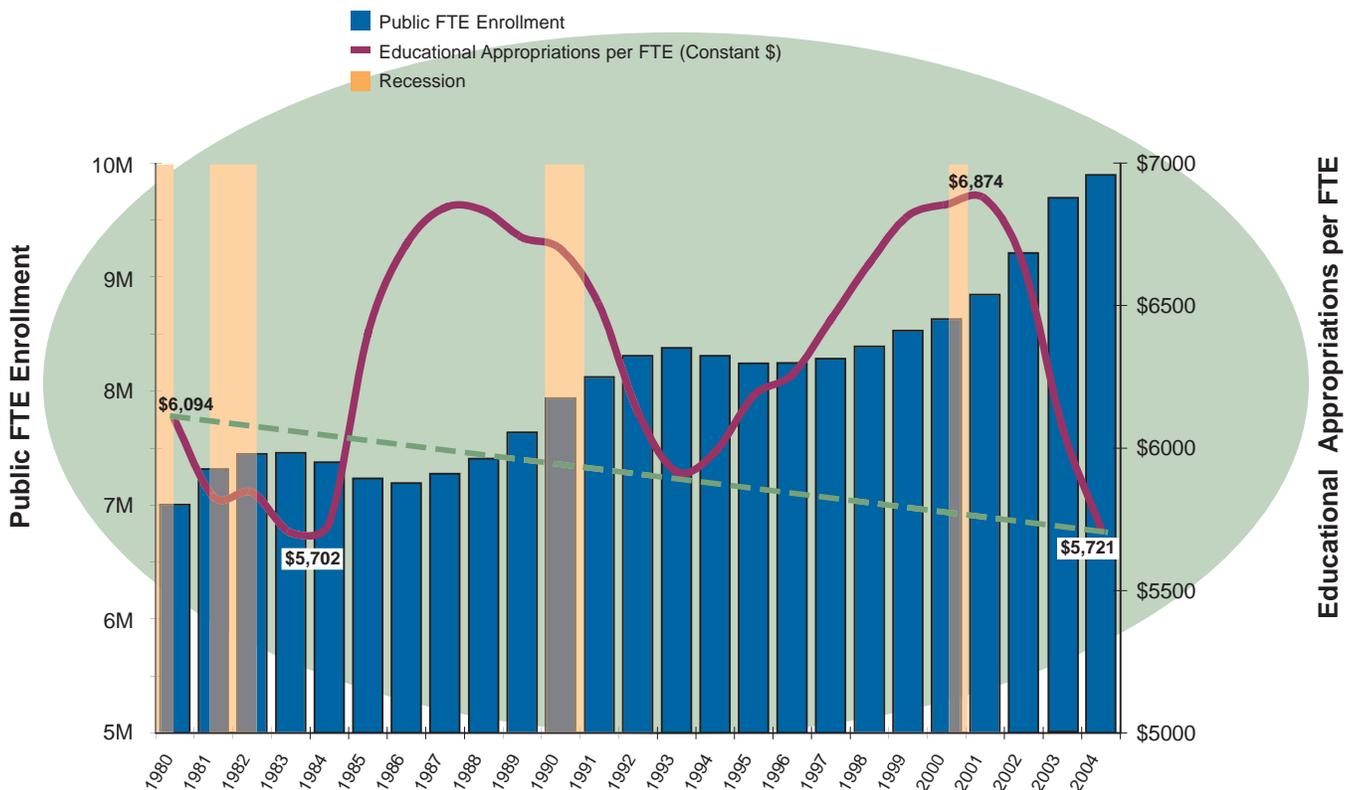
## National Trends

### Trends since 1980

While the data fluctuate widely over short time periods, state appropriations per full-time-equivalent (FTE) student have gradually decreased in constant dollars over the last 25 years. Adjusted by the SHEEO Higher Education Cost Adjustment (HECA), the average annual rate of decrease in constant dollar educational appropriations per FTE, represented by the dashed line in *Figure 1*, was about one quarter of one percent from fiscal 1980 to 2004. During this period, enrollments increased by over 40 percent, from seven to 9.9 million FTE students.

**Figure 1**

**Educational Appropriations per FTE, U.S., Fiscal 1980-2004**



**Note:** State and local government support, excluding research, agricultural, and medical.

**Source:** SHEEO SHEF

During economic recessions, a decrease in funding per FTE tends to occur alongside enrollment increases, apparently because a tight employment market increases the attractiveness (and decreases the opportunity cost) of further education. As *Figure 1* demonstrates, the nation entered such a period in fiscal 2001.

In the following section, SHEF data from fiscal 1991 to 2004 are employed for a more detailed analysis of recent trends in enrollment and in all sources of state and local support for public institutions.

### Recent Trends, 1991-2004

*Table 4* presents data on public higher education FTE enrollments and state and local support in current dollars for selected years 1991-2004. During this period FTE enrollments grew from 8.1 million to 9.9 million, and total state and local support grew from \$42.1 billion to \$69.4 billion. Net tuition revenues grew from \$12.4 billion to \$31.5 billion, and total funding from these sources (tuition plus state and local appropriations) grew from \$54.6 billion to \$100.9 billion.

Appropriations for research, agricultural extension, teaching hospitals, and medical schools grew from \$7.1 billion in 1991 to \$9.5 billion in 2004 but have diminished as a percentage of government support, from 16.8 to 13.6 percent. The remaining funds "Allocated to Other Educational Programs" in *Table 4* are labeled "Total Educational Revenues" in subsequent tables and figures. Dollars for research, agricultural extension, teaching hospitals, and medical schools (as well as related FTE enrollments) are excluded from "Total Educational Revenues" because these expenditures are set aside for special purposes and vary widely among the states.

**Table 4**

**Public Higher Education Support in Current Dollars, U.S.,  
Selected Years Fiscal 1991-2004**

(Dollars in Billions)	1991	1996	2001	2003	2004
<i>State Support</i>	39.1	43.7	62.1	63.3	62.7
<i>Local Appropriations</i>	3.0	4.1	5.4	6.3	6.7
State and Local Total <sup>1</sup>	\$ 42.1	\$ 47.8	\$ 67.4	\$ 69.5	\$ 69.4
<i>Net Tuition Revenue</i>	12.4	18.5	23.1	28.2	31.5
State & Local plus Net Tuition <sup>1</sup>	\$ 54.6	\$ 66.3	\$ 90.6	\$ 97.7	\$ 100.9
<i>Allocated to Research-Agricultural-Medical</i>	7.1	8.0	9.4	9.5	9.5
Allocated to Other Educational Programs <sup>2</sup>	\$ 47.4	\$ 58.3	\$ 78.3	\$ 85.1	\$ 88.1
FTE Enrollment	8,124,373	8,244,591	8,846,520	9,683,899	9,894,517
Net Tuition Revenue per FTE	\$ 1,530	\$ 2,242	\$ 2,613	\$ 2,907	\$ 3,187
Total Educational Revenues per FTE	\$ 5,840	\$ 7,069	\$ 8,851	\$ 8,788	\$ 8,908

**Notes:**

1. Components may not add to total due to rounding.
2. Hereafter referred to as Total Educational Revenues.

**Source:** SHEEO SHEF

The foregoing current dollar figures are adjusted for inflation using the Higher Education Cost Adjustment in subsequent tables and figures.

The choice of a baseline year is crucial in any analysis of fiscal data over time. Obviously, choosing a "peak" or "valley" as the baseline leads to dramatically different observations about enrollment growth and financial support levels. Here, fiscal year 1991 is chosen because it was the beginning of the last decade, and the level of state support per student intersected the long-term trend line in that year (see *Figure 1*).

The following are the most significant trends during the period 1991-2004:

1. **Enrollment grew by 21.8 percent.** At the turn of the century, the nation entered another period of rapid enrollment growth. Based on SHEF data, FTE enrollment from fiscal 2001-04 has already outstripped that of each of the previous two decades, increasing by 11.8 percent compared to 6.2 percent from 1991-2000 and 8.5 percent in the 1980s.
2. **Educational appropriations<sup>1</sup> per FTE fell by twelve percent.** In constant 2004 dollars, educational appropriations per FTE dipped during the recession of the early 1990s, but recovered by 2000. The recent growth in enrollments, unmatched by increased appropriations, produced a 12 percent decrease in educational appropriations per student (from \$6,499 to \$5,721) – an example of the classic convergence of state revenue shortfalls and enrollment growth because of a recession.
3. **Net tuition revenue<sup>2</sup> per FTE grew by 38.2 percent.** In contrast to educational appropriations, net revenues per student increased 38.2 percent (from \$2,307 to \$3,187). The most rapid tuition revenue increases occurred following the recession of the early 1990s – net tuition revenue per FTE increased 18.5 percent (from \$2,307 to \$2,734) between fiscal 1991 and 1994, but increased only 1.1 percent (from \$2,879 to \$3,187) between 2001 and 2004.<sup>3</sup>
4. **Total educational revenues<sup>4</sup> per FTE grew by 1.2 percent.** The net result of the overall downward trend in appropriations and upward trend in tuition revenue was that total educational revenues per FTE remained relatively unchanged from fiscal year 1991 to 2004. In constant 2004 dollars, total educational revenues per FTE increased 1.2 percent (from \$8,805 to \$8,908).

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<sup>1</sup> Educational appropriations are defined as state plus local appropriations minus appropriations for research centers and institutes, agricultural experiment stations and cooperative extensions, teaching hospitals, and medical schools.

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

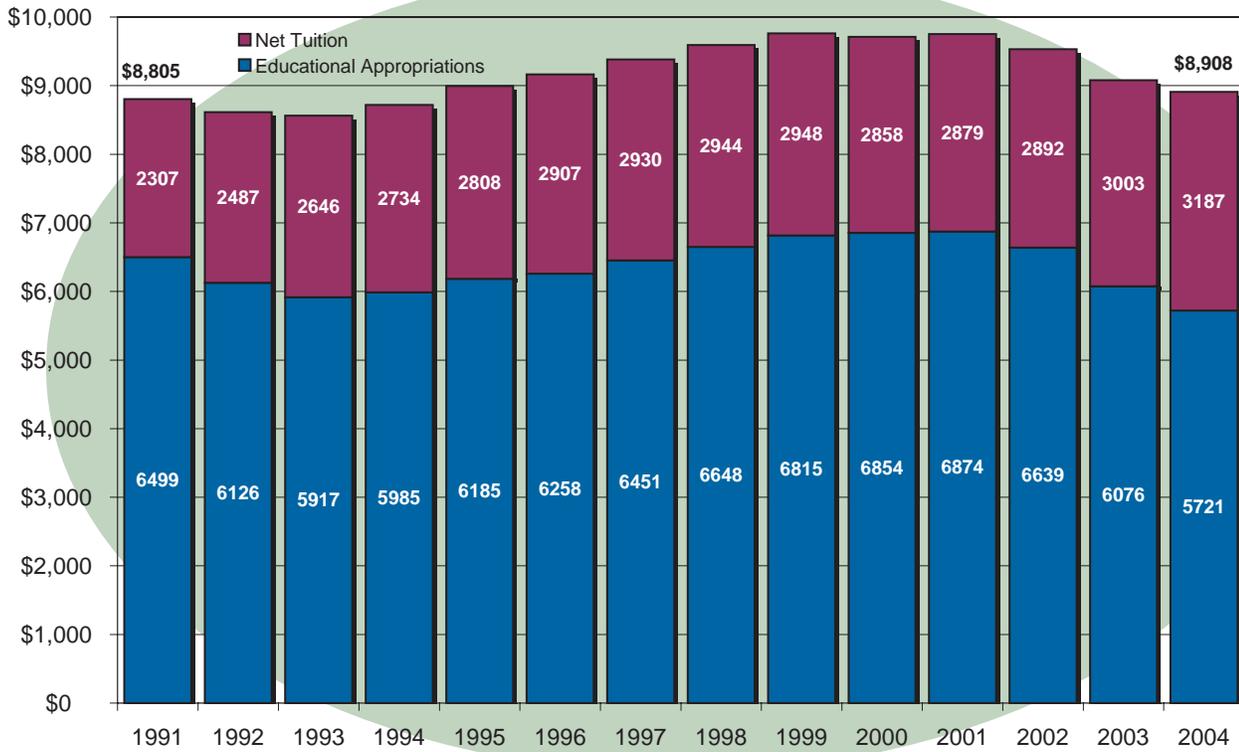
<sup>3</sup> While tuition charges have generally increased faster than inflation since 1998, net tuition revenues per student on a constant dollar basis have not. One reason for this is that the majority of recent enrollment growth has occurred in lower-tuition institutions. Another is increased funding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

<sup>4</sup> Total educational revenues are defined as educational appropriations plus net tuition revenue.

Figure 2 shows the combined effects of trends in state appropriations and net tuition on total educational revenues.

**Figure 2**

**Total Educational Revenues per FTE by Component, U.S., Fiscal 1991-2004  
(Constant 2004 dollars adjusted by SHEEO Higher Education Cost Adjustment)**

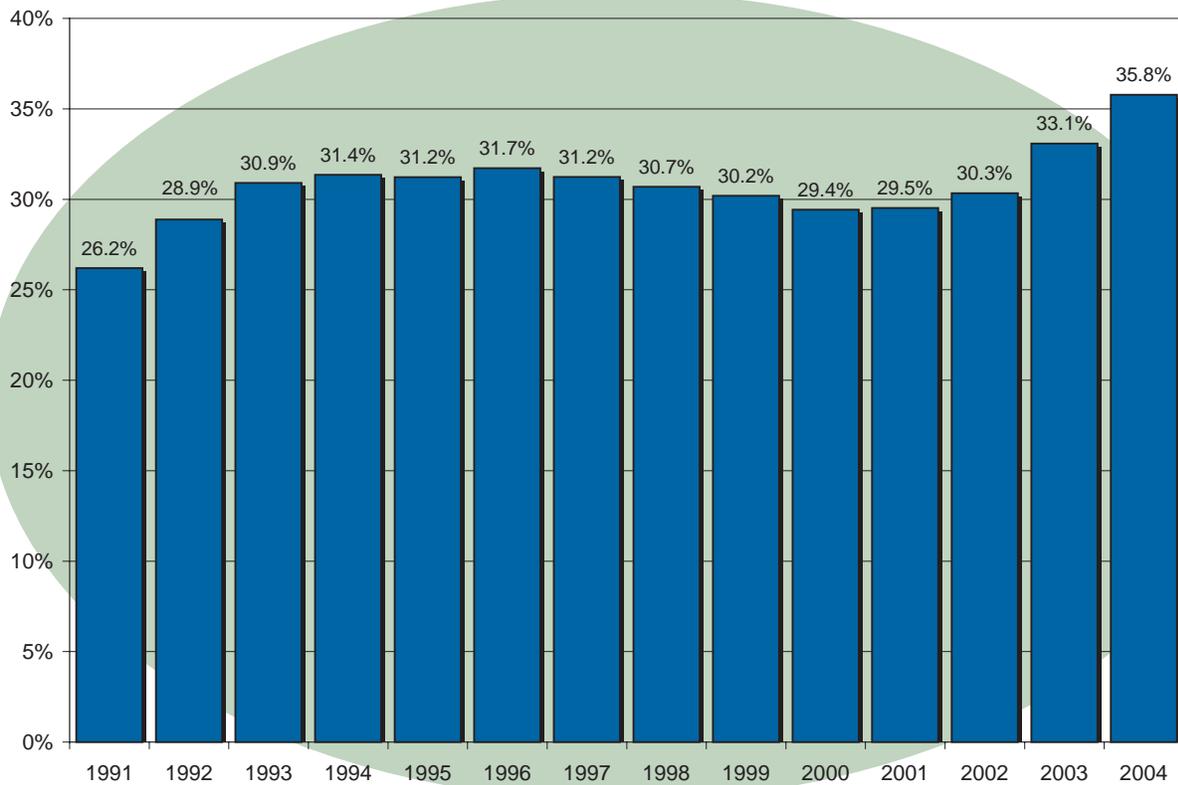


Source: SHEEO SHEF

By examining the two components of total educational revenues – educational appropriations and net tuition revenue – it is possible to compare state and local government contributions with those of students and their families. Nationally, the share of total educational revenues represented by net tuition revenue increased from 26 percent in 1991 to 31 percent in 1993, hovered at this level from 1993 to 2002, then increased each of the last two years to its current level of 35.8 percent (see *Figure 3*).

**Figure 3**

**Net Tuition as a Percentage of Public Higher Education Total Educational Revenues, U.S., Fiscal 1991-2004**



Source: SHEEO SHEF

## Interstate Comparisons

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

*Table A-7 in Appendix A* demonstrates the impact of these adjustments on fiscal 2004 interstate comparisons of total educational revenues per FTE. While these adjustments tend to draw states toward the national mean, the size and direction vary among states.

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

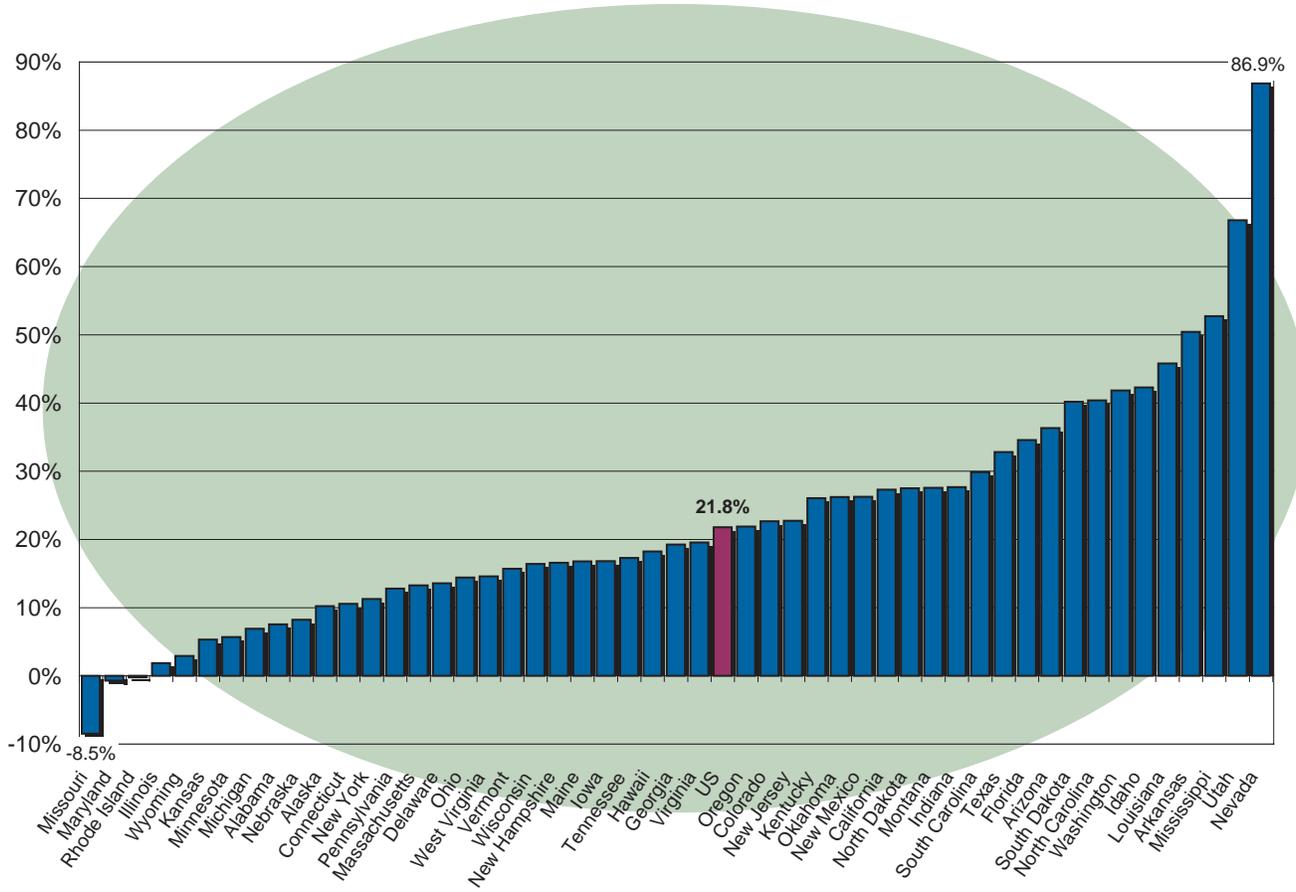
### **Trends From 1991-2004**

The factors that yielded relatively stable total educational revenues nationally – rapid enrollment growth, decreases in per student appropriations, and increases in net tuition revenues – are atypical of every state. *Figures 4-7* reveal enormous variation among states.

1. **Enrollment.** All but three states experienced increases in FTE enrollment, contributing to the national increase of 21.8 percent (see *Figure 4*). Changes in enrollment levels ranged from an 86.9 percent increase in Nevada to an 8.5 percent decrease in Missouri. Forty states experienced enrollment growth of 10 percent or more, and 23 states realized growth of 20 percent or more.

Figure 4

Full-Time-Equivalent Enrollment in Public Higher Education,  
Percent Change by State, Fiscal 1991-2004

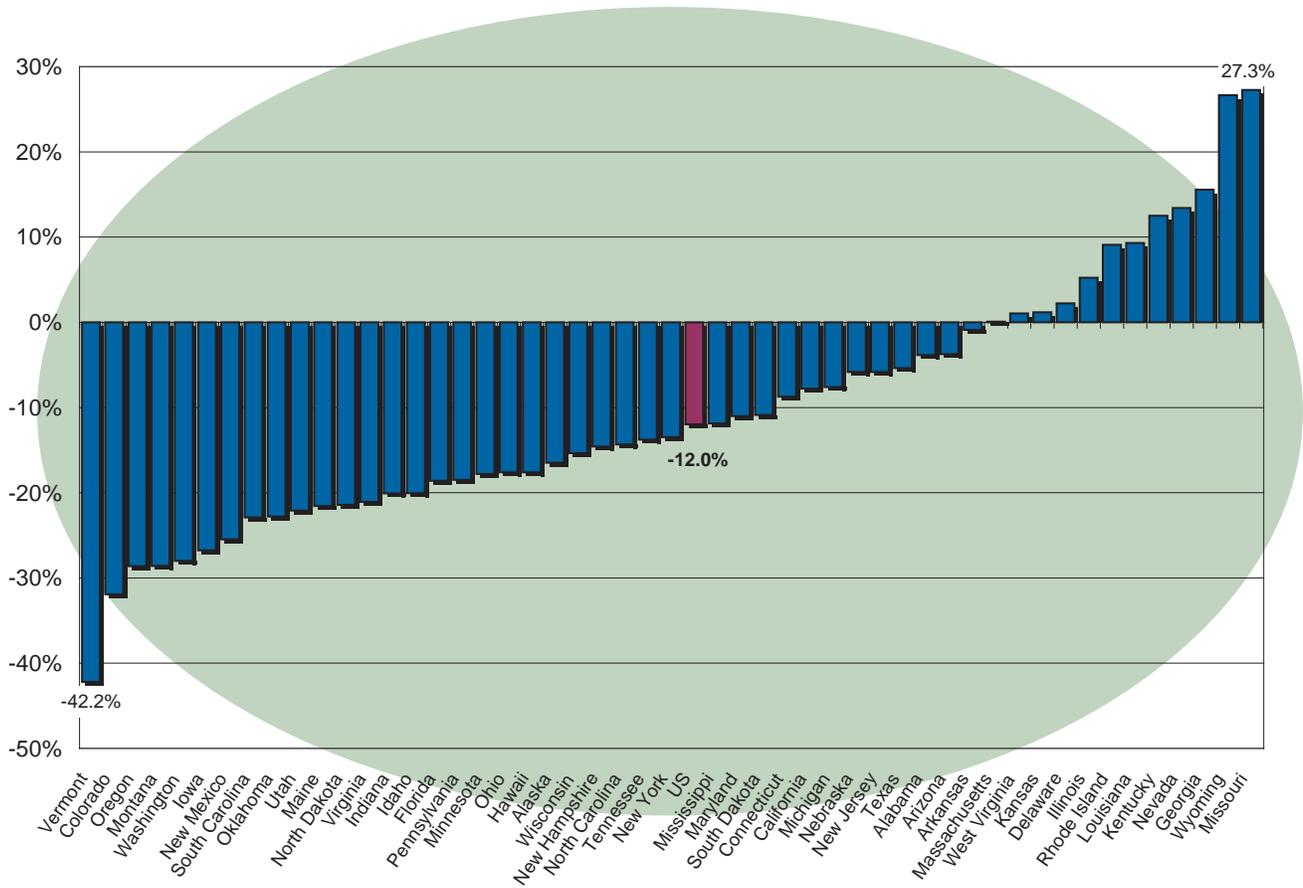


Source: SHEEO SHEF

2. **Educational Appropriations.** Constant dollar educational appropriations per FTE decreased 12 percent on average for the period, ranging from a 42.2 percent decrease in Vermont to a 27.3 percent increase in Missouri (see *Figure 5*). Educational appropriations per student decreased in 38 states. Enrollment trends influence the amount of support per student. Eight of the eleven states with increases in appropriations per student had less than the national average enrollment growth.

**Figure 5**

**Educational Appropriations per FTE, Percent Change by State, Fiscal 1991-2004  
(Constant 2004 dollars adjusted by SHEEO Higher Education Cost Adjustment)**



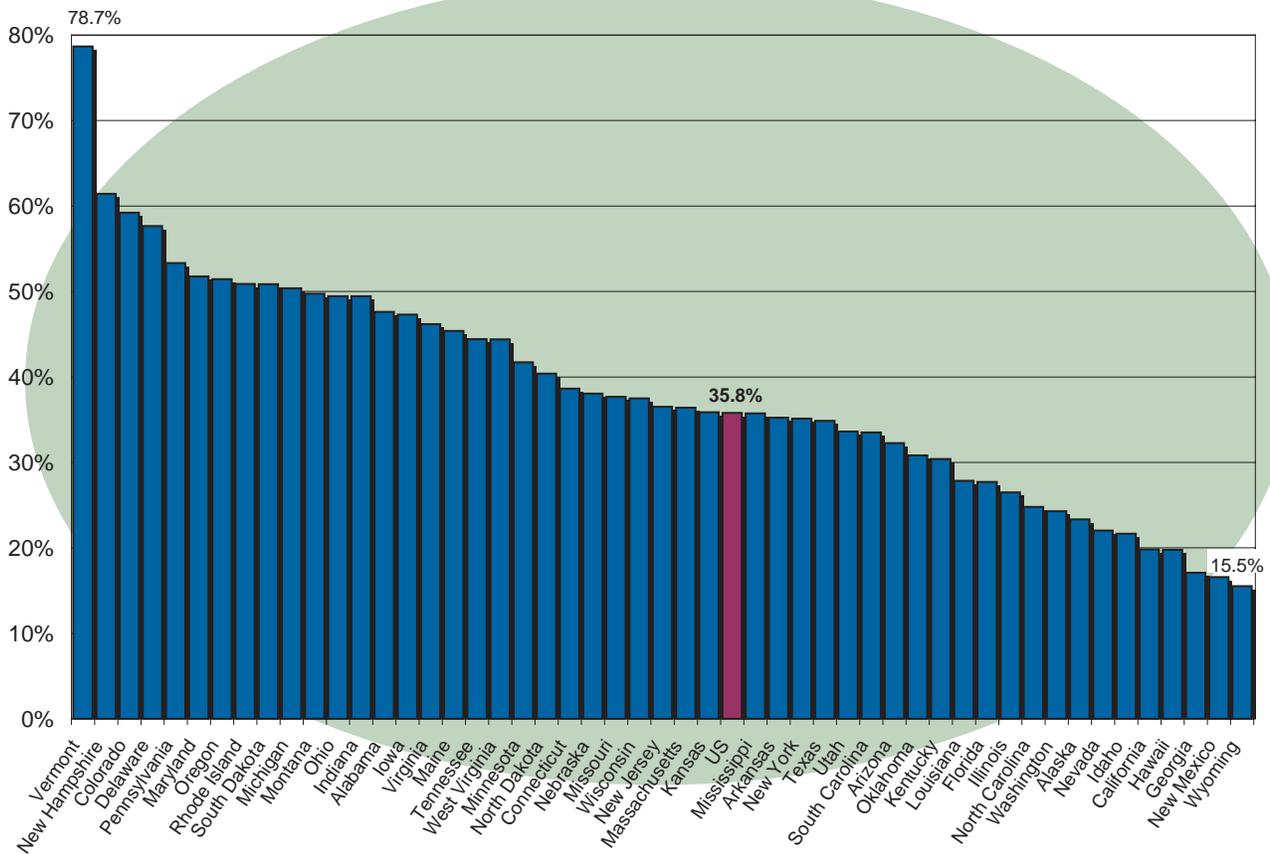
Source: SHEEO SHEF

3. **Net Tuition Revenue.** Constant dollar net tuition per student increased in 42 states (38.2 percent on average). The most substantial increases for the most part occurred in states with relatively lower tuition or a greater reliance on tuition as a source of revenue.

The average share of educational revenues represented by net tuition in fiscal year 2004 was 35.8 percent (see *Figure 6*). Reliance on tuition as a source of general operating revenue varied widely by state, ranging from a high of 78.7 percent in Vermont to a low of 15.5 percent in Wyoming. Midwestern and New England states tended to exceed the national average, Western states lagged beneath it, and Southern states were near it.

**Figure 6**

**Net Tuition as a Percentage of Public Higher Education Total Educational Revenues by State, Fiscal 2004**



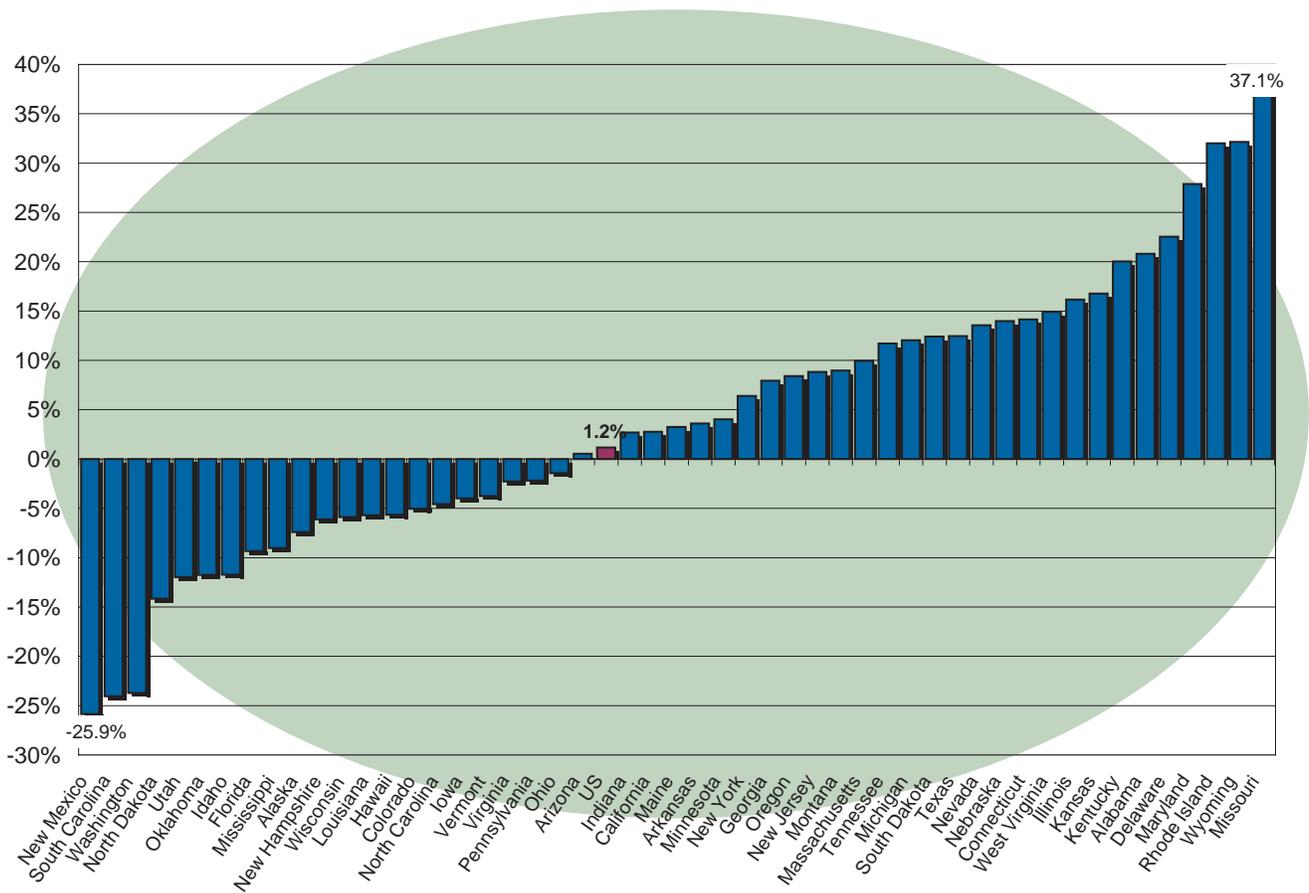
Source: SHEEO SHEF

States differ in their vulnerability to state appropriation decreases. State funding reductions naturally have a greater impact on institutional revenues in states with lower tuition rates. Based on 2004 SHEF data, a one percent decrease in state appropriations in Vermont could have been replaced by a net tuition revenue increase of only 0.4 percent. In New Mexico, on the other hand, tuition revenue would have had to increase 5.8 percent to compensate for a one percent appropriations cut. Nationwide, net tuition revenue would have had to increase 1.9 percent to offset a one percent decrease in state appropriations.

4. **Total Educational Revenues.** State data on total educational revenues per FTE from fiscal 1991 to 2004 vary substantially, ranging from a 37.1 percent increase in Missouri to a 25.9 percent decrease in New Mexico (see Figure 7). Twenty-one states experienced decreases for the period while 29 had increases. When aggregated nationally, the data show that increases in net tuition revenue offset decreases in state appropriations per FTE to yield an average 1.2 percent increase in total educational revenues per FTE.

Figure 7

**Total Educational Revenues per FTE: Percent Change by State, Fiscal 1991-2004  
(Constant 2004 dollars adjusted by SHEEO Higher Education Cost Adjustment)**



Source: SHEEO SHEF

## Putting the Pieces Together

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

### *Enrollment and Educational Appropriations 1991-2004*

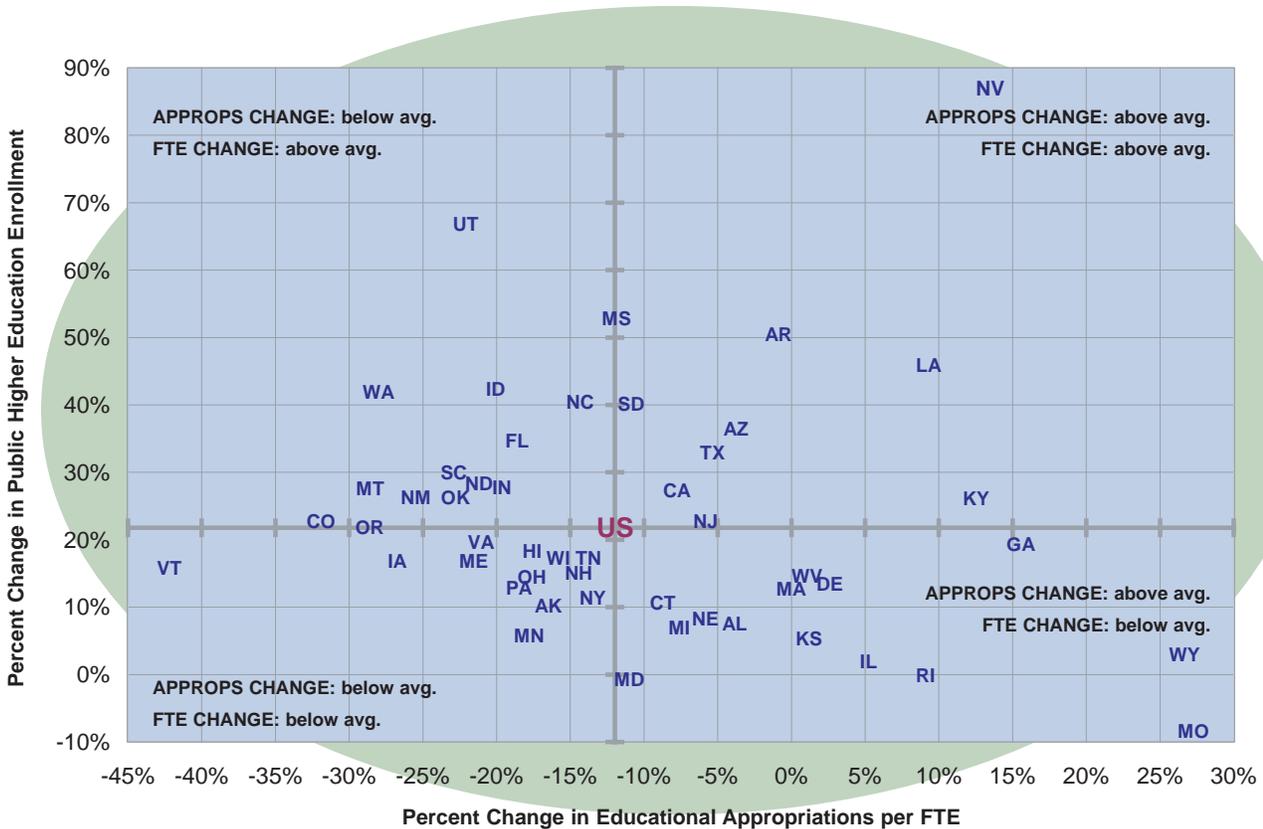
In the first such analysis (see *Figure 8*), the vertical axis displays the public higher education enrollment growth in each state from 1991-2004. Data points on the horizontal axis demonstrate each state's percent change in educational appropriations per student for the same time period.

- States in the upper right quadrant: Changes in public system enrollments and in educational appropriations per FTE exceeded the national average between 1991 and 2004.
- States in the lower right quadrant: Changes in educational appropriations per FTE from 1991 to 2004 exceeded the national average, while changes in enrollment lagged the national average.
- States in the lower left quadrant: Changes in enrollment and in educational appropriations per FTE lagged the national average between 1991 and 2004.
- States in the upper left quadrant: Changes in educational appropriations per FTE from 1991 to 2004 lagged the national average while enrollment increases exceeded it.

Of the 27 states that experienced above-average enrollment growth from 1991 to 2004, only three increased educational appropriations per student on a constant dollar basis for the period (See *Figure 8*). Those three states – Louisiana, Kentucky, and Nevada – established statewide merit scholarship programs during this time.

Figure 8

Percent Change by State in Enrollment and in Educational Appropriations per FTE, Fiscal 1991-2004



Notes:

1. Dollars adjusted for inflation, public system enrollment mix, and state cost of living.
2. Funding and FTE data are for public non-medical students.

Source: SHEEO SHEF

Educational Revenues 1991-2004

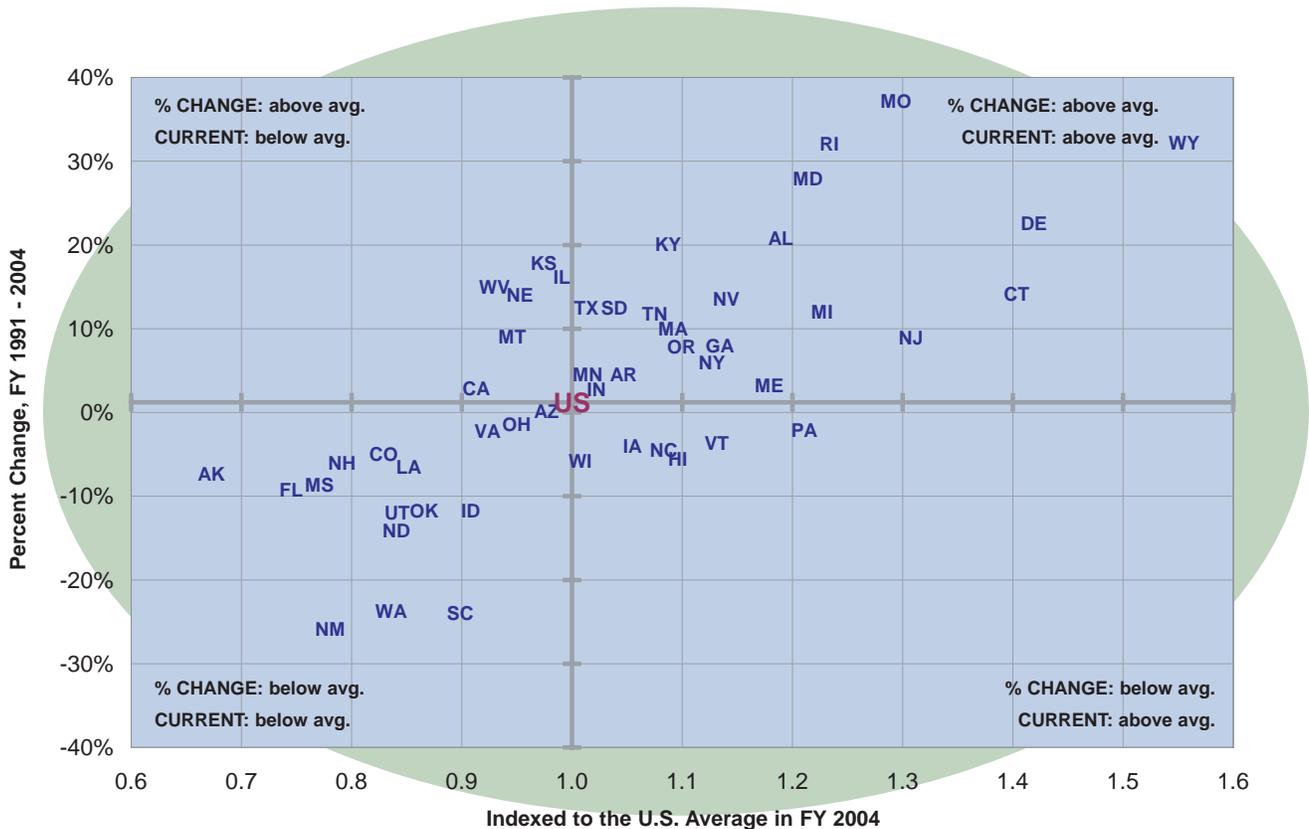
Figure 9 displays changes in each state's public institution constant dollar educational revenues per FTE since 1991. State data points along the horizontal axis compare each state's total educational revenues per FTE in fiscal 2004 (adjusted for state cost of living and the public system enrollment mix) to the national average. Data points on the vertical axis indicate the extent to which constant dollar public institution educational revenues per FTE grew or declined in each state over the last decade and a half.

- States in the upper right quadrant: Total educational revenues per FTE exceeded the national average in 2004 and increased faster than the national average between 1991 and 2004.
- States in the lower right quadrant: Educational revenues per FTE exceeded the national average in 2004 and increased slower than the national average between 1991 and 2004.
- States in the lower left quadrant: Educational revenues per FTE lagged the national average in 2004 and increased slower than the national average between 1991 and 2004.

- States in the upper left quadrant: Educational revenues per FTE lagged the national average in 2004 and increased faster than the national average between 1991 and 2004.

**Figure 9**

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



**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

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

- Total educational revenues in New England and the Midwest consistently outpaced the national average (but to a greater extent in 2004 than in 1991). Both regions rely on students paying a higher share of educational costs.
- While educational revenues in the South lag the national average, Southern states have gained ground.
- Western states spent more than the national average in 1991, but decreased to the level of the national average by 2004. Several states' enrollment growth outstripped revenue increases from both legislative appropriations and student tuition.

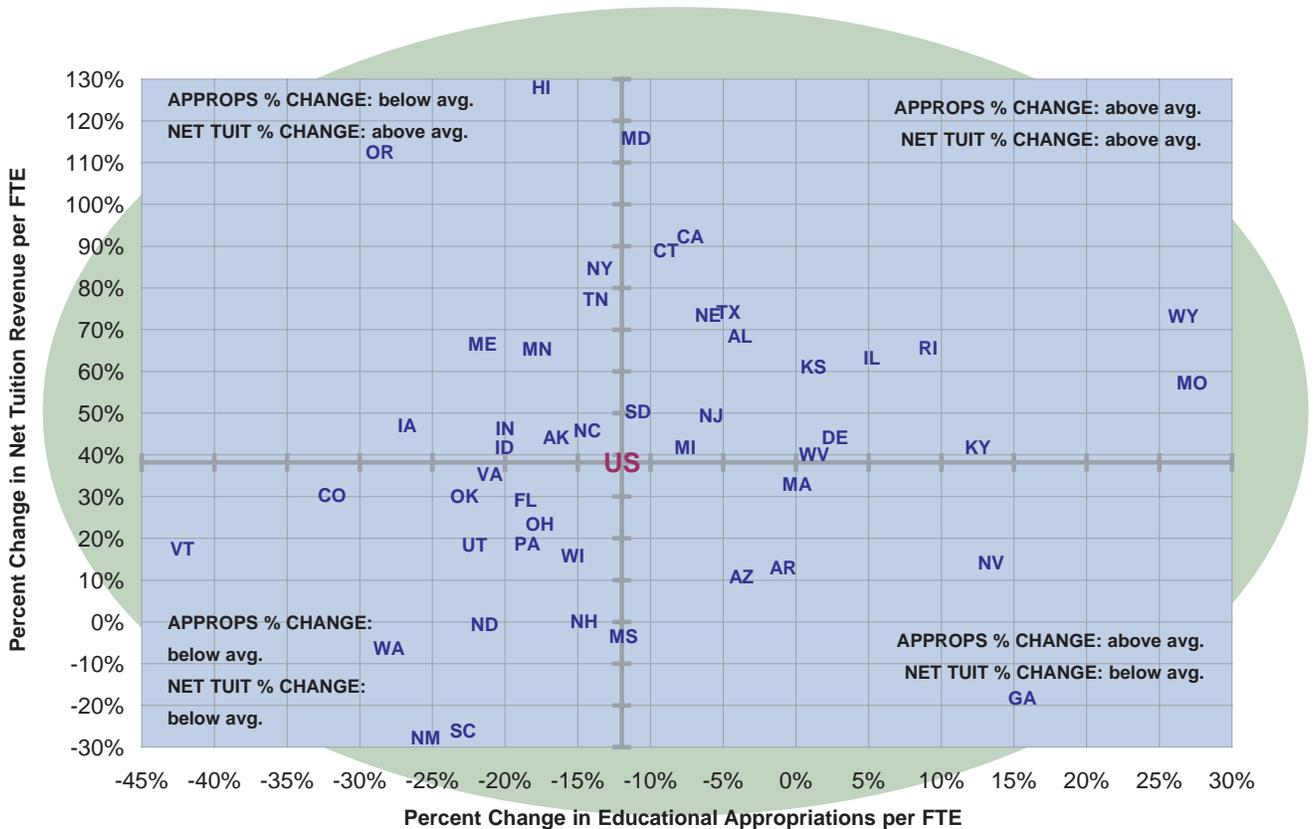
**Educational Appropriations and Net Tuition 1991-2004**

Figure 10 displays the rate of change in the two components of educational revenues 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 1991 to 2004. 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 appropriation changes, and lagged the national average in net tuition revenue changes.
- States in the lower left quadrant: Lagged the national average in both educational appropriation and tuition revenue changes.
- States in the upper left quadrant: Lagged the national average in educational appropriation changes, and exceeded the national average in net tuition changes.

**Figure 10**

**Percent Change by State in Educational Appropriations and Net Tuition Revenue per FTE, Fiscal 1991-2004**



**Notes:** The national average constant dollar percent change in net tuition per FTE was +38.2 percent for the period. The average change in educational appropriations per student was -12.0 percent.

1. Dollars 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

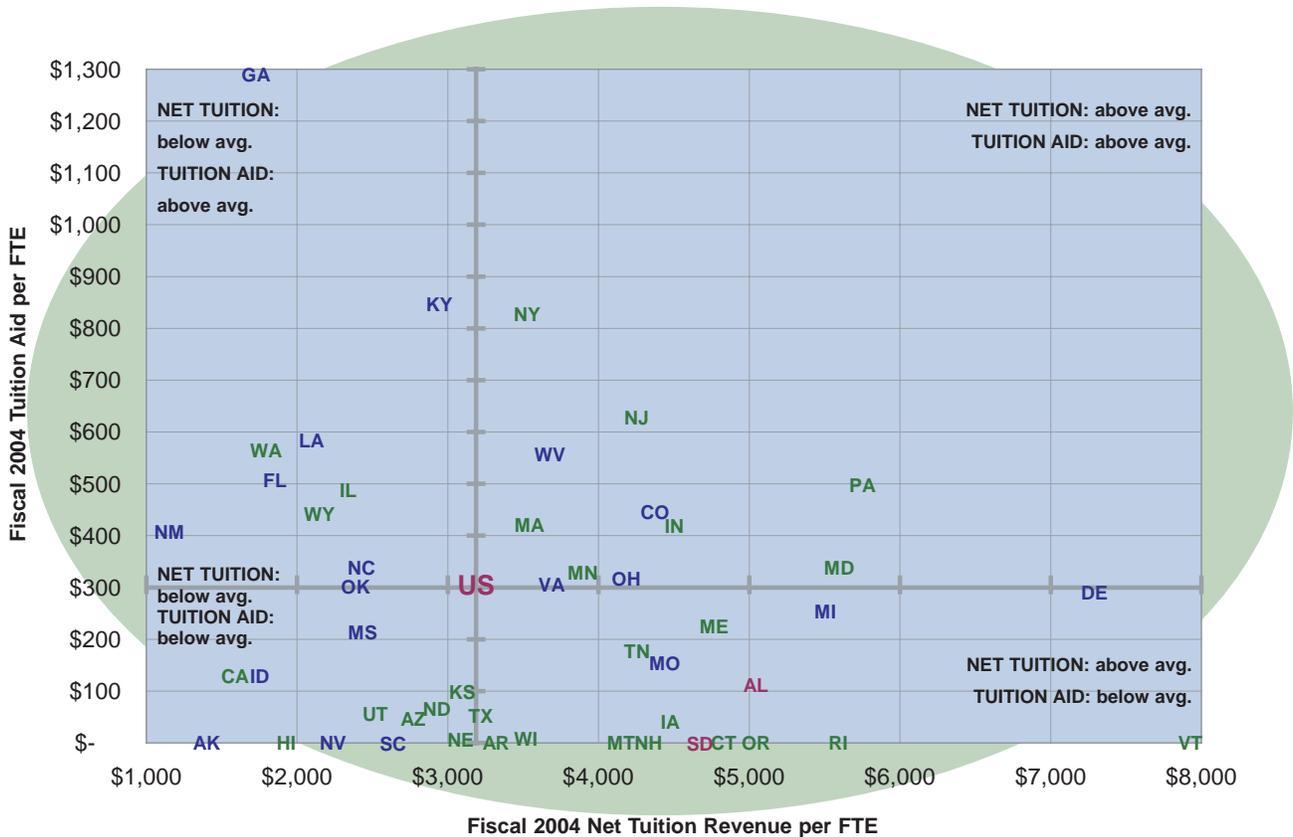
**Net Tuition and State Student Financial Aid, 2004**

Many states fund student financial aid programs both to supplement federal grants, loans, and work-study programs, and to offset tuition increases. A state that relies largely on net tuition revenues to fund public colleges and universities might also try to fund a balanced state financial aid program. In *Figure 11*, the data on the horizontal axis represent fiscal 2004 net tuition revenues per FTE for each state. The data on the vertical axis represent state aid for tuition and required fees.

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

**Figure 11**

**Net Tuition Revenue per FTE and State-Funded Tuition Aid per FTE by State, Fiscal 2004**



**Notes:**

1. Dollars adjusted for public system enrollment mix, and state cost of living.
2. Funding and FTE data are for public non-medical students only.
3. According to NASSGAP, 72.9 percent of all state grant aid dollars were awarded on the basis of student financial need in 2002-03. The 29 states shaded in green were at or above that national average.

**Source:** SHEEO SHEF

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

1. These net tuition data include only public institutions;
2. Institutional aid (a significant source of student grant assistance in some states) is excluded; and
3. SHEF does not differentiate between need-based and non-need based state student financial aid.

The National Association of State Student Grant Aid Programs (NASSGAP) annually reports the percentage of state grant aid awarded by states on a need and non-need basis. In *Table A-8* in *Appendix A*, these NASSGAP percentages are applied to SHEEO SHEF data to derive estimates of need and non-need based state-funded tuition aid per FTE.



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# PERSPECTIVES ON STATE TAX CAPACITY, TAX REVENUE, AND STATE SUPPORT OF HIGHER EDUCATION

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

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

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

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

## Tax Capacity and Revenue

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

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

Table 5

**Tax Revenues, Taxable Resources, and Effective Tax Rates,  
by State, Fiscal 2002**

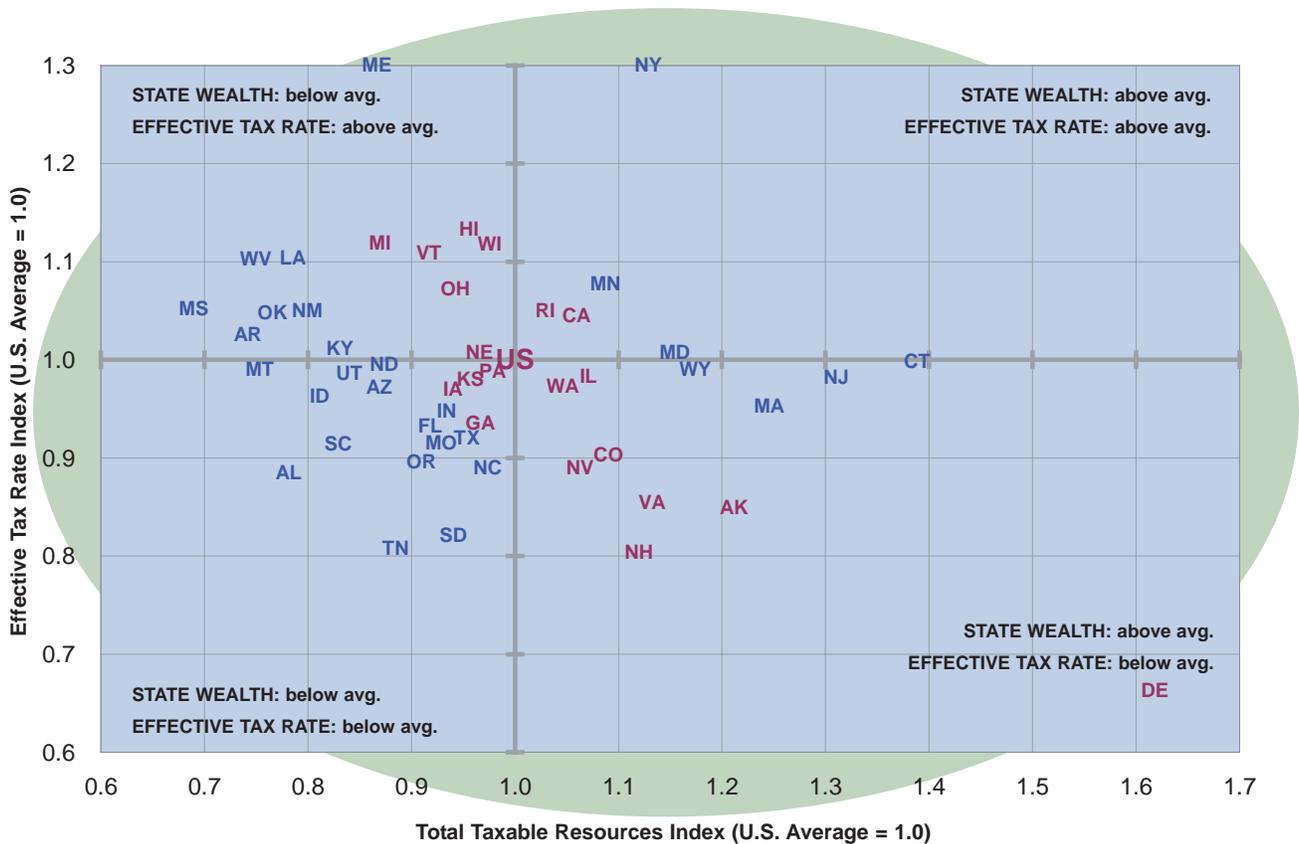
State	Actual Tax Revenues (ATR) Per Capita		Total Taxable Resources (TTR) Per Capita		Effective Tax Rate (ATR/TTR)	
	Dollars	National Index	Dollars	National Index	Rate	National Index
Alabama	2,170	0.69	31,009	0.78	7.0%	0.88
Alaska	3,227	1.03	48,042	1.21	6.7%	0.85
Arizona	2,650	0.84	34,474	0.87	7.7%	0.97
Arkansas	2,387	0.76	29,423	0.74	8.1%	1.03
California	3,440	1.10	41,737	1.05	8.2%	1.04
Colorado	3,088	0.98	43,237	1.09	7.1%	0.90
Connecticut	4,373	1.39	55,226	1.39	7.9%	1.00
Delaware	3,334	1.06	63,913	1.61	5.2%	0.66
Florida	2,686	0.86	36,726	0.93	7.3%	0.92
Georgia	2,816	0.90	38,235	0.96	7.4%	0.93
Hawaii	3,417	1.09	38,093	0.96	9.0%	1.13
Idaho	2,450	0.78	32,177	0.81	7.6%	0.96
Illinois	3,303	1.05	42,488	1.07	7.8%	0.98
Indiana	2,759	0.88	37,021	0.93	7.5%	0.94
Iowa	2,837	0.90	37,306	0.94	7.6%	0.96
Kansas	2,941	0.94	37,943	0.96	7.8%	0.98
Kentucky	2,636	0.84	32,954	0.83	8.0%	1.01
Louisiana	2,722	0.87	31,163	0.79	8.7%	1.10
Maine	3,507	1.12	34,029	0.86	10.3%	1.30
Maryland	3,646	1.16	45,776	1.15	8.0%	1.01
Massachusetts	3,721	1.19	49,399	1.25	7.5%	0.95
Michigan	3,051	0.97	34,482	0.87	8.8%	1.12
Minnesota	3,673	1.17	43,123	1.09	8.5%	1.08
Mississippi	2,276	0.73	27,355	0.69	8.3%	1.05
Missouri	2,667	0.85	36,841	0.93	7.2%	0.92
Montana	2,345	0.75	29,822	0.75	7.9%	0.99
Nebraska	3,077	0.98	38,788	0.98	7.9%	1.00
Nevada	2,968	0.95	42,150	1.06	7.0%	0.89
New Hampshire	2,824	0.90	44,421	1.12	6.4%	0.80
New Jersey	4,038	1.29	51,992	1.31	7.8%	0.98
New Mexico	2,634	0.84	31,706	0.80	8.3%	1.05
New York	4,645	1.48	45,151	1.14	10.3%	1.30
North Carolina	2,718	0.87	38,615	0.97	7.0%	0.89
North Dakota	2,727	0.87	34,647	0.87	7.9%	1.00
Ohio	3,170	1.01	37,373	0.94	8.5%	1.07
Oklahoma	2,517	0.80	30,362	0.77	8.3%	1.05
Oregon	2,557	0.82	36,067	0.91	7.1%	0.90
Pennsylvania	3,052	0.97	38,849	0.98	7.9%	0.99
Rhode Island	3,391	1.08	40,806	1.03	8.3%	1.05
South Carolina	2,376	0.76	32,885	0.83	7.2%	0.91
South Dakota	2,422	0.77	37,304	0.94	6.5%	0.82
Tennessee	2,241	0.71	35,089	0.88	6.4%	0.81
Texas	2,713	0.86	37,412	0.94	7.3%	0.92
Utah	2,599	0.83	33,329	0.84	7.8%	0.99
Vermont	3,188	1.02	36,366	0.92	8.8%	1.11
Virginia	3,037	0.97	44,914	1.13	6.8%	0.85
Washington	3,216	1.03	41,736	1.05	7.7%	0.97
West Virginia	2,572	0.82	29,633	0.75	8.7%	1.10
Wisconsin	3,421	1.09	38,702	0.98	8.8%	1.12
Wyoming	3,645	1.16	46,568	1.17	7.8%	0.99
U.S.	\$3,138	1.00	\$39,665	1.00	7.91%	1.00

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

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

Figure 12

Taxable Resources and Effective Tax Rate Indexed to the U.S. Average, by State, 2002



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

The results are as follows:

- California, Maryland, Minnesota, New York, and Rhode Island all exceeded the national average in both taxable resources per capita and their effective tax rate in 2002. Connecticut exceeded the national average in wealth and was at the national average in effective tax rate.
- Eleven states exceeded the national average in taxable resources per capita while lagging the national average in effective tax rates. In descending order of wealth, these states are: Delaware, New Jersey, Massachusetts, Alaska, Wyoming, Virginia, New Hampshire, Colorado, Illinois, Nevada, and Washington.

- Fourteen states lagged the national average in taxable resources per capita while exceeding the national average in their effective tax rate. In ascending order of wealth, these states are: Mississippi, Arkansas, West Virginia, Oklahoma, Louisiana, New Mexico, Kentucky, Maine, Michigan, Vermont, Ohio, Hawaii, Nebraska, and Wisconsin.
- Nineteen states lagged the national average in both taxable resources per capita and effective tax rate, up from 13 states the year before. In ascending order of wealth, these states are: Alabama, Idaho, South Carolina, Utah, Arizona, Tennessee, Oregon, Florida, Missouri, Indiana, South Dakota, Iowa, Kansas, Texas, Georgia, and North Carolina. Three other states' data fell into this quadrant, though their tax rates were essentially at the national average – Montana, North Dakota, and Pennsylvania.
- Seventeen states' data fell in one of the quadrants above, yet they were within +/- 10 percent of the national average in both wealth and in tax rates: California, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, and Washington.

State tax revenues are determined by taxable resources per capita and the effective tax rate. The states displayed in maroon in *Figure 12* have tax revenues per capita within 90 and 110 percent of the national average. States above and to the right of these states have tax revenues per capita exceeding the national average by 10 percent or more. States below and to the left have state tax revenues per capita below 90 percent of the national average.

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

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

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

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

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

While the statistics clearly show each state's relative investment in higher education, they do not clearly indicate the "priority" of higher education in each state. State needs can grow or decrease in different areas without affecting their "priority" or importance. The perspectives documented in *Table 6*, along with other data in the SHEF report, provide tools for policy makers to sort through these complex issues.

Table 6

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

State	FISCAL 2004				FISCAL 2000		
	Higher Education Support <sup>1</sup> Per Capita <sup>2</sup>	National Index	Higher Education Support <sup>1</sup> per \$1000 of Personal Income	National Index	Tax Revenues & Lottery Profits <sup>3</sup> (thousands)	Higher Education Support <sup>1</sup> (thousands)	Allocation to Higher Education
Alabama	260	1.09	9.89	1.30	9,718,827	1,163,938	12.0%
Alaska	336	1.41	10.10	1.33	2,069,908	211,841	10.2%
Arizona	238	1.00	8.85	1.16	14,516,612	1,219,093	8.4%
Arkansas	245	1.02	10.08	1.32	6,460,855	622,725	9.6%
California	313	1.31	9.36	1.23	121,450,546	11,648,446	9.6%
Colorado	137	0.57	3.96	0.52	14,005,024	644,942	4.6%
Connecticut	215	0.90	4.96	0.65	15,381,988	754,342	4.9%
Delaware	234	0.98	7.02	0.92	2,900,098	182,065	6.3%
Florida	160	0.67	5.34	0.70	45,875,629	2,631,962	5.7%
Georgia	231	0.97	7.89	1.04	24,809,880	2,063,427	8.3%
Hawaii	317	1.33	10.37	1.36	4,239,557	369,649	8.7%
Idaho	246	1.03	9.61	1.26	3,311,595	332,001	10.0%
Illinois	262	1.10	7.90	1.04	42,109,880	3,365,203	8.0%
Indiana	220	0.92	7.62	1.00	17,162,237	1,326,680	7.7%
Iowa	265	1.11	9.34	1.23	8,378,514	812,388	9.7%
Kansas	307	1.28	10.38	1.37	8,039,275	808,155	10.1%
Kentucky	269	1.13	10.22	1.34	10,961,517	1,068,765	9.8%
Louisiana	277	1.16	10.64	1.40	12,293,115	1,196,304	9.7%
Maine	177	0.74	6.13	0.81	4,580,396	234,089	5.1%
Maryland	246	1.03	6.57	0.86	20,319,171	1,422,763	7.0%
Massachusetts	155	0.65	3.93	0.52	24,784,926	1,144,915	4.6%
Michigan	244	1.02	7.83	1.03	31,230,224	2,594,247	8.3%
Minnesota	254	1.06	7.47	0.98	18,535,809	1,323,393	7.1%
Mississippi	282	1.18	12.07	1.59	6,523,722	777,283	11.9%
Missouri	183	0.77	6.30	0.83	15,317,332	1,051,379	6.9%
Montana	168	0.70	6.52	0.86	2,142,632	149,332	7.0%
Nebraska	330	1.38	10.89	1.43	5,336,311	588,288	11.0%
Nevada	215	0.90	6.84	0.90	6,432,564	357,773	5.6%
New Hampshire	87	0.37	2.52	0.33	3,665,432	106,872	2.9%
New Jersey	223	0.93	5.58	0.73	35,393,014	1,893,568	5.4%
New Mexico	392	1.64	15.38	2.02	4,910,714	708,484	14.4%
New York	253	1.06	6.98	0.92	90,658,472	4,565,249	5.0%
North Carolina	310	1.30	10.96	1.44	22,576,419	2,577,073	11.4%
North Dakota	316	1.32	11.09	1.46	1,728,755	203,801	11.8%
Ohio	192	0.80	6.41	0.84	36,806,590	2,175,386	5.9%
Oklahoma	227	0.95	8.53	1.12	8,781,889	866,001	9.9%
Oregon	193	0.81	6.70	0.88	9,390,937	608,658	6.5%
Pennsylvania	165	0.69	5.22	0.69	38,414,320	2,092,576	5.4%
Rhode Island	160	0.67	5.00	0.66	3,864,074	169,582	4.4%
South Carolina	208	0.87	7.94	1.04	9,972,261	686,622	6.9%
South Dakota	202	0.84	7.13	0.94	1,953,478	150,317	7.7%
Tennessee	186	0.78	6.52	0.86	12,973,768	1,153,988	8.9%
Texas	265	1.11	9.12	1.20	59,935,708	5,655,177	9.4%
Utah	261	1.09	10.36	1.36	6,026,142	614,007	10.2%
Vermont	96	0.40	3.15	0.41	1,981,332	58,418	2.9%
Virginia	184	0.77	5.47	0.72	22,506,446	1,434,553	6.4%
Washington	222	0.93	6.67	0.88	19,612,023	1,375,255	7.0%
West Virginia	225	0.94	9.10	1.20	5,052,349	431,094	8.5%
Wisconsin	266	1.11	8.64	1.14	18,751,416	1,527,697	8.1%
Wyoming	545	2.28	16.91	2.22	1,818,368	267,196	14.7%
U.S.	\$239	1.00	\$7.61	1.00	\$915,662,051	\$69,386,960	7.6%

**Source Notes:**

1. Higher Education Support = State and local tax and nontax 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 revenues data from U.S. Census Bureau; lottery profits data from North American Association of State and Provincial Lotteries.

## Conclusion

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

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

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

Core indicators from the SHEF study through fiscal 2004 are available on the website of the National Information Center for Higher Education Policymaking and Analysis at [www.higheredinfo.org](http://www.higheredinfo.org). Select the Finance tab under "How is Your State Doing?" Data are available in nominal dollars or with adjustment for inflation, state cost of living, and public higher education system enrollment mix.



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# APPENDIX A

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Table A-1

Total Revenue from State and Local Governments,  
by State, Fiscal 2004 (dollars in thousands)

State	STATE SUPPORT													
	Total State & Local		Tax		Non-Tax		Non-Appropriated <sup>3</sup>		Endowment Earnings		Other <sup>4</sup>		Local Tax Appropriations <sup>5</sup>	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Alabama	1,169,236	99.9%	1,167,537	99.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	1,699	0.1%
Alaska	217,965	98.9%	215,635	98.9%	0	0.0%	0	0.0%	0	0.0%	1,610	0.7%	720	0.3%
Arizona	1,330,499	65.0%	864,864	65.0%	0	0.0%	2,043	0.2%	0	0.0%	0	0.0%	463,593	34.8%
Arkansas	667,247	95.8%	639,021	95.8%	20,486	3.1%	0	0.0%	0	0.0%	0	0.0%	7,741	1.2%
California	11,099,817	79.2%	8,795,143	79.2%	180,373	1.6%	1,496	0.0%	0	0.0%	0	0.0%	2,122,805	19.1%
Colorado	622,075	93.0%	578,430	93.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	43,646	7.0%
Connecticut	747,737	75.5%	564,274	75.5%	0	0.0%	0	0.0%	60	0.0%	183,403	24.5%	0	0.0%
Delaware	191,289	100.0%	191,289	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Florida	2,723,588	89.1%	2,427,943	89.1%	295,644	10.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Georgia	2,005,743	81.1%	1,627,369	81.1%	378,374	18.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Hawaii	398,836	100.0%	398,836	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Idaho	336,051	97.5%	327,551	97.5%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	8,500	2.5%
Illinois	3,318,300	63.3%	2,101,695	63.3%	5,500	0.2%	0	0.0%	0	0.0%	599,464	18.1%	611,641	18.4%
Indiana	1,360,312	100.0%	1,360,312	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Iowa	780,479	94.6%	738,463	94.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	42,016	5.4%
Kansas	835,604	80.5%	672,755	80.5%	13,077	1.6%	0	0.0%	0	0.0%	0	0.0%	149,772	17.9%
Kentucky	1,108,688	93.3%	1,034,913	93.3%	73,775	6.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Louisiana	1,245,308	97.1%	1,209,021	97.1%	0	0.0%	0	0.0%	36,287	2.9%	0	0.0%	0	0.0%
Maine	231,512	100.0%	231,512	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Maryland	1,355,356	83.4%	1,131,013	83.4%	9,019	0.7%	0	0.0%	0	0.0%	0	0.0%	215,323	15.9%
Massachusetts	995,769	83.2%	828,405	83.2%	0	0.0%	0	0.0%	0	0.0%	167,364	16.8%	0	0.0%
Michigan	2,462,293	80.6%	1,984,293	80.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	478,000	19.4%
Minnesota	1,286,064	100.0%	1,286,064	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Mississippi	811,496	94.2%	764,521	94.2%	200	0.0%	0	0.0%	900	0.1%	2,793	0.3%	43,082	5.3%
Missouri	1,045,856	82.1%	859,003	82.1%	75,509	7.2%	0	0.0%	0	0.0%	0	0.0%	111,343	10.6%
Montana	154,131	97.7%	150,576	97.7%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	3,555	2.3%
Nebraska	574,287	86.9%	498,809	86.9%	0	0.0%	0	0.0%	0	0.0%	12,386	2.2%	63,092	11.0%
Nevada	482,908	100.0%	482,908	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
New Hampshire	112,446	100.0%	112,446	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
New Jersey	1,926,764	65.3%	1,258,763	65.3%	0	0.0%	0	0.0%	0	0.0%	482,066	25.0%	185,935	9.7%
New Mexico	735,462	83.0%	610,121	83.0%	24,723	3.4%	36,724	5.0%	0	0.0%	2,176	0.3%	61,719	8.4%
New York	4,863,466	89.0%	4,326,788	89.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	536,678	11.0%
North Carolina	2,607,049	94.9%	2,474,773	94.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	132,276	5.1%
North Dakota	200,430	100.0%	200,430	100.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Ohio	2,194,809	94.4%	2,071,035	94.4%	0	0.0%	0	0.0%	760	0.0%	0	0.0%	123,014	5.6%

State	STATE SUPPORT																				
	Total State & Local			Tax Appropriations <sup>1</sup>			Non-Tax Appropriations <sup>2</sup>			Non-Appropriated <sup>3</sup>			Endowment Earnings			Other <sup>4</sup>			Local Tax Appropriations <sup>5</sup>		
	\$	%		\$	%		\$	%		\$	%		\$	%		\$	%		\$	%	
Oklahoma	796,017	92.9%	739,651	0	0.0%	16,964	2.1%	8,955	1.1%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	30,447	3.8%
Oregon	687,472	85.1%	585,187	2,451	0.4%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	99,834	14.5%
Pennsylvania	2,045,043	95.2%	1,946,617	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	98,426	4.8%
Rhode Island	171,897	100.0%	171,897	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
South Carolina	860,794	76.1%	654,870	162,565	18.9%	0	0.0%	9	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	43,349	5.0%
South Dakota	154,240	99.4%	153,283	0	0.0%	957	0.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tennessee	1,088,681	100.0%	1,088,681	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Texas	5,862,643	68.3%	4,005,465	45,675	0.8%	6,500	0.1%	216,817	3.7%	914,668	15.6%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	673,518	11.5%
Utah	614,439	98.2%	603,196	11,243	1.8%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Vermont	59,536	99.8%	59,412	0	0.0%	0	0.0%	124	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Virginia	1,358,446	99.1%	1,346,282	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	12,164	0.9%
Washington	1,360,709	100.0%	1,360,709	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
West Virginia	406,574	86.6%	351,926	53,848	13.2%	0	0.0%	1	0.0%	800	0.2%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Wisconsin	1,453,395	76.7%	1,114,812	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	338,584	23.3%
Wyoming	273,170	71.3%	194,906	0	0.0%	57,054	20.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	21,209	7.8%
U.S. <sup>6</sup>	\$69,391,926	84.4%	\$58,563,404	\$1,352,463	1.9%	\$121,738	0.2%	\$263,913	0.4%	\$2,366,730	3.4%	\$6,723,679	9.7%								

**Notes:**

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

**Source:** SHEEO SHEF

Table A-2

Public Postsecondary Gross Tuition and Fee Assessments, Reductions, and Net Tuition Revenue, by State, Fiscal 2004 (dollars in thousands)

State	Gross Tuition & Mandatory Fee Assessments		Tuition & Fees Paid by Students at Public Medical Schools		State Student Financial Aid for Public Institution Tuition & Fees <sup>1</sup>		Public Institution Discounts & Waivers <sup>2</sup>		Public Institution Net Tuition Revenue	
	\$	%	\$	%	\$	%	\$	%	\$	%
Alabama	846,823	5.7%	47,900	2.0%	17,269	2.0%	0	0.0%	781,653	92.3%
Alaska	67,755	0.0%	0	0.0%	0	0.0%	7,448	11.0%	60,307	89.0%
Arizona	677,016	1.6%	10,885	0.8%	5,159	0.8%	88,100	13.0%	572,872	84.6%
Arkansas	362,408	1.9%	7,057	0.0%	0	0.0%	77,464	21.4%	277,887	76.7%
California	2,657,767	0.4%	10,000	7.5%	200,000	9.2%	0	0.0%	2,447,767	92.1%
Colorado	826,051	0.0%	0	0.0%	76,141	9.2%	0	0.0%	749,910	90.8%
Connecticut	393,244	0.0%	0	0.0%	0	0.0%	0	0.0%	393,244	100.0%
Delaware	258,527	0.0%	0	3.8%	9,861	3.8%	0	0.0%	248,666	96.2%
Florida	1,280,713	0.0%	0	20.3%	260,000	20.3%	147,231	11.5%	873,482	68.2%
Georgia	797,140	2.0%	15,650	33.4%	265,853	33.4%	159,428	20.0%	356,208	44.7%
Hawaii	83,470	0.0%	0	0.0%	0	0.0%	0	0.0%	83,470	100.0%
Idaho	111,400	0.0%	0	5.5%	6,100	5.5%	22,014	19.8%	83,286	74.8%
Illinois	1,364,349	3.0%	40,266	14.1%	192,643	14.1%	207,710	15.2%	923,730	67.7%
Indiana	1,318,436	3.3%	43,188	7.7%	101,035	7.7%	84,437	6.4%	1,089,776	82.7%
Iowa	558,383	0.0%	0	0.7%	3,648	0.7%	0	0.0%	554,735	99.3%
Kansas	396,318	6.0%	23,933	21.4%	5,956	1.5%	0	0.0%	366,429	92.5%
Kentucky	540,050	2.6%	14,184	19.1%	115,452	21.4%	8,714	1.6%	401,699	74.4%
Louisiana	521,004	4.4%	23,181	4.2%	99,519	19.1%	40,947	7.9%	357,357	68.6%
Maine	189,790	0.0%	0	4.2%	7,916	4.2%	12,584	6.6%	169,290	89.2%
Maryland	1,082,103	2.5%	26,791	5.3%	57,643	5.3%	43,095	4.0%	954,574	88.2%
Massachusetts	677,127	0.4%	2,715	9.7%	65,453	9.7%	56,123	8.3%	552,836	81.6%
Michigan	2,352,580	4.0%	94,600	4.2%	98,995	4.2%	0	0.0%	2,158,985	91.8%
Minnesota	898,916	4.3%	38,361	6.9%	62,343	6.9%	42,116	4.7%	756,096	84.1%
Mississippi	435,503	1.2%	5,299	6.5%	28,238	6.5%	79,250	18.2%	322,715	74.1%
Missouri	852,258	7.5%	63,678	2.6%	22,118	2.6%	179,627	21.1%	586,836	68.9%
Montana	154,598	0.0%	0	0.0%	0	0.0%	15,989	10.3%	138,609	89.7%
Nebraska	299,505	3.4%	10,146	0.0%	0	0.0%	49,519	16.5%	239,839	80.1%
Nevada	126,658	0.0%	0	0.0%	0	0.0%	0	0.0%	126,658	100.0%
New Hampshire	190,498	0.0%	0	0.0%	0	0.0%	30,916	16.2%	159,583	83.8%
New Jersey	1,128,321	4.8%	54,683	12.2%	137,793	12.2%	0	0.0%	935,845	82.9%
New Mexico	166,703	1.9%	3,156	18.7%	31,112	18.7%	44,078	26.4%	88,357	53.0%
New York	2,303,176	0.0%	0	17.9%	411,349	17.9%	133,781	5.8%	1,758,046	76.3%
North Carolina	834,627	1.1%	9,000	11.3%	93,916	11.3%	36,000	4.3%	695,711	83.4%
North Dakota	131,740	5.8%	7,608	1.1%	1,467	1.1%	16,050	12.2%	106,615	80.9%
Ohio	2,397,134	3.7%	89,702	5.5%	130,675	5.5%	443,485	18.5%	1,733,271	72.3%

State	Gross Tuition & Mandatory Fee Assessments		Tuition & Fees Paid by Students at Public Medical Schools		State Student Financial Aid for Public Institution Tuition & Fees <sup>1</sup>		Public Institution Discounts & Waivers <sup>2</sup>		Public Institution Net Tuition Revenue	
	\$	%	\$	%	\$	%	\$	%	\$	%
Oklahoma	432,665	7.7%	33,391	8.8%	37,919	8.8%	71,771	16.6%	289,584	66.9%
Oregon	663,686	0.0%	0	0.0%	0	0.0%	34,933	5.3%	628,753	94.7%
Pennsylvania	2,220,518	3.4%	76,346	7.7%	170,597	7.7%	0	0.0%	1,973,574	88.9%
Rhode Island	178,009	0.0%	0	0.0%	0	0.0%	0	0.0%	178,009	100.0%
South Carolina	365,223	5.7%	20,716	5.7%	0	0.0%	0	0.0%	344,506	94.3%
South Dakota	131,344	2.3%	3,020	2.3%	89	0.1%	0	0.0%	128,235	97.6%
Tennessee	749,650	4.6%	34,321	4.6%	28,244	3.8%	2,501	0.3%	684,584	91.3%
Texas	2,484,739	1.0%	24,913	1.0%	22,410	0.9%	139,542	5.6%	2,297,873	92.5%
Utah	338,003	2.3%	7,692	2.3%	6,086	1.8%	46,501	13.8%	277,724	82.2%
Vermont	221,209	6.0%	13,237	6.0%	0	0.0%	39,062	17.7%	168,909	76.4%
Virginia	1,135,119	3.7%	41,497	3.7%	82,530	7.3%	0	0.0%	1,011,092	89.1%
Washington	540,818	6.1%	33,028	6.1%	118,929	22.0%	0	0.0%	388,861	71.9%
West Virginia	327,424	6.8%	22,167	6.8%	34,660	10.6%	41,252	12.6%	229,345	70.0%
Wisconsin	797,392	2.1%	17,063	2.1%	0	0.0%	0	0.0%	780,329	97.9%
Wyoming	63,775	0.0%	0	0.0%	9,498	14.9%	7,945	12.5%	46,332	72.6%
U.S. <sup>3</sup>	\$37,931,664		\$969,377	2.6%	\$3,018,618	8.0%	\$2,409,615	6.4%	\$31,534,054	83.1%

**Notes:**

1. Some states were unable to separate state aid for living expenses from state aid for tuition & fees.
2. Institutional discounts and waivers are student enrollment incentives that reduce the amount of revenue the institution would have collected had gross tuition and mandatory fee assessments been collected. Institutional aid is not reflected.
3. Rows may not add to U.S. total due to rounding.

**Source:** SHEEO SHEF

Table A-3

State, Local, and Net Tuition Revenue,  
by State, Fiscal 2004 (dollars in thousands)

State	Total State, Local, & Net Tuition Revenue		State Sources Total <sup>1</sup>		Local Tax Appropriations <sup>2</sup>		Net Tuition Revenue <sup>3</sup>	
	\$	%	\$	%	\$	%	\$	%
Alabama	1,950,889	59.8%	1,167,537	59.8%	1,699	0.1%	781,653	40.1%
Alaska	278,271	78.1%	217,245	78.1%	720	0.3%	60,307	21.7%
Arizona	1,903,371	45.5%	866,906	45.5%	463,593	24.4%	572,872	30.1%
Arkansas	945,134	69.8%	659,507	69.8%	7,741	0.8%	277,887	29.4%
California	13,547,584	66.3%	8,977,012	66.3%	2,122,805	15.7%	2,447,767	18.1%
Colorado	1,371,985	42.2%	578,430	42.2%	43,646	3.2%	749,910	54.7%
Connecticut	1,140,981	65.5%	747,737	65.5%	0	0.0%	393,244	34.5%
Delaware	439,955	43.5%	191,289	43.5%	0	0.0%	248,666	56.5%
Florida	3,597,069	75.7%	2,723,588	75.7%	0	0.0%	873,482	24.3%
Georgia	2,361,951	84.9%	2,005,743	84.9%	0	0.0%	356,208	15.1%
Hawaii	482,306	82.7%	398,836	82.7%	0	0.0%	83,470	17.3%
Idaho	419,337	78.1%	327,551	78.1%	8,500	2.0%	83,286	19.9%
Illinois	4,242,030	63.8%	2,706,659	63.8%	611,641	14.4%	923,730	21.8%
Indiana	2,450,088	55.5%	1,360,312	55.5%	0	0.0%	1,089,776	44.5%
Iowa	1,335,215	55.3%	738,463	55.3%	42,016	3.1%	554,735	41.5%
Kansas	1,202,033	57.1%	685,832	57.1%	149,772	12.5%	366,429	30.5%
Kentucky	1,510,387	73.4%	1,108,688	73.4%	0	0.0%	401,699	26.6%
Louisiana	1,602,664	77.7%	1,245,308	77.7%	0	0.0%	357,357	22.3%
Maine	400,802	57.8%	231,512	57.8%	0	0.0%	169,290	42.2%
Maryland	2,309,930	49.4%	1,140,033	49.4%	215,323	9.3%	954,574	41.3%
Massachusetts	1,548,605	64.3%	995,769	64.3%	0	0.0%	552,836	35.7%
Michigan	4,621,277	42.9%	1,984,293	42.9%	478,000	10.3%	2,158,985	46.7%
Minnesota	2,042,160	63.0%	1,286,064	63.0%	0	0.0%	756,096	37.0%
Mississippi	1,134,211	67.7%	768,414	67.7%	43,082	3.8%	322,715	28.5%
Missouri	1,632,691	57.2%	934,512	57.2%	111,343	6.8%	586,836	35.9%
Montana	292,740	51.4%	150,576	51.4%	3,555	1.2%	138,609	47.3%
Nebraska	814,126	62.8%	511,195	62.8%	63,092	7.7%	239,839	29.5%
Nevada	609,566	79.2%	482,908	79.2%	0	0.0%	126,658	20.8%
New Hampshire	272,029	41.3%	112,446	41.3%	0	0.0%	159,583	58.7%
New Jersey	2,862,609	60.8%	1,740,829	60.8%	185,935	6.5%	935,845	32.7%
New Mexico	823,818	81.8%	673,743	81.8%	61,719	7.5%	88,357	10.7%
New York	6,621,512	65.3%	4,326,788	65.3%	536,678	8.1%	1,758,046	26.6%
North Carolina	3,302,760	74.9%	2,474,773	74.9%	132,276	4.0%	695,711	21.1%
North Dakota	307,045	65.3%	200,430	65.3%	0	0.0%	106,615	34.7%
Ohio	3,928,080	52.7%	2,071,795	52.7%	123,014	3.1%	1,733,271	44.1%

State	Total State, Local, & Net Tuition Revenue		State Sources Total <sup>1</sup>		Local Tax Appropriations <sup>2</sup>		Net Tuition Revenue <sup>3</sup>	
	\$	%	\$	%	\$	%	\$	%
Oklahoma	1,085,602	70.5%	765,570	70.5%	30,447	2.8%	289,584	26.7%
Oregon	1,316,225	44.6%	587,638	44.6%	99,834	7.6%	628,753	47.8%
Pennsylvania	4,018,617	48.4%	1,946,617	48.4%	98,426	2.4%	1,973,574	49.1%
Rhode Island	349,905	49.1%	171,897	49.1%	0	0.0%	178,009	50.9%
South Carolina	1,205,301	67.8%	817,445	67.8%	43,349	3.6%	344,506	28.6%
South Dakota	282,475	54.6%	154,240	54.6%	0	0.0%	128,235	45.4%
Tennessee	1,773,264	61.4%	1,088,681	61.4%	0	0.0%	684,584	38.6%
Texas	8,160,515	63.6%	5,189,125	63.6%	673,518	8.3%	2,297,873	28.2%
Utah	892,163	68.9%	614,439	68.9%	0	0.0%	277,724	31.1%
Vermont	228,445	26.1%	59,536	26.1%	0	0.0%	168,909	73.9%
Virginia	2,369,538	56.8%	1,346,282	56.8%	12,164	0.5%	1,011,092	42.7%
Washington	1,749,570	77.8%	1,360,709	77.8%	0	0.0%	388,861	22.2%
West Virginia	635,919	63.9%	406,574	63.9%	0	0.0%	229,345	36.1%
Wisconsin	2,233,724	49.9%	1,114,812	49.9%	338,584	15.2%	780,329	34.9%
Wyoming	319,502	78.9%	251,961	78.9%	21,209	6.6%	46,332	14.5%
U.S. <sup>4</sup>	\$100,925,980	62.1%	\$62,668,247	62.1%	\$6,723,679	6.7%	\$31,534,054	31.2%

**Notes:**

1. State appropriations of tax and non-tax revenue plus non-appropriated support.
2. Appropriations from local government taxes to higher education institutions for operations.
3. Public postsecondary gross tuition and mandatory fee assessments, less tuition/fees paid by public medical school students, less state-appropriated student financial aid for public postsecondary tuition/fees, less discounts and waivers.
4. Rows may not add to U.S. total due to rounding.

**Source:** SHEEO SHEF

Table A-4

Overview of Major Sources and Uses of State and Local Government Revenue, by State, Fiscal 2004 (dollars in thousands)

State	SOURCES		USES				Amount Remaining for Higher Ed Operations		
	State & Local Total		Research-Ag-Med		Other <sup>1</sup>		\$	%	
	\$	%	\$	%	\$	%	\$	%	
Alabama	1,169,236	26.0%	303,897	26.0%	22,245	1.9%	843,094	72.1%	
Alaska	217,965	9.1%	19,847	9.1%	0	0.0%	198,117	90.9%	
Arizona	1,330,499	9.4%	125,130	9.4%	9,629	0.7%	1,195,740	89.9%	
Arkansas	667,247	23.4%	156,215	23.4%	8,338	1.2%	502,694	75.3%	
California	11,099,817	8.5%	941,396	8.5%	449,818	4.1%	9,708,603	87.5%	
Colorado	622,075	15.6%	97,347	15.6%	84,777	13.6%	439,952	70.7%	
Connecticut	747,737	14.2%	106,450	14.2%	16,870	2.3%	624,417	83.5%	
Delaware	191,289	4.2%	7,977	4.2%	10,581	5.5%	172,731	90.3%	
Florida	2,723,588	10.2%	276,818	10.2%	427,503	15.7%	2,019,266	74.1%	
Georgia	2,005,743	13.7%	275,534	13.7%	318,425	15.9%	1,411,785	70.4%	
Hawaii	398,836	15.0%	59,808	15.0%	0	0.0%	339,028	85.0%	
Idaho	336,051	10.0%	33,676	10.0%	7,319	2.2%	295,056	87.8%	
Illinois	3,318,300	14.8%	492,528	14.8%	380,505	11.5%	2,445,267	73.7%	
Indiana	1,360,312	13.3%	180,427	13.3%	166,431	12.2%	1,013,454	74.5%	
Iowa	780,479	14.9%	115,944	14.9%	49,632	6.4%	614,903	78.8%	
Kansas	835,604	20.8%	174,118	20.8%	12,634	1.5%	648,852	77.7%	
Kentucky	1,108,688	14.8%	163,695	14.8%	140,148	12.6%	804,845	72.6%	
Louisiana	1,245,308	24.5%	304,844	24.5%	114,502	9.2%	825,962	66.3%	
Maine	231,512	10.2%	23,589	10.2%	12,179	5.3%	195,744	84.6%	
Maryland	1,355,356	30.2%	409,944	30.2%	113,038	8.3%	832,374	61.4%	
Massachusetts	995,769	2.7%	26,421	2.7%	104,816	10.5%	864,532	86.8%	
Michigan	2,462,293	9.7%	239,444	9.7%	194,259	7.9%	2,028,589	82.4%	
Minnesota	1,286,064	13.3%	171,491	13.3%	120,605	9.4%	993,968	77.3%	
Mississippi	811,496	27.8%	225,614	27.8%	33,483	4.1%	552,399	68.1%	
Missouri	1,045,856	2.8%	29,796	2.8%	61,476	5.9%	954,584	91.3%	
Montana	154,131	9.1%	14,034	9.1%	0	0.0%	140,097	90.9%	
Nebraska	574,287	31.2%	179,365	31.2%	4,469	0.8%	390,452	68.0%	
Nevada	482,908	7.2%	34,682	7.2%	0	0.0%	448,226	92.8%	
New Hampshire	112,446	10.9%	12,290	10.9%	1,100	1.0%	99,056	88.1%	
New Jersey	1,926,764	209,713	10.9%	209,713	10.9%	227,352	11.8%	1,489,699	77.3%
New Mexico	735,462	17.5%	128,432	17.5%	35,729	4.9%	571,300	77.7%	
New York	4,863,466	6.7%	328,027	6.7%	733,349	15.1%	3,802,090	78.2%	
North Carolina	2,607,049	15.8%	413,118	15.8%	176,577	6.8%	2,017,354	77.4%	
North Dakota	200,430	21.4%	42,842	21.4%	1,756	0.9%	155,832	77.7%	
Ohio	2,194,809	14.8%	325,080	14.8%	228,319	10.4%	1,641,410	74.8%	

State	SOURCES			USES			Amount Remaining for Higher Ed Operations			
	State & Local Total	Research-Ag-Med		Other <sup>1</sup>	Other <sup>1</sup>		\$	%	\$	%
		\$	%		\$	%				
Oklahoma	796,017	141,988	17.8%	42,043	5.3%	611,986	76.9%			
Oregon	687,472	93,763	13.6%	0	0.0%	593,709	86.4%			
Pennsylvania	2,045,043	88,880	4.3%	398,892	19.5%	1,557,271	76.1%			
Rhode Island	171,897	0	0.0%	0	0.0%	171,897	100.0%			
South Carolina	860,794	153,418	17.8%	23,778	2.8%	683,598	79.4%			
South Dakota	154,240	30,276	19.6%	89	0.1%	123,874	80.3%			
Tennessee	1,088,681	216,310	19.9%	44,478	4.1%	827,892	76.0%			
Texas	5,862,643	1,475,923	25.2%	115,512	2.0%	4,271,208	72.9%			
Utah	614,439	62,744	10.2%	6,306	1.0%	545,389	88.8%			
Vermont	59,536	13,714	23.0%	0	0.0%	45,822	77.0%			
Virginia	1,358,446	120,203	8.8%	142,754	10.5%	1,095,489	80.6%			
Washington	1,360,709	120,060	8.8%	147,357	10.8%	1,093,292	80.3%			
West Virginia	406,574	119,359	29.4%	39,629	9.7%	247,586	60.9%			
Wisconsin	1,453,395	147,466	10.1%	5,424	0.4%	1,300,504	89.5%			
Wyoming	273,170	20,738	7.6%	9,498	3.5%	242,933	88.9%			
U.S. <sup>2</sup>	\$69,391,926	\$9,454,378	13.6%	\$5,243,625	7.6%	\$54,693,923	78.8%			

**Notes:**

1. Other = State-funded financial aid for institutions out of state, public and independent in-state institutions, and appropriations for independent institution operations and capital outlay.
2. Rows may not add to U.S. total due to rounding.

**Source:** SHEEO SHEF

Table A-5

State and Local Appropriations for Public Postsecondary Research, Agricultural Extension, and Medical Schools, by Activity and State, Fiscal 2004 (dollars in thousands)

State	Research Agriculture Medical		Research Centers, Labs & Institutes		Ag. Experiment Stations & Cooperative Extension		Teaching Hospitals & Public Service Patient Care <sup>1</sup>		Medical <sup>2</sup> Schools		
		\$	%	\$	%	\$	%	\$	%	\$	%
Alabama	303,897	3,320	1.1%	57,897	19.1%	0	0.0%	242,680	79.9%		
Alaska	19,847	16,832	84.8%	3,015	15.2%	0	0.0%	0	0.0%		
Arizona	125,130	34,179	27.3%	38,093	30.4%	52,858	42.2%	0	0.0%		
Arkansas	156,215	22,820	14.6%	54,021	34.6%	79,374	50.8%	0	0.0%		
California	941,396	224,634	23.9%	52,601	5.6%	308,738	32.8%	0	0.0%	355,423	37.8%
Colorado	97,347	0	0.0%	11,384	11.7%	0	0.0%	0	0.0%	85,962	88.3%
Connecticut	106,450	2,935	2.8%	3,054	2.9%	0	0.0%	0	0.0%	100,461	94.4%
Delaware	7,977	1,675	21.0%	3,857	48.3%	0	0.0%	0	0.0%	2,445	30.7%
Florida	276,818	0	0.0%	110,550	39.9%	0	0.0%	0	0.0%	166,269	60.1%
Georgia	275,534	45,900	16.7%	79,219	28.8%	33,168	12.0%	0	0.0%	117,247	42.6%
Hawaii	59,808	35,155	58.8%	5,136	8.6%	0	0.0%	0	0.0%	19,517	32.6%
Idaho	33,676	2,318	6.9%	23,817	70.7%	0	0.0%	0	0.0%	7,541	22.4%
Illinois	492,528	163,685	33.2%	24,144	4.9%	44,423	9.0%	0	0.0%	260,276	52.8%
Indiana	180,427	4,708	2.6%	77,341	42.9%	0	0.0%	0	0.0%	98,378	54.5%
Iowa	115,944	13,778	11.9%	50,972	44.0%	0	0.0%	0	0.0%	51,195	44.2%
Kansas	174,118	17,482	10.0%	46,678	26.8%	109,957	63.2%	0	0.0%	0	0.0%
Kentucky	163,695	757	0.5%	58,720	35.9%	18,553	11.3%	0	0.0%	85,664	52.3%
Louisiana	304,844	32,510	10.7%	78,781	25.8%	14,400	4.7%	0	0.0%	179,153	58.8%
Maine	23,589	10,200	43.2%	13,389	56.8%	0	0.0%	0	0.0%	0	0.0%
Maryland	409,944	214,424	52.3%	30,349	7.4%	87,082	21.2%	0	0.0%	78,090	19.0%
Massachusetts	26,421	0	0.0%	0	0.0%	26,421	100.0%	0	0.0%	0	0.0%
Michigan	239,444	109,000	45.5%	61,768	25.8%	0	0.0%	0	0.0%	68,676	28.7%
Minnesota	171,491	49,844	29.1%	50,625	29.5%	0	0.0%	0	0.0%	71,022	41.4%
Mississippi	225,614	17,780	7.9%	47,043	20.9%	22,050	9.8%	138,741	61.5%	0	0.0%
Missouri	29,796	4,244	14.2%	0	0.0%	25,552	85.8%	0	0.0%	0	0.0%
Montana	14,034	737	5.3%	13,297	94.7%	0	0.0%	0	0.0%	0	0.0%
Nebraska	179,365	11,719	6.5%	69,092	38.5%	0	0.0%	0	0.0%	98,554	54.9%
Nevada	34,682	0	0.0%	13,763	39.7%	0	0.0%	0	0.0%	20,919	60.3%
New Hampshire	12,290	976	7.9%	11,314	92.1%	0	0.0%	0	0.0%	0	0.0%
New Jersey	209,713	2,513	1.2%	24,358	11.6%	0	0.0%	0	0.0%	182,842	87.2%
New Mexico	128,432	35,552	27.7%	21,615	16.8%	44,241	34.4%	0	0.0%	27,025	21.0%
New York	328,027	59,186	18.0%	15,700	4.8%	13,708	4.2%	0	0.0%	239,433	73.0%
North Carolina	413,118	29,265	7.1%	80,795	19.6%	38,556	9.3%	0	0.0%	264,502	64.0%
North Dakota	42,842	2,375	5.5%	25,384	59.3%	0	0.0%	0	0.0%	15,083	35.2%
Ohio	325,080	122,215	37.6%	24,619	7.6%	178,246	54.8%	0	0.0%	0	0.0%

State	Research Agriculture Medical		Research Centers, Labs & Institutes		Ag. Experiment Stations & Cooperative Extension		Teaching Hospitals & Public Service Patient Care <sup>1</sup>		Medical <sup>2</sup> Schools		
	Total	\$	%	\$	%	\$	%	\$	%	\$	%
Oklahoma	141,988	2,560	1.8%	42,105	29.7%	0	0.0%	97,323	68.5%		
Oregon	93,763	6,436	6.9%	44,437	47.4%	0	0.0%	42,890	45.7%		
Pennsylvania	88,880	22,922	25.8%	27,580	31.0%	11,447	12.9%	26,931	30.3%		
Rhode Island	0	0	0.0%	0	0.0%	0	0.0%	0	0.0%		
South Carolina	153,418	0	0.0%	36,881	24.0%	13,857	9.0%	102,681	66.9%		
South Dakota	30,276	1,333	4.4%	15,553	51.4%	0	0.0%	13,390	44.2%		
Tennessee	216,310	25,542	11.8%	45,333	21.0%	68,640	31.7%	76,795	35.5%		
Texas	1,475,923	215,036	14.6%	118,114	8.0%	986,599	66.8%	156,174	10.6%		
Utah	62,744	2,250	3.6%	27,212	43.4%	12,773	20.4%	20,509	32.7%		
Vermont	13,714	0	0.0%	8,833	64.4%	0	0.0%	4,881	35.6%		
Virginia	120,203	16,836	14.0%	54,754	45.6%	0	0.0%	48,613	40.4%		
Washington	120,060	25,233	21.0%	20,526	17.1%	15,940	13.3%	58,361	48.6%		
West Virginia	119,359	3,299	2.8%	20,769	17.4%	8,834	7.4%	86,458	72.4%		
Wisconsin	147,466	72,292	49.0%	26,764	18.1%	8,081	5.5%	40,330	27.3%		
Wyoming	20,738	1,318	6.4%	12,257	59.1%	4,643	22.4%	2,521	12.2%		
U.S. <sup>3</sup>	\$9,454,378	\$1,687,775	17.9%	\$1,783,508	18.9%	\$2,228,142	23.6%	\$3,754,953	39.7%		

**Notes:**

1. Appropriations for direct operation and administrative support of all medical, dental, veterinary, optometry, pharmacy, mental health, nursing, and other health science institutes, clinics, labs, and dispensaries primarily serving the public.
2. Appropriations for direct operation and administrative support of the major types of medical schools and centers – medical, dental, veterinary, and osteopathic – corresponding to the medical enrollments excluded from net FTE calculation.
3. Rows may not add to U.S. total due to rounding.

**Source:** SHEEO SHEF

Table A-6

Uses of State and Local Government Revenue,  
by State, Fiscal 2004 (dollars in thousands)

State	Research-Ag-Med Total <sup>1</sup>		Independent Institutions <sup>2</sup>		Independent Institution Student Financial Aid <sup>3</sup>		State Support Financial Aid for Public T&F		Other Student Financial Aid <sup>4</sup>		Amount Remaining for Higher Ed Operations	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Alabama	1,169,236	26.0%	303,897	0.2%	1,946	0.2%	17,269	1.5%	473	0.04%	843,094	72.1%
Alaska	217,965	9.1%	19,847	0.0%	0	0.0%	0	0.0%	0	0.00%	198,117	90.9%
Arizona	1,330,499	9.4%	125,130	0.0%	171	0.0%	5,159	0.4%	4,299	0.32%	1,195,740	89.9%
Arkansas	667,247	23.4%	156,215	0.0%	5,730	0.9%	0	0.0%	2,608	0.39%	502,694	75.3%
California	11,099,817	8.5%	941,396	0.0%	249,818	2.3%	200,000	1.8%	0	0.00%	9,708,603	87.5%
Colorado	622,075	15.6%	97,347	1.4%	8,636	0.0%	76,141	12.2%	0	0.00%	439,952	70.7%
Connecticut	747,737	14.2%	106,450	0.0%	16,355	2.2%	0	0.0%	514	0.07%	624,417	83.5%
Delaware	191,289	4.2%	7,977	0.0%	0	0.0%	9,861	5.2%	720	0.38%	172,731	90.3%
Florida	2,723,588	10.2%	276,818	1.3%	36,640	4.8%	260,000	9.5%	0	0.00%	2,019,266	74.1%
Georgia	2,005,743	13.7%	275,534	1.7%	1,745	2.5%	265,853	13.3%	446	0.02%	1,411,785	70.4%
Hawaii	398,836	15.0%	59,808	0.0%	0	0.0%	0	0.0%	0	0.00%	339,028	85.0%
Idaho	336,051	10.0%	33,676	0.0%	1,219	0.4%	6,100	1.8%	0	0.00%	295,056	87.8%
Illinois	3,318,300	14.8%	492,528	0.6%	18,329	5.1%	192,643	5.8%	0	0.00%	2,445,267	73.7%
Indiana	1,360,312	13.3%	180,427	0.0%	64,784	4.8%	101,035	7.4%	612	0.05%	1,013,454	74.5%
Iowa	780,479	14.9%	115,944	0.0%	45,984	5.9%	3,648	0.5%	0	0.00%	614,903	78.8%
Kansas	835,604	20.8%	174,118	0.0%	6,678	0.8%	5,956	0.7%	0	0.00%	648,852	77.7%
Kentucky	1,108,688	14.8%	163,695	0.0%	24,696	2.2%	115,452	10.4%	0	0.00%	804,845	72.6%
Louisiana	1,245,308	24.5%	304,844	4.2%	10,755	0.9%	99,519	8.0%	0	0.00%	825,962	66.3%
Maine	231,512	10.2%	23,589	0.0%	2,070	0.9%	7,916	3.4%	2,192	0.95%	195,744	84.6%
Maryland	1,355,356	30.2%	409,944	35.5%	15,971	1.2%	57,643	4.3%	3,910	0.29%	832,374	61.4%
Massachusetts	995,769	2.7%	26,421	3.0%	3,004	3.7%	65,453	6.6%	0	0.00%	864,532	86.8%
Michigan	2,462,293	9.7%	239,444	4.5%	4,547	3.5%	98,995	4.0%	4,500	0.18%	2,028,589	82.4%
Minnesota	1,286,064	13.3%	171,491	1.3%	1,391	4.4%	62,343	4.8%	0	0.00%	993,968	77.3%
Mississippi	811,496	27.8%	225,614	0.0%	5,139	0.6%	28,238	3.5%	106	0.01%	552,399	68.1%
Missouri	1,045,856	2.8%	29,796	0.0%	18,998	1.8%	22,118	2.1%	20,360	1.95%	954,584	91.3%
Montana	154,131	9.1%	14,034	0.0%	0	0.0%	0	0.0%	0	0.00%	140,097	90.9%
Nebraska	574,287	31.2%	179,365	0.0%	3,399	0.6%	0	0.0%	1,071	0.19%	390,452	68.0%
Nevada	482,908	7.2%	34,682	0.0%	0	0.0%	0	0.0%	0	0.00%	448,226	92.8%
New Hampshire	112,446	10.9%	12,290	0.0%	670	0.6%	0	0.0%	430	0.38%	99,056	88.1%
New Jersey	1,926,764	10.9%	209,713	22.7%	22,762	3.5%	137,793	7.2%	0	0.00%	1,489,699	77.3%
New Mexico	735,462	17.5%	128,432	0.0%	1,068	0.1%	31,112	4.2%	3,550	0.48%	571,300	77.7%
New York	4,863,466	6.7%	328,027	0.9%	44,250	5.7%	411,349	8.5%	50	0.00%	3,802,090	78.2%
North Carolina	2,607,049	15.8%	413,118	0.0%	81,776	3.1%	93,916	3.6%	885	0.03%	2,017,354	77.4%
North Dakota	200,430	21.4%	42,842	0.0%	289	0.1%	1,467	0.7%	0	0.00%	155,832	77.7%
Ohio	2,194,809	14.8%	325,080	0.3%	6,669	4.1%	130,675	6.0%	904	0.04%	1,641,410	74.8%

State	Research-Ag-Med Total <sup>1</sup>		Independent Institutions <sup>2</sup>		Independent Institution Student Financial Aid <sup>3</sup>		State Support Financial Aid for Public T&F		Other Student Financial Aid <sup>4</sup>		Amount Remaining for Higher Ed Operations	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Oklahoma	796,017	17.8%	0	0.0%	4,124	0.5%	37,919	4.8%	0	0.00%	611,986	76.9%
Oregon	687,472	13.6%	0	0.0%	0	0.0%	0	0.0%	0	0.00%	593,709	86.4%
Pennsylvania	2,045,043	4.3%	47,811	2.3%	180,484	8.8%	170,597	8.3%	0	0.00%	1,557,271	76.1%
Rhode Island	171,897	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.00%	171,897	100.0%
South Carolina	860,794	17.8%	3,000	0.3%	19,675	2.3%	0	0.0%	1,103	0.13%	683,598	79.4%
South Dakota	154,240	19.6%	0	0.0%	0	0.0%	89	0.1%	0	0.00%	123,874	80.3%
Tennessee	1,088,681	19.9%	0	0.0%	16,234	1.5%	28,244	2.6%	0	0.00%	827,892	76.0%
Texas	5,862,643	25.2%	0	0.0%	93,102	1.6%	22,410	0.4%	0	0.00%	4,271,208	72.9%
Utah	614,439	10.2%	0	0.0%	220	0.0%	6,086	1.0%	0	0.00%	545,389	88.8%
Vermont	59,536	13.7%	0	0.0%	0	0.0%	0	0.0%	0	0.00%	45,822	77.0%
Virginia	1,358,446	8.8%	20,688	1.5%	38,056	2.8%	82,530	6.1%	1,480	0.11%	1,095,489	80.6%
Washington	1,360,709	8.8%	0	0.0%	28,428	2.1%	118,929	8.7%	0	0.00%	1,093,292	80.3%
West Virginia	406,574	29.4%	0	0.0%	4,935	1.2%	34,660	8.5%	34	0.01%	247,586	60.9%
Wisconsin	1,453,395	10.1%	5,424	0.4%	0	0.0%	0	0.0%	0	0.00%	1,300,504	89.5%
Wyoming	273,170	7.6%	0	0.0%	0	0.0%	9,498	3.5%	0	0.00%	242,933	88.9%
U.S. <sup>5</sup>	\$69,391,926	13.6%	\$267,197	0.4%	\$1,907,564	2.7%	\$3,018,618	4.4%	\$50,246	0.07%	\$54,693,923	78.8%

**Notes:**

1. See Table A-5 for items included in Research-Ag-Med.
2. Capital outlay dollars for new construction and debt retirement (Wisconsin only): funding for operations (all other states).
3. Includes dollars intended solely for students attending in-state independent institutions and the independent sector's share of the state financial aid program.
4. Includes student financial aid for residents attending out-of-state institutions and appropriated aid that did not flow through state student financial assistance office.
5. Rows may not add to U.S. total due to rounding.

**Source:** SHEEO SHEF

Table A-7

Impact of Enrollment Mix and Cost of Living Adjustments on Interstate Comparison of Total Educational Revenues per FTE, Fiscal 2004

State	UNADJUSTED		ADJUSTED FOR ENROLLMENT MIX		ADJUSTED FOR COST OF LIVING		ADJUSTED FOR ENROLLMENT & COL	
	\$ / FTE	% of U.S. Average	\$ / FTE	% of U.S. Average	\$ / FTE	% of U.S. Average	\$ / FTE	% of U.S. Average
Alabama	8,957	100%	9,615	108%	9,872	111%	10,597	119%
Alaska	6,872	77%	6,955	78%	5,921	66%	5,992	67%
Arizona	8,412	94%	8,131	91%	9,008	101%	8,706	98%
Arkansas	8,078	91%	8,281	93%	9,049	101%	9,276	104%
California	7,611	85%	8,260	93%	7,492	84%	8,131	91%
Colorado	7,855	88%	7,531	84%	7,702	86%	7,385	83%
Connecticut	14,532	163%	14,489	162%	12,540	141%	12,504	140%
Delaware	14,596	164%	12,639	142%	14,598	164%	12,641	142%
Florida	6,306	71%	6,197	69%	6,756	76%	6,639	74%
Georgia	9,927	111%	9,608	108%	10,438	117%	10,103	113%
Hawaii	11,921	134%	11,331	127%	10,271	115%	9,763	109%
Idaho	7,722	87%	7,419	83%	8,419	94%	8,088	91%
Illinois	9,220	103%	9,385	105%	8,671	97%	8,826	99%
Indiana	10,093	113%	9,187	103%	10,004	112%	9,106	102%
Iowa	9,967	112%	9,396	105%	9,966	112%	9,395	105%
Kansas	9,264	104%	8,773	98%	9,199	103%	8,712	98%
Kentucky	9,136	102%	8,850	99%	9,999	112%	9,686	109%
Louisiana	6,999	78%	6,817	76%	7,722	87%	7,520	84%
Maine	10,805	121%	10,663	119%	10,641	119%	10,501	118%
Maryland	11,145	125%	11,052	124%	10,905	122%	10,813	121%
Massachusetts	11,041	124%	11,288	126%	9,513	107%	9,725	109%
Michigan	11,987	134%	11,346	127%	11,548	129%	10,930	122%
Minnesota	9,547	107%	9,717	109%	8,957	100%	9,117	102%
Mississippi	6,192	69%	6,020	67%	7,012	79%	6,817	76%
Missouri	11,282	126%	11,612	130%	11,201	126%	11,529	129%
Montana	7,788	87%	7,606	85%	8,628	97%	8,426	94%
Nebraska	8,839	99%	8,599	96%	8,722	98%	8,485	95%
Nevada	10,047	113%	10,007	112%	10,195	114%	10,154	114%
New Hampshire	8,517	95%	7,687	86%	7,811	88%	7,050	79%
New Jersey	12,705	142%	13,238	148%	11,179	125%	11,648	131%
New Mexico	8,656	97%	8,167	92%	9,529	107%	8,990	101%
New York	10,271	115%	10,888	122%	9,476	106%	10,045	113%
North Carolina	8,907	100%	9,115	102%	9,430	106%	9,651	108%
North Dakota	7,290	82%	7,392	83%	7,386	83%	7,489	84%
Ohio	9,257	104%	8,605	96%	9,100	102%	8,460	95%

State	UNADJUSTED		ADJUSTED FOR ENROLLMENT MIX		ADJUSTED FOR COST OF LIVING		ADJUSTED FOR ENROLLMENT & COL	
	\$ / FTE	% of U.S. Average	\$ / FTE	% of U.S. Average	\$ / FTE	% of U.S. Average	\$ / FTE	% of U.S. Average
Oklahoma	7,043	79%	6,894	77%	7,879	88%	7,712	86%
Oregon	9,826	110%	9,642	108%	9,996	112%	9,808	110%
Pennsylvania	11,471	129%	10,949	123%	11,299	127%	10,784	121%
Rhode Island	12,580	141%	11,781	132%	11,733	131%	10,988	123%
South Carolina	7,498	84%	7,384	83%	8,127	91%	8,004	90%
South Dakota	8,968	100%	9,228	103%	8,990	101%	9,251	104%
Tennessee	9,094	102%	8,882	100%	9,806	110%	9,578	107%
Texas	8,109	91%	8,119	91%	9,011	101%	9,021	101%
Utah	7,604	85%	7,169	80%	7,951	89%	7,497	84%
Vermont	12,065	135%	10,443	117%	11,643	130%	10,078	113%
Virginia	8,500	95%	8,092	91%	8,639	97%	8,224	92%
Washington	7,276	82%	7,533	84%	7,191	81%	7,445	83%
West Virginia	7,436	83%	7,377	83%	8,347	94%	8,281	93%
Wisconsin	9,505	107%	9,288	104%	9,184	103%	8,975	101%
Wyoming	13,443	151%	12,799	143%	14,555	163%	13,857	155%
U.S.	\$8,924	100%	\$8,924	100%	\$8,924	100%	\$8,924	100%

**Note:** See Technical Paper B in "State Higher Education Finance, FY2003" for a detailed description of public higher education system Enrollment Mix Index.

**Source:** SHEEO SHEF

Table A-8

State-Funded Student Financial Aid for Public Tuition and Fees,  
by State, Fiscal 2004 (dollars in thousands)

State	State-Funded Tuition Aid per FTE <sup>1</sup>	% of U.S. Average	Need-Based Tuition Aid per FTE <sup>2</sup>	% of U.S. Average	Non-Need Tuition Aid per FTE <sup>3a</sup>	% of U.S. Average
Alabama	94	30.9%	13	5.8%	81	98.4%
Alaska	0	0.0%	0	0.0%	0	0.0%
Arizona	24	8.0%	24	11.0%	0	0.0%
Arkansas	0	0.0%	0	0.0%	0	0.0%
California	123	40.4%	123	55.4%	0	0.0%
Colorado	472	154.8%	270	121.5%	202	244.8%
Connecticut	0	0.0%	0	0.0%	0	0.0%
Delaware	334	109.4%	55	24.8%	279	337.5%
Florida	520	170.5%	157	70.7%	363	439.4%
Georgia	1,266	415.0%	5	2.1%	1,261	1527.6%
Hawaii	0	0.0%	0	0.0%	0	0.0%
Idaho	123	40.2%	23	10.3%	100	120.7%
Illinois	509	167.0%	469	210.6%	41	49.6%
Indiana	463	151.6%	439	197.1%	24	29.1%
Iowa	31	10.2%	29	13.2%	2	1.9%
Kansas	54	17.7%	54	24.1%	0	0.6%
Kentucky	798	261.5%	366	164.5%	432	523.2%
Louisiana	543	178.0%	5	2.4%	538	651.2%
Maine	229	75.2%	223	100.0%	7	8.2%
Maryland	348	114.2%	301	135.1%	48	57.6%
Massachusetts	476	156.0%	471	211.4%	5	6.6%
Michigan	277	90.7%	134	60.1%	143	173.4%
Minnesota	328	107.6%	328	147.6%	0	0.0%
Mississippi	194	63.4%	13	5.7%	181	219.0%
Missouri	160	52.5%	82	36.8%	78	94.7%
Montana	0	0.0%	0	0.0%	0	0.0%
Nebraska	0	0.0%	0	0.0%	0	0.0%
Nevada	0	0.0%	0	0.0%	0	0.0%
New Hampshire	0	0.0%	0	0.0%	0	0.0%
New Jersey	683	223.9%	604	271.3%	79	96.0%
New Mexico	391	128.1%	125	56.0%	266	322.3%
New York	844	276.7%	821	369.1%	23	27.6%
North Carolina	298	97.7%	174	78.4%	124	149.7%
North Dakota	41	13.3%	31	13.9%	10	11.7%
Ohio	345	113.1%	217	97.5%	128	155.2%

State	State-Funded Tuition Aid per FTE <sup>1</sup>	% of U.S. Average	Need-Based Tuition Aid per FTE <sup>2</sup>	% of U.S. Average	Non-Need Tuition Aid per FTE <sup>2,a</sup>	% of U.S. Average
Oklahoma	284	93.2%	199	89.3%	86	103.6%
Oregon	0	0.0%	0	0.0%	0	0.0%
Pennsylvania	529	173.3%	529	237.5%	0	0.2%
Rhode Island	0	0.0%	0	0.0%	0	0.0%
South Carolina	0	0.0%	0	0.0%	0	0.0%
South Dakota	3	1.0%	0	0.0%	0	0.0%
Tennessee	167	54.6%	165	74.1%	2	2.3%
Texas	28	9.0%	27	12.2%	0	0.4%
Utah	56	18.4%	44	19.7%	12	14.7%
Vermont	0	0.0%	0	0.0%	0	0.0%
Virginia	320	105.0%	185	83.1%	136	164.1%
Washington	540	177.2%	532	239.1%	9	10.3%
West Virginia	499	163.5%	251	112.6%	248	300.7%
Wisconsin	0	0.0%	0	0.0%	0	0.0%
Wyoming	427	140.1%	427	192.1%	0	0.0%
U.S.	\$305	100.0%	\$223	100.0%	\$83	100.0%

**Notes:** NASSGAP annually reports the percentage of state grant aid awarded on a need and non-need basis. The need-based and non-need dollar amounts in this table were estimated by applying the NASSGAP percentages to the SHEEO SHEEF data on state-funded tuition aid per FTE.

**Sources:** 1) SHEEO SHEEF  
 2) National Association of State Student Grant Aid Programs (NASSGAP) 34th Annual Survey Report on State-Sponsored Student Financial Aid, 2002-03, Tables 4-6.

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## APPENDIX B

### Glossary of Terms

#### Cost Adjustments

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

**Employment Cost Index (ECI).** A measure of the change in labor costs, outside the influence of employment shifts among occupations and industries. The ECI for private industry white-collar occupations (excluding sales) accounts for 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. 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](http://www.commonfund.org); rollover "Investor Services" and choose "Research").*

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

#### Enrollment

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

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

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

- Contact hour courses: One annual FTE is the sum of total contact hours divided by 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.*

## Revenues

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

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

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

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

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

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

- Appropriations returned to the state;
- State-appropriated funds derived from federal sources;
- Portions of multi-year appropriations to be distributed over subsequent years;
- Tuition charges remitted to the state to offset state appropriation;
- Tuition and fees used for capital debt service and capital improvement (other than that paid by students for auxiliary enterprise debt service);
- State funding for students in non-credit continuing or adult education courses and non-credit extension courses;
- Sums appropriated to 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 Revenues from students or their families. Net Tuition Revenue as a percentage of Total Educational Revenues. *Source: SHEEO SHEF.*

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

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

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

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

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

**Total Taxable Resources Index (TTR).** Total Taxable Resources are the sum of Gross State Product (in-state production) minus components presumed not taxable by the state plus various components of income derived from out-of-state sources. An indexed value for each state is derived by dividing the state's TTR per capita by the national average TTR per capita. *Source: 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 revenues. Enrollments, state appropriations, and medical school tuition revenues are set aside in many SHEF analyses to improve interstate evaluation. *Source: SHEEO SHEF.*

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# APPENDIX D

## 2004 Data Collection Form

[SHEEO HOME](#) [SHEF COLLECTION HOME](#) [ENTER COLLECTION](#) [COLLECTION Q&A](#) [GLOSSARY](#)  
SHEF 2003-2004

### Contact Information

For state:

Please submit the following contact information:

**SHEFO to be cited**

\* = required field

Name:*	<input type="text"/>
Title:*	<input type="text"/>
Address:*	<input type="text"/>
City/State/Zip:*	<input type="text"/>
Phone:*	<input type="text"/>
Email:*	<input type="text"/>

**Additional Associate I**

Name:	<input type="text"/>
Title:	<input type="text"/>
Phone:	<input type="text"/>
Email:	<input type="text"/>

**Additional Associate II**

Name:	<input type="text"/>
Title:	<input type="text"/>
Phone:	<input type="text"/>
Email:	<input type="text"/>

## Collection Sections

**2003-2004 SHEF Collection:** Collection period is **September 1-October 15, 2004.**

For state:

**You can complete this collection one section at a time.**

**Choose a section:**

**Section 1:** [FTE](#)

**Section 2:** [State Appropriations](#)

a. [Gross State Support](#)

b. [Subtractions from Gross](#)

**Section 3:** [Local Appropriations](#)

**Section 4:** [Research/Agriculture/Medical](#)

**Section 5:** [Net Tuition](#)

[Edits to Past Data](#)

**Final Mandatory Step:**

[Review your 2003-04 Submission and Electronically Approve Your Data](#)

(You can also use this summary page as a reminder of which sections you have completed in this collection process.)

Note: After you have completed all of the sections, please go to "**Review your 2003-04 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 the **October 15**. Feel free to switch your status back to "*Not Approved*" as needed. After October 15, changes can only be made to "approved" data via email.

## Annual FTE Public Enrollment

For state:

### Computing annual average FTE enrollment:

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

- 30 semester or 45 quarter undergraduate credit hours/year = 1 annual FTE student
- 24 semester or 36 quarter [graduate](#) credit hours/year = 1 annual FTE student

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

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

- 900 contact hours/year = 1 annual FTE student

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

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

### Numbers are in FTEs. DO NOT USE COMMAS.

All fields are required. Do not leave any fields blank. Use a "0" to indicate no entry if needed. [VIEW YOUR 2002-03 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.

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

**NET FTE:**

### Comments:

Generate Totals

Reset Back to Last Saved Entry

## State Appropriations for Current Operations of Public Institutions 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 2003-04.

### Part 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" to indicate no entry if needed.

[VIEW YOUR 2002-03 DATA FOR THIS SECTION](#)

1) State Grapevine data: Appropriations from state government taxes to institutions for operations and other higher education activities. **Be sure to include student financial aid from state tax appropriations.**

PROVIDE THE FOLLOWING DATA: (Only "NO"s will be added to the total)

2) Funding under state auspices for appropriated non-tax state support (e.g. monies from <b>lotteries</b> – including lottery scholarships, <b>tobacco settlement, casinos, or other gaming</b> ) set aside by the state for higher education	<input style="width: 100px; text-align: right;" type="text" value="0"/>	Is this in Grapevine? <input style="width: 30px; height: 15px;" type="text" value="v"/>
---	---	--

3) Funding under state auspices for non-appropriated state support (e.g. monies from receipt of <b>lease income, cattle-grazing rights fees and oil/mineral extraction fees</b> on land set aside by the state for higher education)	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input style="width: 30px; height: 15px;" type="text" value="v"/>
--	---	---

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)	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input style="width: 30px; height: 15px;" type="text" value="v"/>
---	---	---

5) Interest or earnings received from state funded endowments set aside and pledged to public sector institutions	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input style="width: 30px; height: 15px;" type="text" value="v"/>
---	---	---

6) Portions of multi-year appropriations from <b>previous years</b>	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input style="width: 30px; height: 15px;" type="text" value="v"/>
---	---	---

7) State appropriated financial aid <b>not included</b> in your Grapevine number (ex.: direct appropriation for financial aid that did not flow through the state assistance office).	<input style="width: 100px; text-align: right;" type="text" value="0"/>	Will be added in.
---	---	-------------------

**GROSS STATE SUPPORT FOR HIGHER EDUCATION:**

**Comments:**

## State Appropriations for Current Operations of Public Institutions 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 2003-04.

### Part II: Subtractions from 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" to indicate no entry if needed.

[VIEW YOUR 2002-03 DATA FOR THIS SECTION](#)

**Gross State Support from previous section**

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

		Is this in Gross State Support?
8) <u>Appropriations you expect will have to be returned to the state</u>	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input type="checkbox"/>
9) State appropriated funds derived from federal sources	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input type="checkbox"/>
10) Portions of multi-year appropriations in the current year which are spread over other years	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input type="checkbox"/>
11) Tuition charges collected by the institution and remitted to the state as an offset to the state appropriation	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input type="checkbox"/>
12) Revenues generated internally by the institution and revolving funds which are usually counterbalanced by similar expenditures (Examples are revenues from certain continuing education programs and auxiliary enterprise operations such as campus bookstores, parking lots, and athletic fees.)	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input type="checkbox"/>
13) State funding for students in non-credit continuing or adult education courses and non-credit extension courses which are not part of a regular program leading to a degree or certificate (only include these funds if reported respective FTE Section)	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input type="checkbox"/>
14) 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.	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input type="checkbox"/> (SHOULD NOT BE IN GRAPEVINE. PLEASE ADJUST YOUR GRAPEVINE NUMBER IF NECESSARY)
15) Sums to public institutions for capital outlay (new construction and debt service/retirement)	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input type="checkbox"/> (SHOULD NOT BE IN GRAPEVINE. PLEASE ADJUST YOUR GRAPEVINE NUMBER IF NECESSARY)
16) Sums to independent institutions for capital outlay (new construction and debt service/retirement)	<input style="width: 100px; text-align: right;" type="text" value="0"/>	<input type="checkbox"/> (SHOULD NOT BE IN GRAPEVINE. PLEASE ADJUST YOUR GRAPEVINE NUMBER IF NECESSARY)

Form continued on next page

**Subtractions From Gross State Support**, continued from previous page

17) Sums to independent institutions for operating expenses	<input type="text" value="0"/>	<input type="button" value="▼"/>
18) Allocation of appropriations for <u>student financial aid grants awarded to students attending state independent institutions</u> (include dollars intended solely for students attending independent institutions and the independent sector's portion of state aid programs) (estimate if needed)	<input type="text" value="0"/>	<input type="button" value="▼"/>
19) Allocation of appropriations for student financial aid grants awarded to students attending out-of-state institutions (estimate if needed)	<input type="text" value="0"/>	<input type="button" value="▼"/>

---

**NET STATE SUPPORT FOR PUBLIC HIGHER EDUCATION:**

---

**Comments:**

<input type="button" value="Generate Totals"/>	<input type="button" value="Reset Back to Last Saved Entry"/>
--	---

# Local Appropriations for Current Operations of Public Institutions 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 2003-04.

**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 if needed.  
[VIEW YOUR 2002-03 DATA FOR THIS SECTION](#)

1) Local Grapevine data: Appropriations from local government taxes to institutions for operations.

**LOCAL SUPPORT FOR PUBLIC INSTITUTIONS:**

**Comments:**

Submit Data

Reset Back to Last Saved Entry

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

For state:

As a component of total state and local appropriations, report collectively the appropriations which are 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 if needed.  
[VIEW YOUR 2002-03 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.

---

- 2) Appropriated sums for agricultural experiment stations and cooperative extension services.

---

- 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.

---

- 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.

**TOTAL APPROPRIATIONS FOR RES-AG-MED:**

**Comments:**

# Tuition

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 if needed.  
[VIEW YOUR 2002-03 DATA FOR THIS SECTION](#)

1) Gross Tuition plus Mandatory "Education and General" Fees * (public institutions)	<input type="text"/>
2) Tuition and Fees waived or discounted by public institutions. (will be subtracted)	<input type="text" value="0"/>
3) <b>State appropriated student aid</b> for Tuition and Mandatory Fees for public institutions. (will be subtracted)	<input type="text" value="0"/>
4) Tuition and Mandatory Fees paid by public Medical Students. (will be subtracted)	<input type="text" value="0"/>

**NET TUITION :**

\* 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 Back to Last Saved Entry

## Edit your Past Data

For state:

Please review historical data and ensure consistency with data previously reported starting 1998-99.

(Unless there is a significant change in data from years prior to 1998, we are only interested in updating data gathered starting 1998-99.)

**PLEASE ONLY INCLUDE CHANGES TO PAST DATA.**

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

ACCESS YOUR HISTORY DATA: [EXCEL VERSION](#) / [WEB VERSION](#)

All changed numbers should be in full dollar amounts (ex.: 25535421). **DO NOT USE COMMAS.**

	Annual FTE Public Enrollment	State Appropriations	Local Appropriations	State & Local Res-Ag-Med Appropriations	Net Tuition Revenues
1998-99	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
1999-00	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
2000-01	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
2001-02	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>
2002-03	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="0"/>

If you make edits to 2002-03 totals, please send an email to [Tara Bise](#) indicating which components have been affected by the edit to the total.

**Comments:**

Submit Data

Reset Back to Last Saved Entry

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