WASHINGTON STATE LEGISLATURE

REVIEW OF TUITION AUTHORITY AND STATE SUPPORT FOR HIGHER EDUCATION

January 1998

Washington State

Senate Ways and Means Committee **House Appropriations Committee**

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INTRODUCTION: HIGHER EDUCATION TUITION AND STATE SUPPORT -- WASHINGTON STATE IN A NATIONAL CONTEXT

This document is presented as partial completion of the requirements of Section 102 (3), Chapter 149, Laws of 1997 which states:

"$100,000 of the general fund appropriation for fiscal year 1998 is provided solely for a study of financial aid and tuition by the senate committee on ways and means and the house of representatives committee on appropriations.

(a) The study shall report on the current usage and distribution of financial aid, investigate other resources available to financial aid recipients, and shall compare alternative methods of financial aid distribution and their impacts on the sectors of higher education and student served within each sector.

(b) The study shall also provide comparative data from other states on methods of establishing tuition rates and the relationship of tuition to state funding.

The materials in this report primarily pertain to (b) above. Additional materials will be provided in January 1998 to fulfill the remaining requirements of the budget proviso.

TUITION STUDY METHODOLOGY

Data from a variety of sources were used in the preparation of this report and these sources are footnoted. All state data on tuition rates used in the report are displayed as weighted average rates. For instance, the rates of higher cost flagship institutions are combined with lower cost regional institutions by multiplying the tuition rate at each school by the number of students at that school before calculating an average tuition rate per FTE student. This common technique permits comparison of tuition rates among the states.

Limited availability of comparable national data dictated that certain approaches be adopted in order to arrive at relative rankings and depictions of policy. For example, when states indicated a multiplicity of approaches to tuition setting (usually attributable to the presence of more than one higher education system), this report uses the highest level of centralized control reported.[1]

In some of the later sections of this report, the analysis extends only to the four-year sector due to unavailability of data that would give a credible picture for the two-year public system. This is due to wide and substantial differences among the states in the two-year sector, and any effort to compare policies from one state to another would require a substantial amount of supporting detail about the individual differences in each state's two-year system.

Lastly, the data in this report should generally be interpreted and used in order to understand relationships between and among states. Due to the methods that were necessary to develop comparable national data, the data is not as reliable when extracted and used as absolute values.

[1] For instance, in California the Legislative Assembly sets tuition for the California State University system while the board of governors sets tuition for the University of California system.

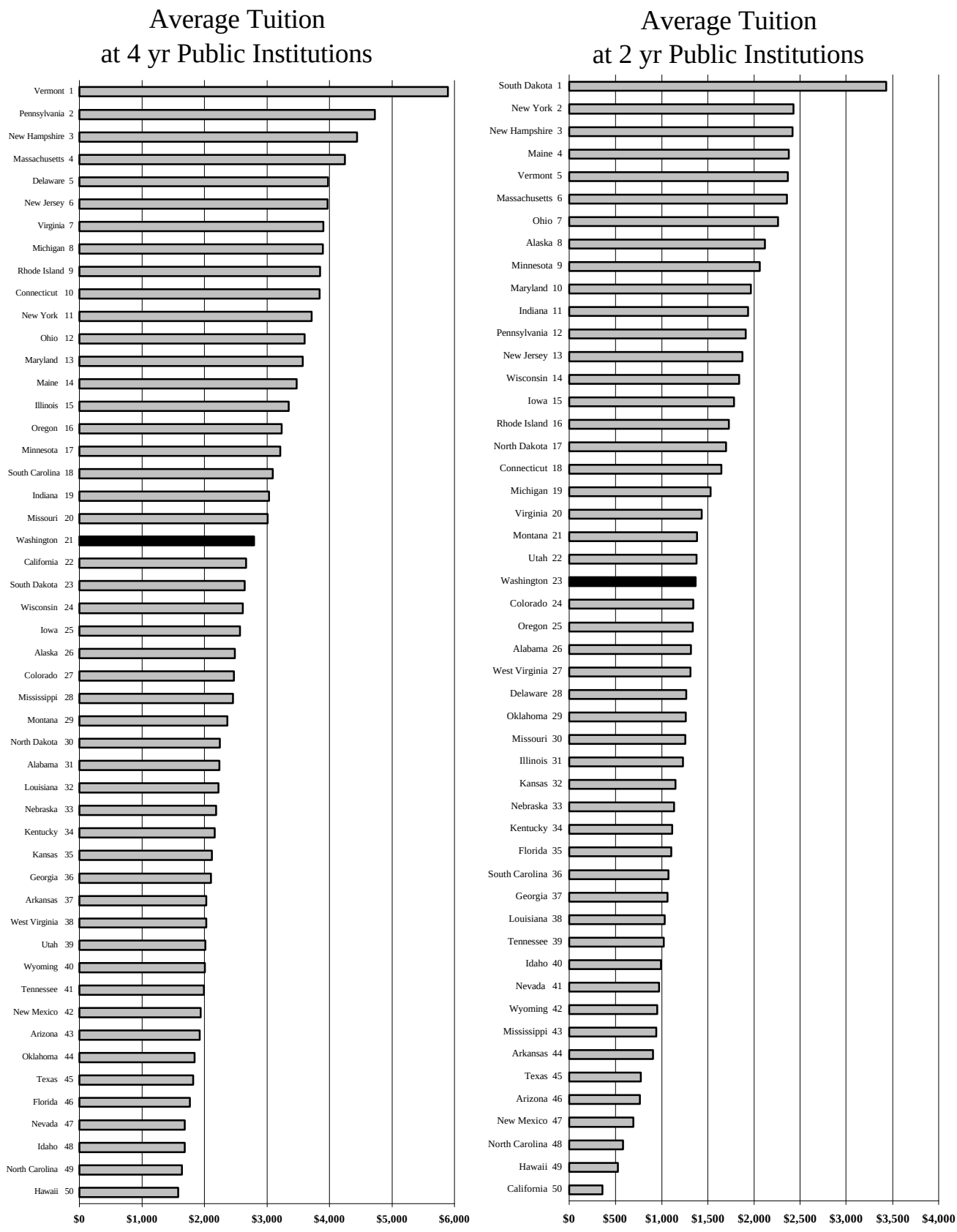
TUITION RATES IN A NATIONAL SETTING

Before embarking on a discussion of the various methods of establishing tuition rates, it may be beneficial to first provide a display of where Washington stands among the other states in the rates charged at the public higher education institutions.

Figure 1 shows that tuition rates in Washington are in the mid-range of charges nationally. In general, tuition rates are higher in the Northeast and lower in the Southwest. The middle range tuition rates in Washington are similar to those of the Midwestern states.

For a review of tuition rates in Washington over the last twenty years, please see Figure 9: Resident Undergraduate Tuition History (Annual % Change) on page 36 in the Appendix.

FIGURE 1: AVERAGE TUITION AT PUBLIC INSTITUTIONS NATIONWIDE



DEGREE OF CENTRALIZED CONTROL OF TUITION

The State Higher Education Executive Officers (SHEEO) published a report in March 1997 summarizing the results of a national survey they conducted about tuition rate setting. Three elements of their report – who sets tuition, who controls tuition revenues, and factors used in setting tuition rates – are displayed in the following three sections of this report. Each element is considered separately and discussed in the following sections, depicting where Washington falls in the national context. Then, the elements are assigned numerical values, summed, and analyzed in Table 4 on page 16 and displayed in Map 7 and Map 8 on page 17.

There are other factors that may also be considered in how tuition is managed. These include such situations as the state of Michigan, where it would appear that the state has taken a decentralized approach with tuition being set by governing boards of institutions. However, in Michigan the members of governing boards of higher education institutions are elected officials. Another example is the state of Illinois, which also appears to have adopted a decentralized approach to tuition setting, but whose governor exerts considerable influence on higher education policy through the budget and board appointment process.

Other types of control authority could also have been considered, such as control of associated fees (including technology fees). For purposes of this study, the three elements of tuition-setting authority, control and retention of tuition revenue, and factors used in determining tuition rates appear to be most central to the scope of this study as outlined in the study's authorizing legislation.

There were cases where a state provided multiple responses because they have more than one system of higher education. In those cases, the highest level of centralized control was used in figures in this report.

WHO SETS TUITION AT PUBLIC HIGHER EDUCATION INSTITUTIONS

The SHEEO survey examined which entities have the authority, either constitutional, statutory or by practice, to set tuition rates. The categories of tuition-setting entities were:

- Legislature
- State governing/coordinating agency
- System governing board
- Institutional/local district governing board

A summary of states' responses are illustrated Table 1 below and depicted in Map 1 and Map 2.

For both the four-year and two-year sectors, system governing boards are the most common entity authorized to set tuition. This is true in 27 states in the four-year sector and in 20 states in the two-year sector. Institutional/local district governing boards are the next most frequently used authority, followed by state legislatures and finally statewide governing boards or coordinating boards.

Map 1 and Map 2 depict this data, with the darkest shading indicated the highest degree of central control over tuition setting (state legislatures) and the lightest shading indicating the most decentralized approach (institutions or local boards).

The maps do not show clear regional tendencies in the authority to set tuition except that the core Midwest states seem to favor institutional control

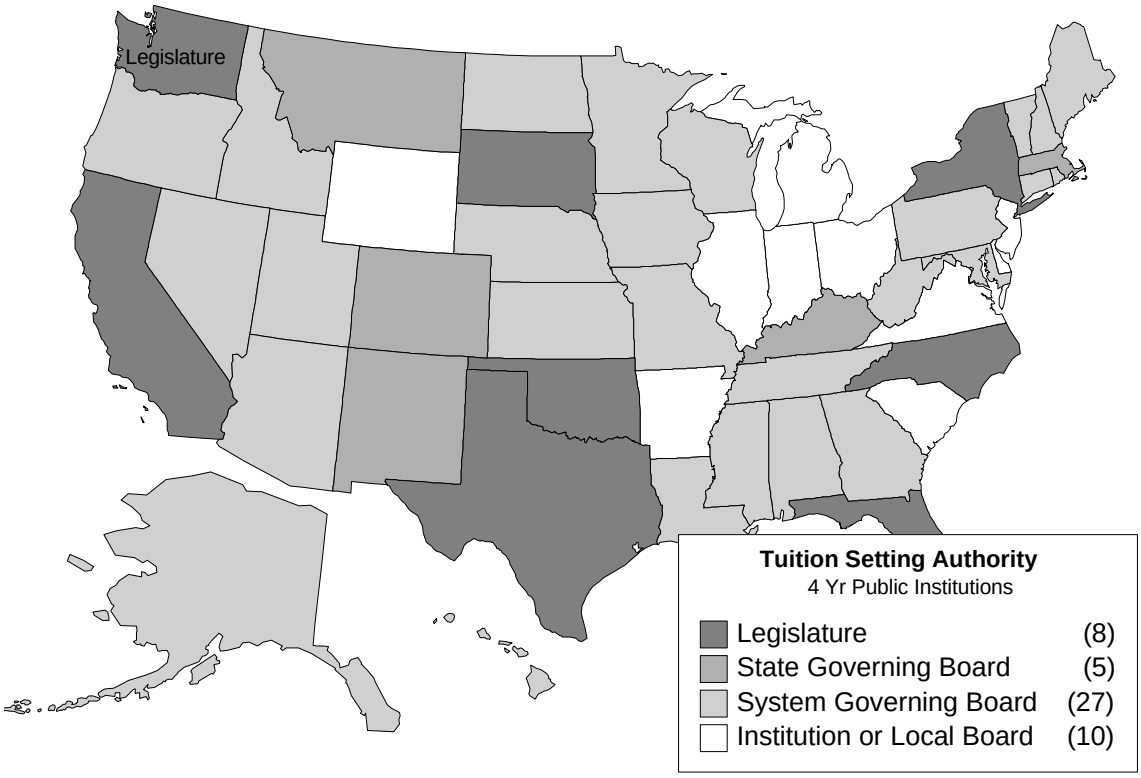
TABLE 1: ROLE AND AUTHORITY TO SET TUITION

Number of States

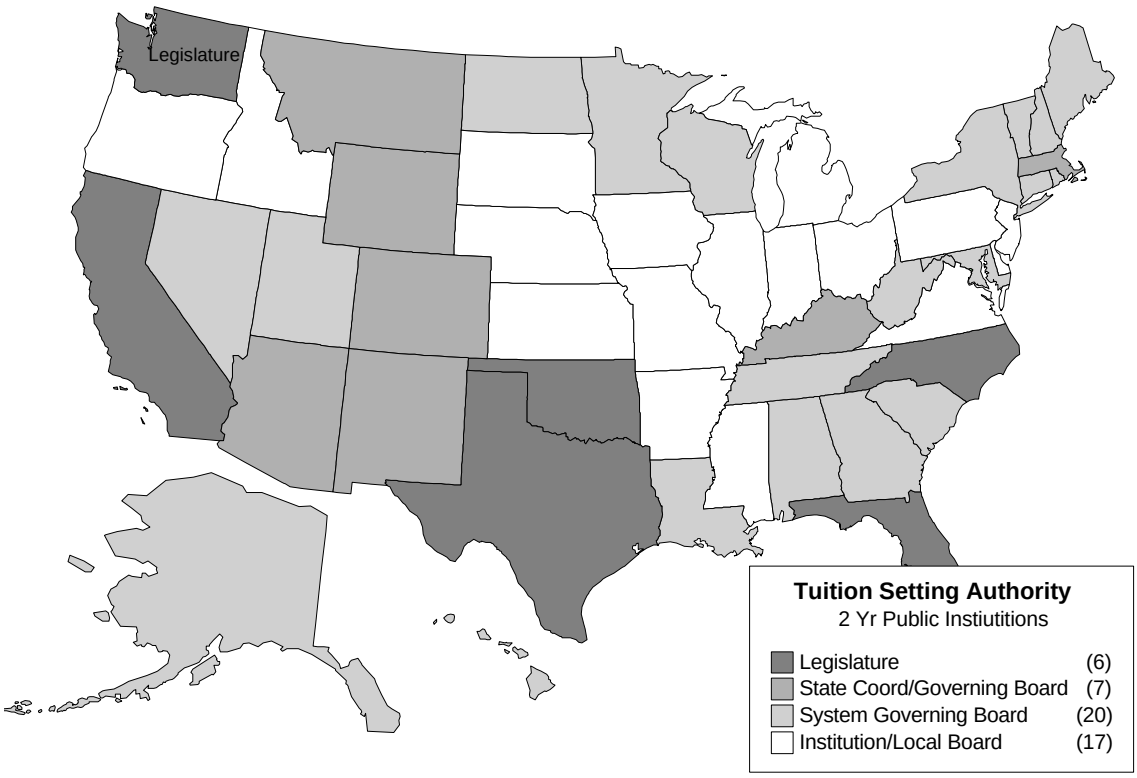
Governmental Body	Four-year Sector		Two-year Sector	
	Constitutional/ Statutory	Practice	Constitutional/ Statutory	Practice
Legislature	4	4	5	1
State Governing/coordinating agency	4	1	6	1
System governing board	27		19	1
Institutional/local district governing board	8	2	15	2

Data from: State Tuition and Fee Policies:1996-97, State Higher Education Executive Officers, March 1997

MAP 1: FOUR-YEAR PUBLIC INSTITUTIONS



MAP 2: TWO-YEAR PUBLIC INSTITUTIONS



WHAT FACTORS ARE USED IN SETTING TUITION

The second set of parameters used to describe how tuition is set includes whether entities directly link tuition rates to factors such as general fund support, cost of instruction, or economic factors.

In addition to the power of a board or legislative body in setting tuition, sometimes tuition rates are established by formula. It may be the case that, even though an oversight body has the nominal authority to establish tuition, tuition setting authority is superceded by the application of an automatic adjustment. Tuition setting boards may consider many of the factors listed below as they deliberate over future rates but this section deals only with cases where these indicators are **directly** linked to the establishment of the rates.

When this data is mapped (see Map 3 and Map 4 on page 13), the darkest colors indicate a link between tuition and general fund support (most highly centralized approach), and the lightest color indicates that the state does not directly link tuition rates to any of these factors (most "decentralized" approach).

Tuition in Washington was determined by an indicator from 1978 through 1994 (see Figure 9: Resident Undergraduate Tuition History (Annual % Change) on page 36 in the Appendix). While the governing boards of the state's public institutions had nominal authority at that time to establish tuition rates, that authority was superceded by a cost of instruction formula which set tuition rates at a prescribed percentage of the cost of instruction as determined by the Higher Education Coordinating Board. The Legislature periodically adjusted the prescribed percentages based on budget needs or policy changes. Following the 1994 legislative session the cost of instruction formula was abandoned.

The effect of a cost of instruction formula is to link tuition rates to general fund appropriations since the "cost of instruction" is primarily determined by the expenditures from the two primary revenue sources, the general fund and tuition. In the ten states where tuition rates were directly linked to general fund resources, six of those states also used a cost-of instruction formula to establish tuition.

Economic indicators are also used in some states to establish tuition by formula. The most commonly used indicators are inflationary (or cost of living) adjustments such as the Consumer Price Index (CPI), the Implicit Price Deflator (IPD), and the Higher Education Price Index (HEPI). Personal income is used to establish tuition rates for both the four-year and two-year systems in Kentucky. In Kansas the two-year system indicates that it uses personal income, inflation and cost of instruction to directly calculate tuition rates.

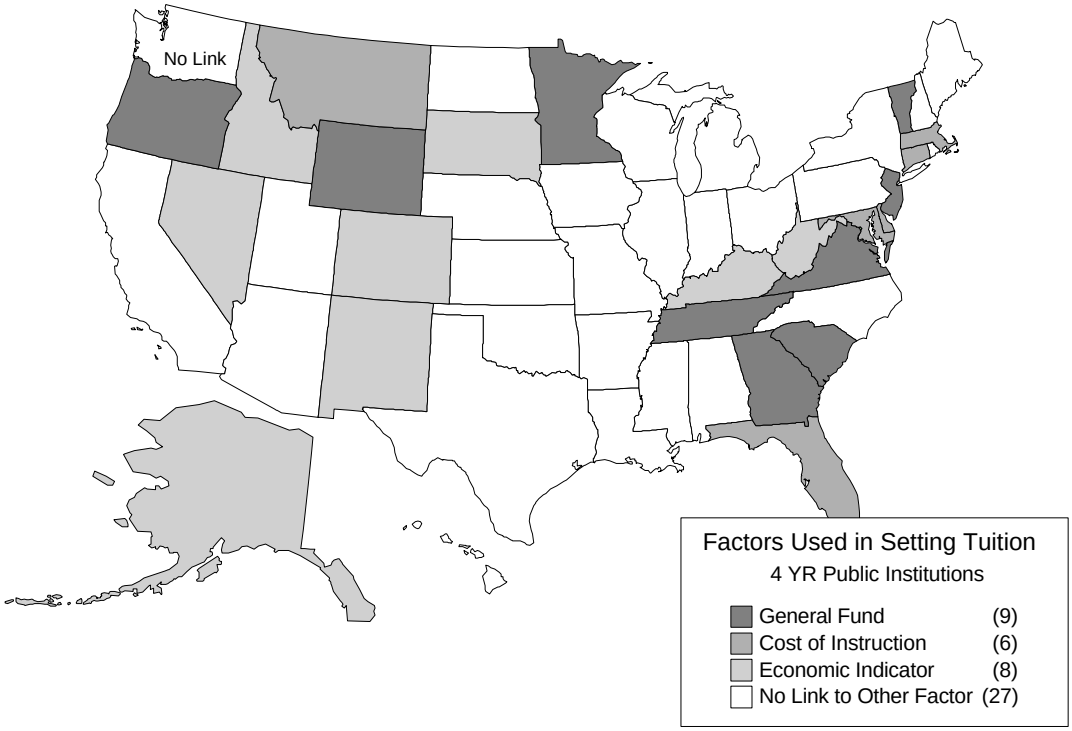
The maps showing the distribution of the use of factors in determining tuition rates show that they are most common in Southeastern and some Western states.

TABLE 2: FACTORS USED IN SETTING TUITION

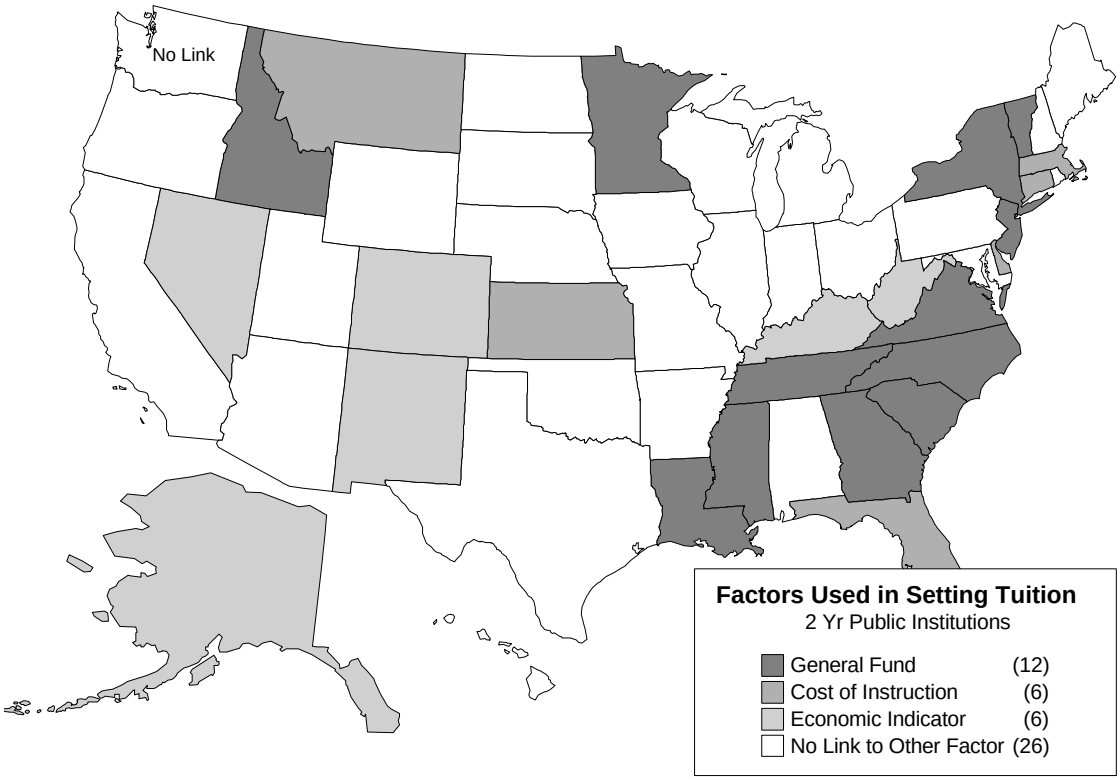
	Number of States	
Approach	**Four-year Sector**	**Two-year Sector**
General Fund	9	12
Cost of Instruction	6	6
Economic Indicator	8	6
No Link (or no 2-Years)	27	26

Data from: State Tuition and Fee Policies:1996-97, State Higher Education Executive Officers, March 1997

MAP 3: FOUR-YEAR PUBLIC INSTITUTIONS



MAP 4: TWO-YEAR PUBLIC INSTITUTIONS



CONTROL AND RETENTION OF TUITION REVENUE

A third significant element related to tuition authority is the determination of where tuition funds are deposited and which entities control the use of tuition revenue.

This study categorizes control and retention of tuition revenue by state into the four categories shown below in Table 3. Tuition is retained at the institution or campus in at least half of the states (the most "decentralized" approach). This practice is most common in the Midwest and the South. In should be noted, however, that even when institutions retain tuition paid by their students, general fund distributions are sometimes calculated to account for (and thus effectively offset) those revenues.

Map 5 below shows that for the four-year sector, only two states collect tuition revenue and deposit them into the general fund (darkest shade and most highly centralized approach).

Prior to 1992, tuition revenues in Washington were deposited into the general fund. In fiscal year 1992 tuition funds were deposited into dedicated tuition accounts held in the state treasury and subject to appropriation by the Legislature. Since 1993 tuition revenues from students at public institutions are held by the institutions, and expenditures of those funds are not subject to appropriation by the Legislature. Until 1995, state policy dictated that funds in non-appropriated accounts which are used for the same purposes as the general fund should be spent at the same rate as the general fund appropriations so that agencies don't "spend the state's dollar first." This policy was seen as a disincentive for institutions to save tuition funds through efficiencies and to hold those savings across biennial periods. This restriction was lifted for higher education institutions in 1995.

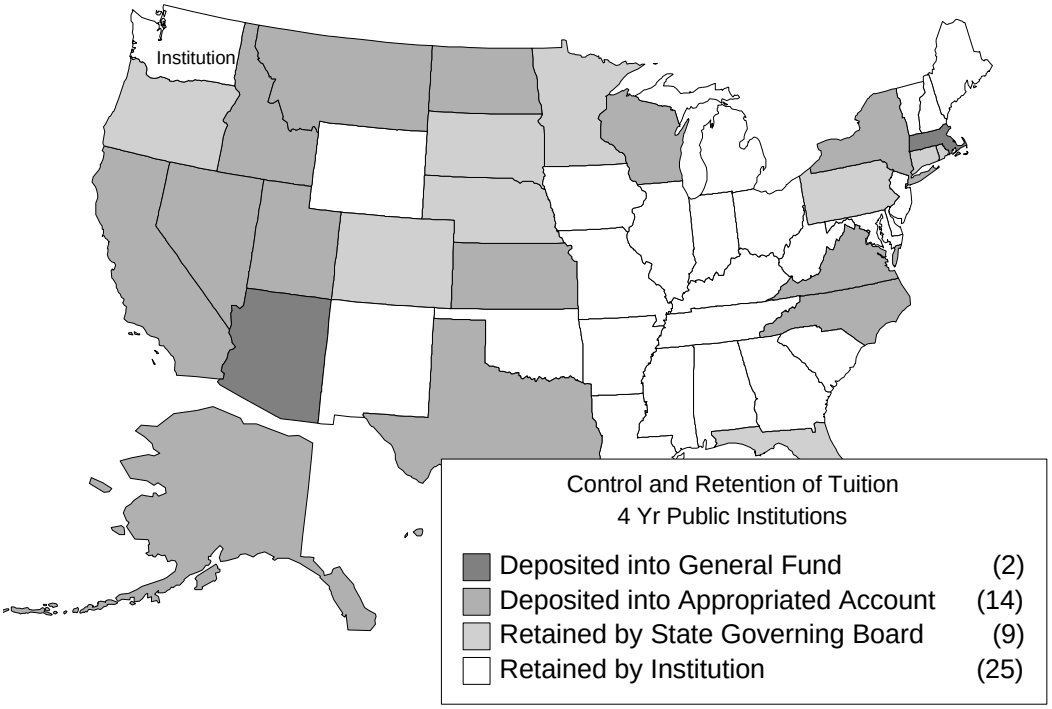
With regard to the control of tuition funds, Washington State appears to have crossed the spectrum from centralized control to local retention and control in only a few years.

TABLE 3: CONTROL AND RETENTION OF TUITION REVENUE

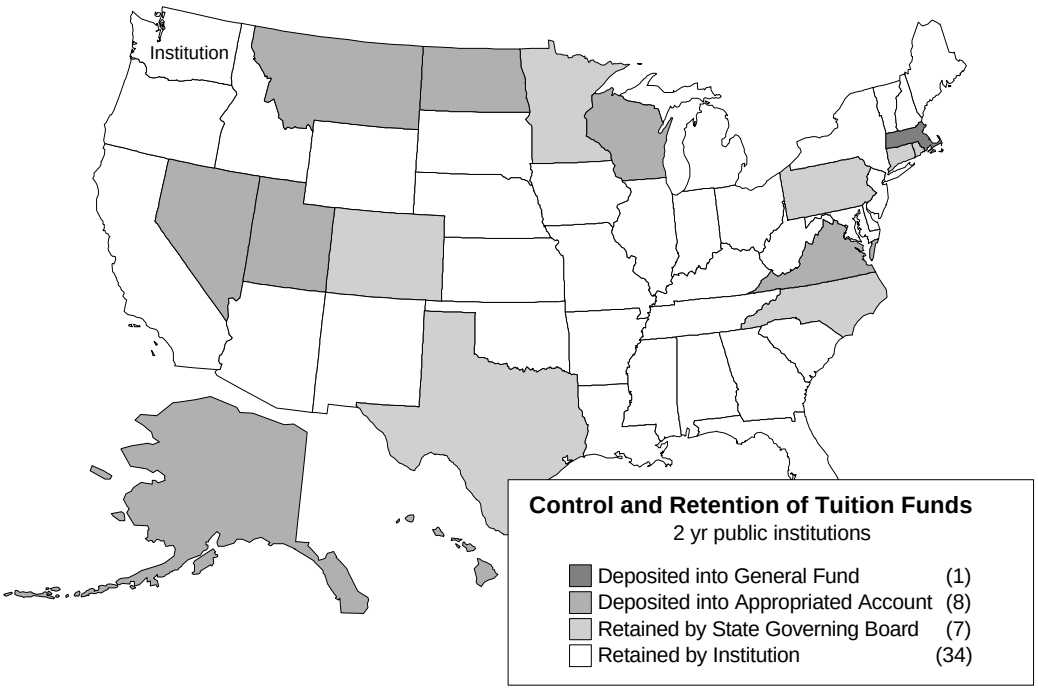
	Number of States	
Treatment of Tuition Revenue	**Four-year Sector**	**Two-year Sector**
Controlled and retained by an institution or campus	25	34
Retained at state level under control of a governing or coordinating board	9	7
Deposited in separate state tuition accounts requiring appropriation	14	8
Deposited in state general funds, with return to higher education only inferred	2	1

Data from: State Tuition and Fee Policies:1996-97, State Higher Education Executive Officers, March 1997

MAP 5: FOUR-YEAR PUBLIC INSTITUTIONS



MAP 6: TWO-YEAR PUBLIC INSTITUTIONS



SUMMARY: DEGREE OF CENTRALIZED CONTROL OF TUITION

The previous three sections have discussed how states vary in the manner and level of control of tuition.

Even within the previously discussed limitations of the data, a comparison of the factors discussed shows that there are wide variations in how control measures are applied. In Washington the Legislature sets tuition rates without formula direction and the institutions retain and control the funds. In Massachusetts the system governing board sets tuition rates with a formula based on an economic indicator, but the tuition revenues are deposited into the general fund. In Virginia the institutions' governing boards set tuition with an economic formula and tuition revenues are deposited into an account appropriated by the state legislature.

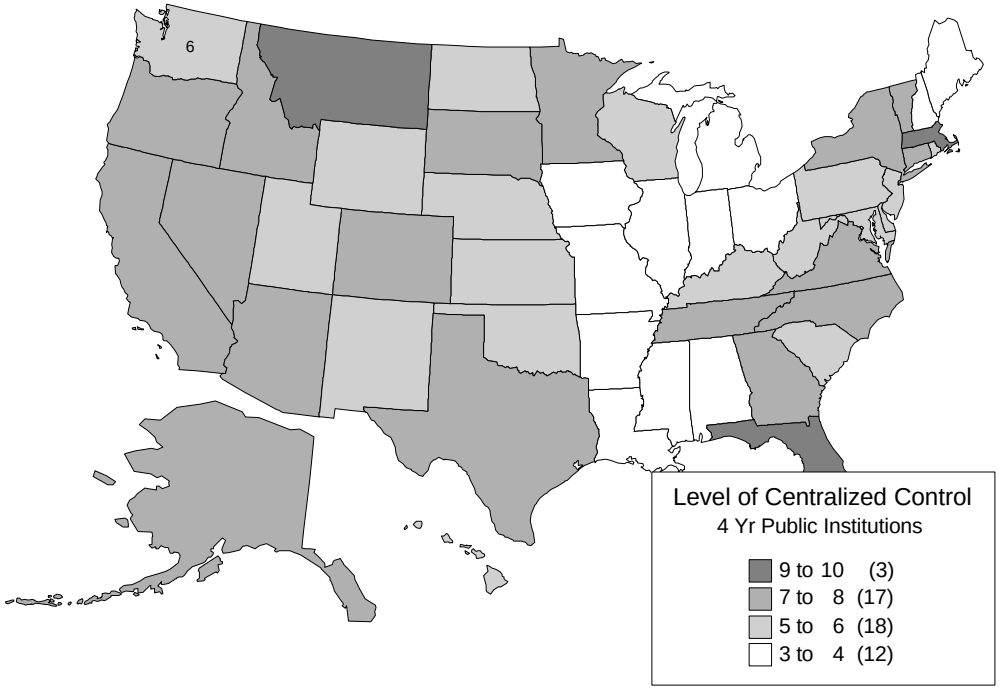
The preceding maps have ordered each factor from the most centralized control of tuition to the most decentralized. In Table 4 below, each of the three factors – who sets tuition, who retains tuition, and how tuition is set – are summed using a qualitative approach where no factor is weighted more than any other. In this table, the lower the level of control number, the more decentralized is the state's approach to tuition. Since the lowest control value given in each previous discussion was a value of one, the minimum sum value for any state would be three.

Map 7 and Map 8 both show that Washington State lies in the mid-range on centralized control for the factors discussed. The striking regional pattern is that portions of the Midwest and Mississippi Valley regions exhibit the least centralized control over tuition and tuition revenues.

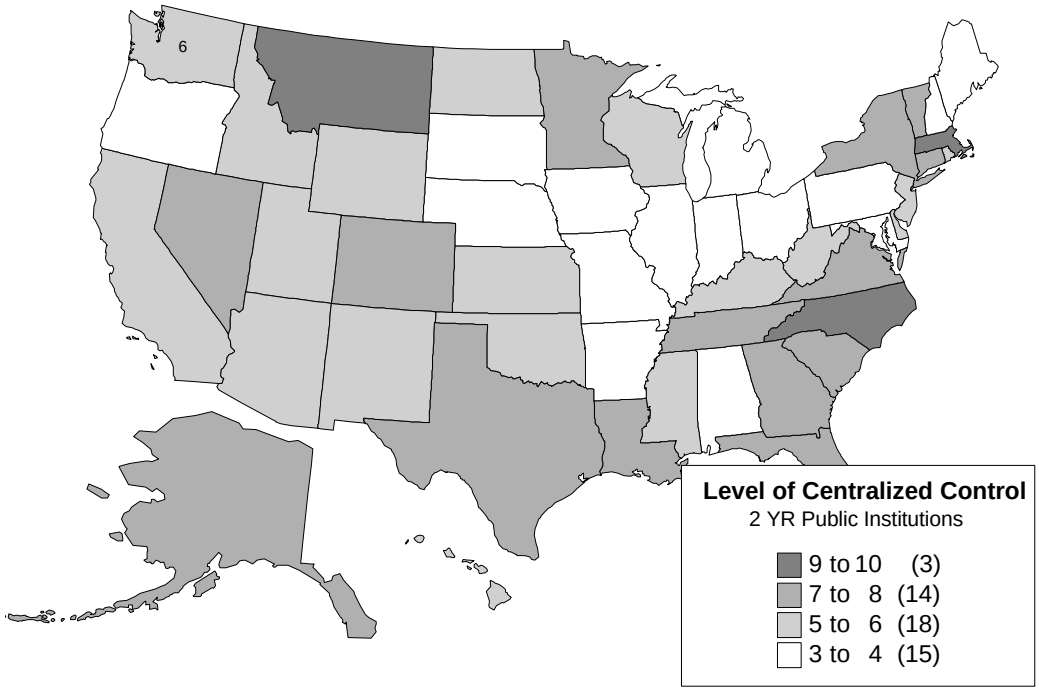
TABLE 4: DEGREE OF CENTRALIZED CONTROL OF TUITION

	Number of States	
Level of Centralized Control	**Four-year Sector**	**Two-year Sector**
3 (Low)	5	10
4	7	5
5	5	6
6	13	12
7	9	11
8	8	3
9	2	1
10 (High)	1	2

MAP 7: FOUR-YEAR PUBLIC INSTITUTIONS



MAP 8: TWO-YEAR PUBLIC INSTITUTIONS



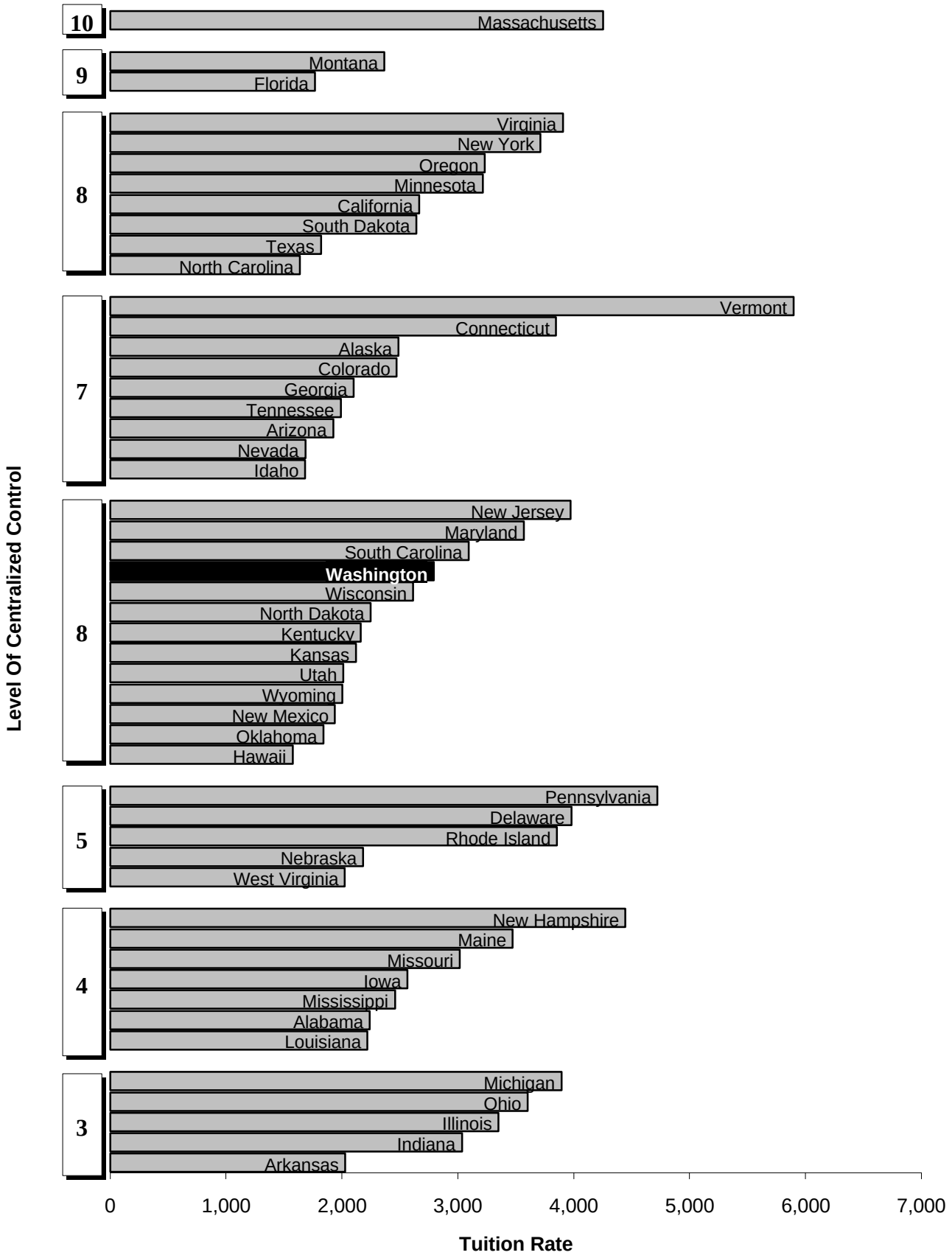
THE LEVEL OF CENTRALIZED CONTROL AND TUITION RATES

Tuition levels which were presented at the outset of this report and the preceding analysis of degree of control in the tuition-setting process are now combined in order to examine whether there is a discernable relationship between the two.

Figure 2 on page 19 shows tuition rates on the horizontal axis, and it arrays the 50 states on the vertical axis. States are grouped on the vertical axis according to their "level of central control" scores (refer to Table 4 on page 16). Those states having the minimum sum of control factors (3) are grouped to the bottom of the graph. Each succeeding group has a higher sum of the control factors.

The graph shows that the various levels of central control are not strongly correlated with tuition rates. Each category contains tuition rates ranging from about $2,000 per year up to about $4,500 per year. Washington State lies in the middle control category with a mid-range average tuition.

FIGURE 2: NO GENERAL LINK BETWEEN TUITION RATES AND LEVEL OF CENTRALIZED CONTROL



TUITION AND STATE SUPPORT

In order to examine the relationship between tuition and state support, state support was defined as having two components:

- State appropriations to institutions
- State appropriations for financial aid

The relationship between tuition and state support was analyzed within the data limitations discussed in the earlier methodology section. The results of this analysis are valid for the purpose of relative comparisons between states, but are not as reliable when used as absolute numbers. In addition, because state community college systems vary widely and significantly in their funding mechanisms, the data is not available to support a valid national comparison. For that reason, the following analysis includes only the four-year public sector.

TUITION AND STATE APPROPRIATIONS TO INSTITUTIONS

Data on state appropriations, reported by Edward Hines of Illinois State University, was used as the basis for the following table and graph.

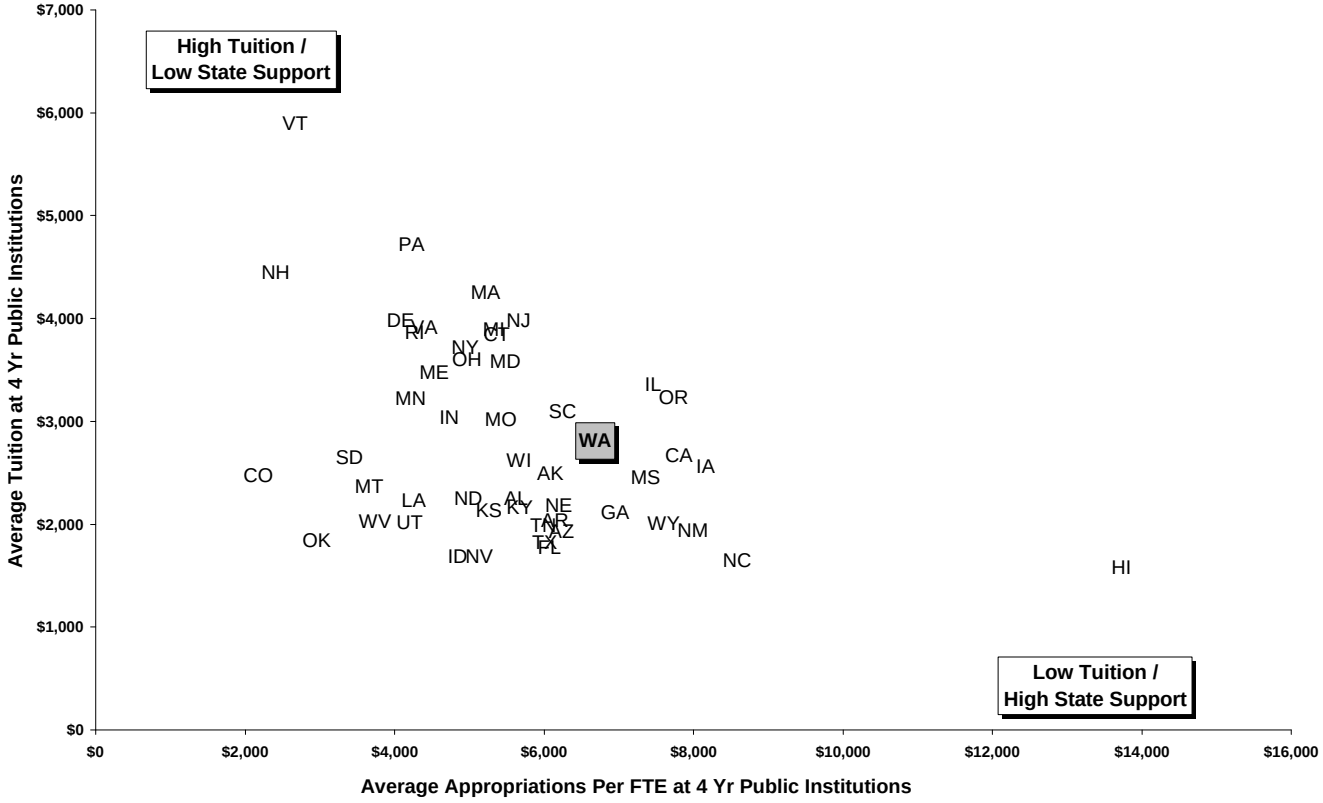
Table 5 below ranks the states by funding per student. Funding per student is defined as the state appropriation to institutions, including state-funded research and public service, but not including appropriations for student financial aid. Washington ranks 11th nationally.

Figure 3 illustrates the relationship between tuition and funding per FTE, and shows the relative positions of all 50 states. States are arrayed on the vertical axis by the average tuition in the four-year public sector. On the horizontal axis the state appropriation per FTE is depicted.

TABLE 5: STATE APPROPRIATIONS PER STUDENT

Rank	State	Appropriations Per Student	Rank	State	Appropriations Per Student
1	Hawaii	$13,727	26	Connecticut	$5,370
2	North Carolina	$8,581	27	Michigan	$5,324
3	Iowa	$8,167	28	Kansas	$5,262
4	New Mexico	$7,987	29	Massachusetts	$5,211
5	California	$7,813	30	Nevada	$5,135
6	Oklahoma	$7,731	31	North Dakota	$4,993
7	Wyoming	$7,610	32	Ohio	$4,967
8	Illinois	$7,459	33	New York	$4,947
9	Mississippi	$7,362	34	Idaho	$4,846
10	Georgia	$6,949	35	Indiana	$4,735
11	**Washington**	**$6,710**	36	Maine	$4,530
12	South Carolina	$6,249	37	Virginia	$4,406
13	Arizona	$6,239	38	Rhode Island	$4,270
14	Nebraska	$6,201	39	Louisiana	$4,253
15	Arkansas	$6,150	40	Pennsylvania	$4,229
16	Alaska	$6,086	41	Minnesota	$4,217
17	Florida	$6,075	42	Utah	$4,203
18	Texas	$6,010	43	Delaware	$4,083
19	Tennessee	$5,989	44	West Virginia	$3,740
20	Kentucky	$5,673	45	Montana	$3,658
21	Wisconsin	$5,672	46	South Dakota	$3,392
22	New Jersey	$5,655	47	Oregon	$2,957
23	Alabama	$5,624	48	Vermont	$2,674
24	Maryland	$5,480	49	New Hampshire	$2,415
25	Missouri	$5,430	50	Colorado	$2,172

FIGURE 3: TUITION AND STATE SUPPORT



1995-96 Appropriation data from State Higher Education Appropriations 1996-97, SHEEO, Edward R. Hines
Enrollments from Chronicle of Higher Education, Almanac of Higher Education 1995-96
Tuition rates for 4 yr public institutions are weighted averages,

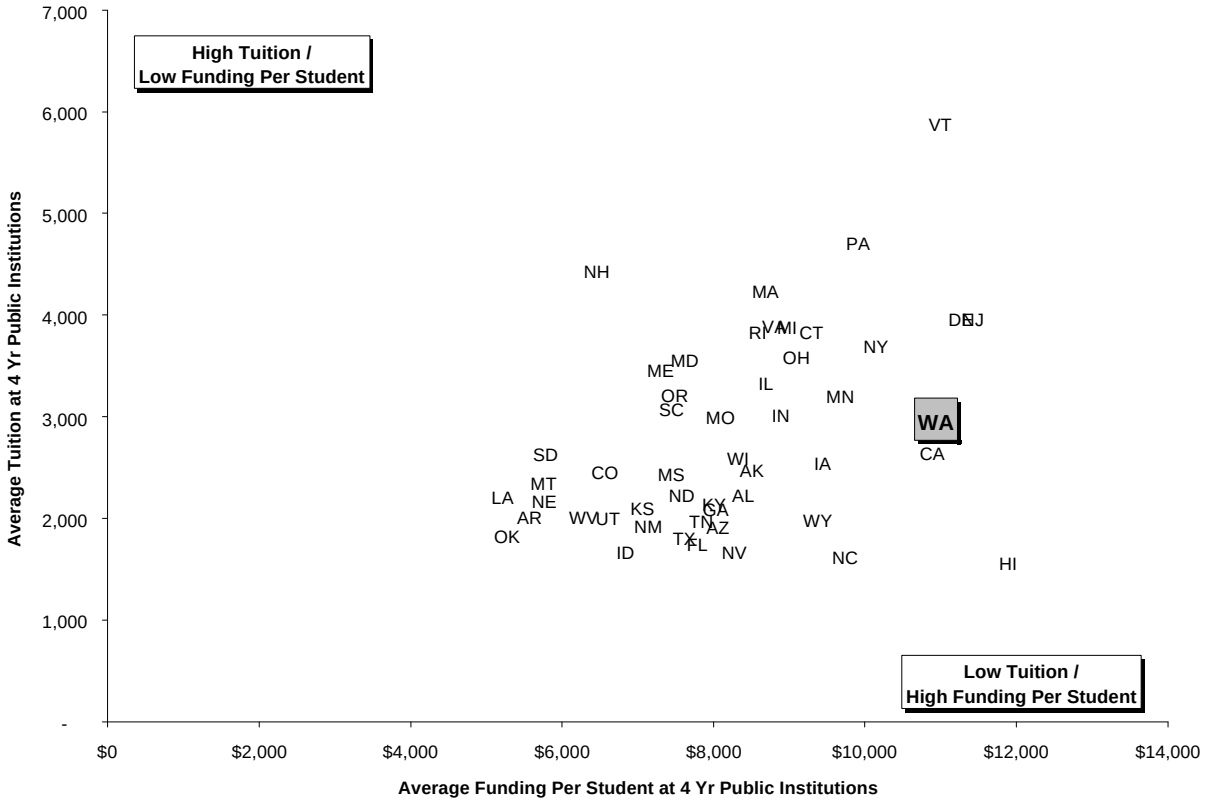
TUITION AND FUNDING PER STUDENT

Another way to look at tuition and state support is to compare tuition rates to total expenditures per student (state appropriations plus tuition revenue). Total expenditures per student allows a comparison among states of resources available for instruction while tuition rates indicates the students' relative effort in contributing to these resources.

TABLE 6: STATE FUNDING PER STUDENT

Rank	State	1995	Rank	State	1995
1	HAWAII	$11,888	26	ARIZONA	$8,059
2	NEW JERSEY	$11,428	27	GEORGIA	$8,028
3	DELAWARE	$11,264	28	KENTUCKY	$8,008
4	VERMONT	$10,994	29	TENNESSEE	$7,839
5	**WASHINGTON**	**$10,937**	30	FLORIDA	$7,788
6	CALIFORNIA	$10,891	31	MARYLAND	$7,621
7	NEW YORK	$10,147	32	TEXAS	$7,610
8	PENNSYLVANIA	$9,911	33	NO. DAKOTA	$7,580
9	NO. CAROLINA	$9,735	34	OREGON	$7,489
10	MINNESOTA	$9,673	35	SO. CAROLINA	$7,449
11	IOWA	$9,445	36	MISSISSIPPI	$7,447
12	WYOMING	$9,376	37	MAINE	$7,302
13	CONNECTICUT	$9,294	38	NEW MEXICO	$7,143
14	OHIO	$9,092	39	KANSAS	$7,059
15	MICHIGAN	$8,971	40	IDAHO	$6,834
16	INDIANA	$8,892	41	UTAH	$6,602
17	VIRGINIA	$8,806	42	COLORADO	$6,570
18	ILLINOIS	$8,694	43	NEW HAMPSHIRE	$6,463
19	MASSACHUSETTS	$8,689	44	WEST VIRGINIA	$6,286
20	RHODE ISLAND	$8,582	45	SO. DAKOTA	$5,784
21	ALASKA	$8,503	46	NEBRASKA	$5,765
22	ALABAMA	$8,393	47	MONTANA	$5,757
23	WISCONSIN	$8,322	48	ARKANSAS	$5,573
24	NEVADA	$8,275	49	OKLAHOMA	$5,273
25	MISSOURI	$8,097	50	LOUISIANA	$5,213

FIGURE 4: STATE FUNDING PER STUDENT



Funding Data from U.S. Department of Education (IPEDS, 1996)

TUITION AND STATE APPROPRIATIONS FOR FINANCIAL AID

Two national comparisons of student financial aid were developed.

The first, shown in Table 7 below, shows a ranking of the 50 states based upon the size of their state need-based grant programs for undergraduates as a percent of their total higher education appropriation. The state of Washington ranks 11th. This data is illustrated in Map 9.

A second national comparison of state support for aid to students is listed in Table 8. This table ranks states according to the average need-based grant aid amount per full-time undergraduate. The table also includes a column (entitled "Other Grant Per FTE) that includes merit-based programs that make a large contribution to state effort in such states as Georgia (Hope Scholarship), Florida, and North Carolina.

The relationship of tuition at the public 4 -year institutions and state need-based aid per FTE is shown in Figure 5. This chart only includes state need-based aid. State appropriations to institutions and non-need based aid are excluded.

TABLE 7: STATE NEED-BASED GRANT PROGRAMS FOR UNDERGRADUATES AS A PERCENT OF HIGHER EDUCATION APPROPRIATIONS

	Percent	Rank		Percent	Rank
New York	22.1%	1	Oregon	2.5%	26
Vermont	21.6%	2	Arkansas	2.3%	27
Pennsylvania	14.2%	3	Tennessee	2.1%	28
Illinois	12.9%	4	Florida	1.9%	29
New Jersey	9.8%	5	Kansas	1.8%	30
Minnesota	8.6%	6	Missouri	1.7%	31
Massachusetts	7.1%	7	Texas	1.3%	32
Indiana	7.0%	8	North Dakota	1.2%	33
Virginia	6.1%	9	Nevada	1.2%	34
Iowa	5.8%	10	Louisiana	1.1%	35
Washington	**5.7%**	**11**	North Carolina	0.9%	36
Ohio	5.2%	12	New Hampshire	0.9%	37
Michigan	5.0%	13	Delaware	0.8%	38
Wisconsin	4.8%	14	Nebraska	0.8%	39
California	4.6%	15	South Dakota	0.5%	40
Rhode Island	4.5%	16	Georgia	0.4%	41
Maine	3.9%	17	Arizona	0.3%	42
Kentucky	3.9%	18	Idaho	0.3%	43
Connecticut	3.9%	19	Montana	0.3%	44
Maryland	3.7%	20	Utah	0.3%	45
Colorado	3.6%	21	Alaska	0.2%	46
New Mexico	3.1%	22	Alabama	0.2%	47
Oklahoma	2.9%	23	Mississippi	0.2%	48
South Carolina	2.7%	24	Wyoming	0.2%	49
West Virginia	2.5%	25	Hawaii	0.1%	50

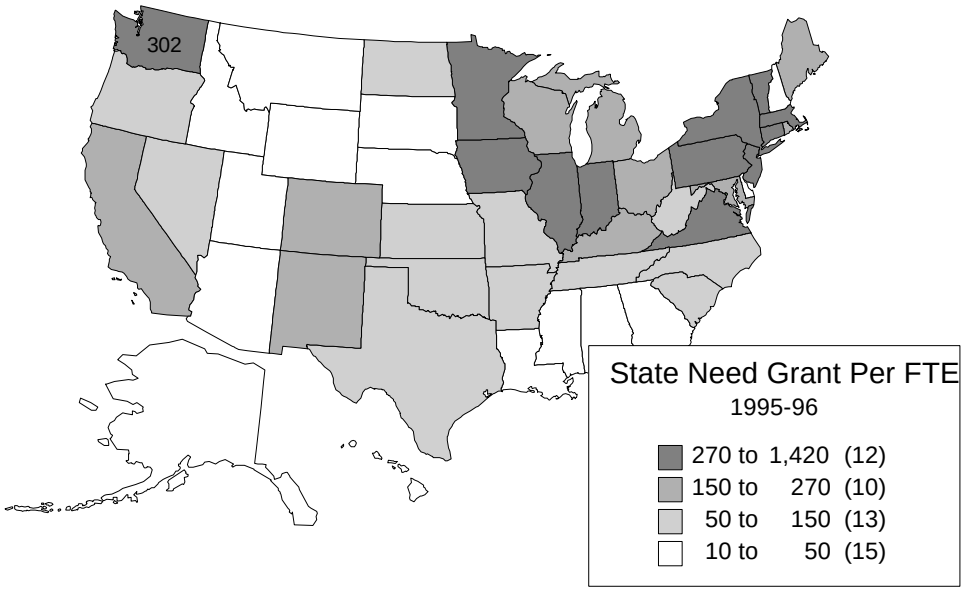
DATA: National Association of State Student Grant Aid Programs, 27th Annual Survey, 1997.

TABLE 8: STATE PROGRAM GRANT AID AND AID PER FTE

State Grant Aid for Full-Time Undergraduates

State	State Need-Based Grant Per Fte	Other Grant Per FTE	Total State Grant Per FTE
New York	$1,412	$10	$1,422
Pennsylvania	$799		$799
Vermont	$773	$1	$773
Illinois	$717	$72	$789
New Jersey	$682	$45	$727
Minnesota	$550	$0	$550
Massachusetts	$467	$1	$468
Iowa	$416	$5	$421
Indiana	$396	$7	$403
Connecticut	$344	$0	$344
Washington	**$302**	**$7**	**$309**
Virginia	$274	$82	$356
Wisconsin	$256	$17	$273
Ohio	$251	$102	$353
Maine	$250		$250
Michigan	$247		$247
Rhode Island	$223		$223
Kentucky	$223		$223
New Mexico	$213	$34	$248
Maryland	$189	$36	$225
California	$187		$187
Colorado	$156	$114	$270
South Carolina	$147		$147
Arkansas	$145	$13	$158
Oklahoma	$143		$143
West Virginia	$132		$132
Tennessee	$123	$3	$126
Oregon	$119	$60	$179
Florida	$96	$181	$277
Missouri	$94	$92	$186
Kansas	$90	$1	$90
Nevada	$74	$13	$87
North Carolina	$70	$114	$184
Texas	$65		$65
North Dakota	$63	$10	$73
Louisiana	$48	$62	$111
Nebraska	$46		$46
Delaware	$45	$8	$52
New Hampshire	$29	$0	$29
Alaska	$26		$26
South Dakota	$25		$25
Georgia	$23	$771	$794
Idaho	$19	$7	$26
Utah	$15		$15
Hawaii	$15		$15
Arizona	$14		$14
Montana	$12		$12
Alabama	$12	$34	$46
Mississippi	$12	$1	$12
Wyoming	$10		$10

MAP 9: STATE NEED GRANT PER FTE 1995-96



Map 9 above shows that Washington is in the top quartile for grant funding per full-time undergraduate.

FIGURE 5: STATE NEED GRANT PER FTE AND TUITION AT FOUR-YEAR PUBLIC INSTITUTIONS

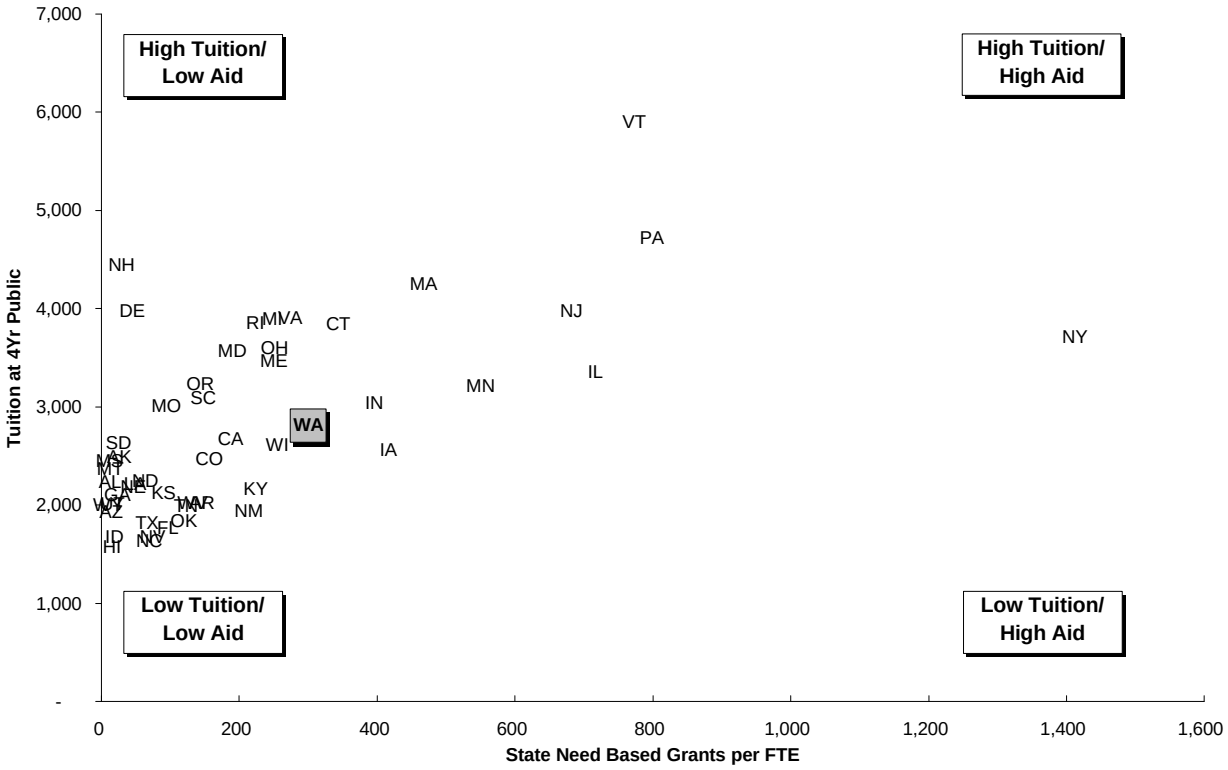


Figure 5 above does not include the state subsidy to public institutions for instructional costs. The consideration of the state subsidy will be addressed in a later section.

COORDINATION OF STATE NEED-BASED PROGRAM WITH THE FEDERAL PELL GRANT

Table 9 shows the ranking of states participation in the federal Pell Grant program. The Pell is based on a determination of need which a student's or family's assets with the cost of education. The Pell is targeted on student from the lowest family income background. States with larger than average concentration of poor students or state where family incomes are relatively low will have a higher percentage of students participating in the program

Table 10 shows Pell participation by state but also shows the percentage of full-time undergraduates receiving state need-based aid. . Vermont, Minnesota and Pennsylvania top this list.

The chart is ordered by the final column which is the ratio of state program participants to Pell participants (these may or may not be the same students.) While populations of the two measures are slightly different, the ratio indicates the relative importance of the state program as compared to the federal program in addressing student needs.

TABLE 9: PELL PROGRAM PARTICIPATION BY STATE - FY 1995

Percent of Undergraduates Receiving Pell Grants					
Rank	**State**	**%**	**Rank**	**State**	**%**
1	Mississippi	44.2	26	Minnesota	25.1
2	Montana	41.9	27	Nebraska	24.6
3	Louisiana	41.0	28	Indiana	24.3
4	South Dakota	39.5	29	Michigan	24.2
5	Arkansas	39.4	30	Oregon	23.7
6	Idaho	35.4	31	Maine	23.5
7	Oklahoma	35.1	32	No.Carolina	23.3
8	North Dakota	35.0	33	Pennsylvania	22.4
9	Alabama	34.2	**34**	**Washington**	**22.3**
10	New York	34.0	35	Rhode Island	21.9
11	Kentucky	33.9	36	Wisconsin	21.2
12	New Mexico	32.6	37	Colorado	20.6
13	West Virginia	31.3	38	Massachusetts	20.5
14	Georgia	30.7	39	Arizona	20.4
15	So. Carolina	30.1	40	Virginia	20.1
16	Iowa	29.8	41	New Jersey	19.9
17	Utah	29.7	42	Illinois	19.8
18	Vermont	27.8	43	California	19.8
19	Ohio	27.0	44	Maryland	19.8
20	Kansas	26.1	45	New Hampshire	18.1
21	Missouri	25.7	46	Connecticut	14.6
22	Tennessee	25.6	47	Delaware	14.3
23	Texas	25.5	48	Alaska	13.9
24	Florida	25.3	49	Hawaii	11.9
25	Wyoming	25.3	50	Nevada	10.7

DATA: Post-Secondary Education Opportunity #51, September 1996.

TABLE 10: STATE PELL GRANT PARTICIPATION

Rank	State	Percentage of undergraduates Receiving Pell Grants	Percentage of Full-time undergraduates Receiving State Need-Based Aid	Ratio of State Program Participants
1	Minnesota	25.1	49.2	1.96
2	Pennsylvania	22.4	41.4	1.85
3	Vermont	27.8	51.1	1.84
4	Illinois	19.8	32.8	1.66
5	Maine	23.5	37.9	1.61
6	Wisconsin	21.2	32.5	1.53
7	New Jersey	19.9	26.8	1.35
8	Maryland	19.8	24.5	1.24
9	Massachusetts	20.5	25.0	1.22
10	Colorado	20.6	24.4	1.18
11	**Washington**	**22.3**	**26.0**	**1.17**
12	New York	34.0	37.1	1.09
13	Indiana	24.3	23.0	0.95
14	Rhode Island	21.9	20.0	0.91
15	Michigan	24.2	22.1	0.91
16	Ohio	27.0	22.0	0.81
17	Oregon	23.7	19.3	0.81
18	Kentucky	33.9	25.7	0.76
19	Iowa	29.8	18.8	0.63
20	Florida	25.3	15.9	0.63
21	Tennessee	25.6	15.9	0.62
22	California	19.8	11.8	0.60
23	Arkansas	39.4	20.6	0.52
24	Oklahoma	35.1	14.9	0.42
25	Delaware	14.3	5.6	0.39
26	Kansas	26.1	10.2	0.39
27	West Virginia	31.3	12.2	0.39
28	Nebraska	24.6	8.9	0.36
29	So. Carolina	30.1	9.7	0.32
30	Connecticut	14.6	4.0	0.27
31	Missouri	25.7	6.5	0.25
32	No.Carolina	23.3	5.4	0.23
33	Texas	25.5	5.4	0.21
34	Virginia	20.1	4.1	0.20
35	Georgia	30.7	5.8	0.19
36	Alaska	13.9	2.6	0.19
37	South Dakota	39.5	7.1	0.18
38	Hawaii	11.9	1.7	0.14
39	Nevada	10.7	1.4	0.13
40	Wyoming	25.3	3.2	0.13
41	Louisiana	41.0	4.8	0.12
42	Arizona	20.4	2.2	0.11
43	Alabama	34.2	3.6	0.11
44	Idaho	35.4	3.7	0.10
45	New Mexico	32.6	3.0	0.09
46	Utah	29.7	2.7	0.09
47	Montana	41.9	3.1	0.07
48	Mississippi	44.2	2.4	0.05
49	New Hampshire	18.1	0.8	0.04
50	North Dakota	35.0	1.0	0.03

DATA: Post-Secondary Education Opportunity #51, September 1996. National Association of State Student Grant Aid Programs, 27th Annual Survey, 1997.

TUITION AND STATE INSTRUCTIONAL SUPPORT COMPARED TO STATE FINANCIAL AID

The final tuition analysis in this report attempts to depict the relationship of tuition, state instructional support and financial aid.

Tuition, state general fund support for public institutions, and financial aid are inextricably tied. Together tuition and state support effectively constitute instructional costs. The state's effort in support of students is represented by direct grants to students and by general fund subsidies to public institutions.

Grant aid is important to students by assisting them to meet tuition costs. To the extent that state aid programs supplement federal grant aid, state grant programs are the determining difference in grant aid. In private institutions, federal and state grant aid are complemented by institutional aid in the form of scholarships from endowments and discounts in tuition.

The following three figures (Figure 6, Figure 7, and Figure 8) use data from the US Department of Education as provided by the higher education institutions to illustrate the relationship between average tuition as a percentage of instructional cost and average grant aid as a percent of instructional cost. . Grant aid is defined as all student grants. Data is depicted on a per FTE basis using the most recent federally reported FTE data from 1994. Instruction costs are direct instructional costs excluding research and public service.

On the vertical axis, states with high tuition in relation to their total instructional costs appear towards the top of the scale. New Hampshire and Vermont are the two highest states on this scale. On the horizontal axis, states that appropriate relatively high amounts of grant aid in relation to their overall instructional costs appear to the right. These include Oklahoma, Arizona and Missouri.

As shown in previous sections, the public four-year institutions in Washington State lie in the mid-range of tuition and slightly below average for tuition rates as a percentage of instruction costs. Washington lies at the upper end of the spectrum of states efforts for reported average grant aid as a percentage of instructional costs.

FIGURE 6: PUBLIC FOUR-YEAR INSTITUTIONS - 1995

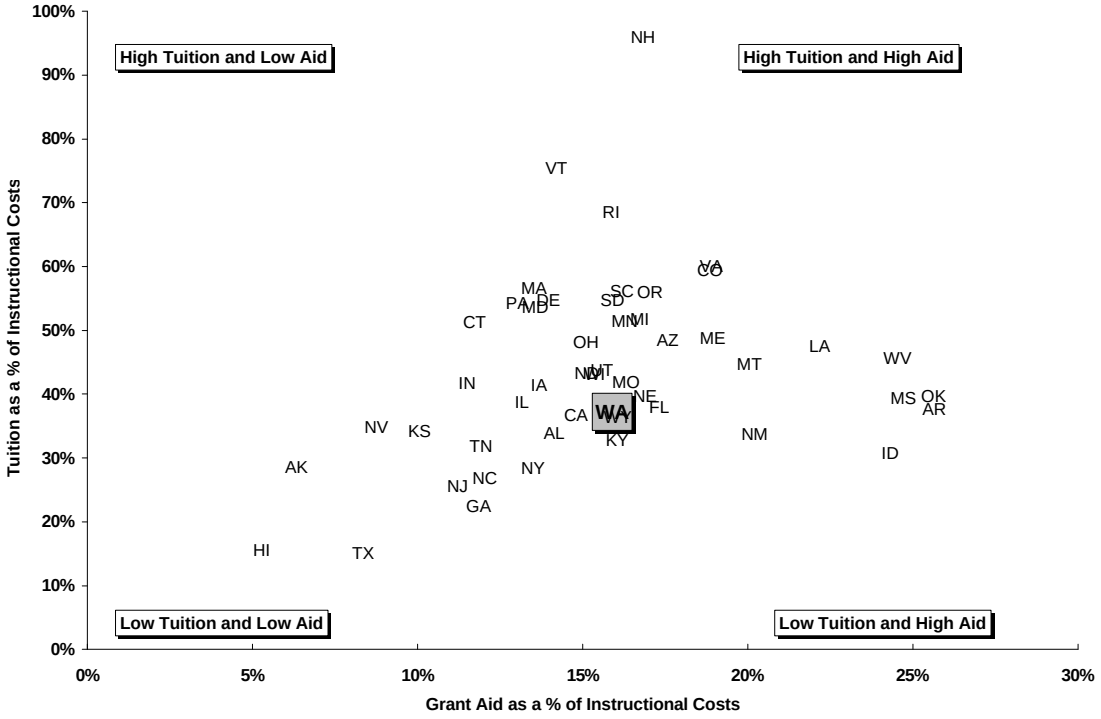


FIGURE 7: PUBLIC TWO-YEAR INSTITUTIONS - 1995

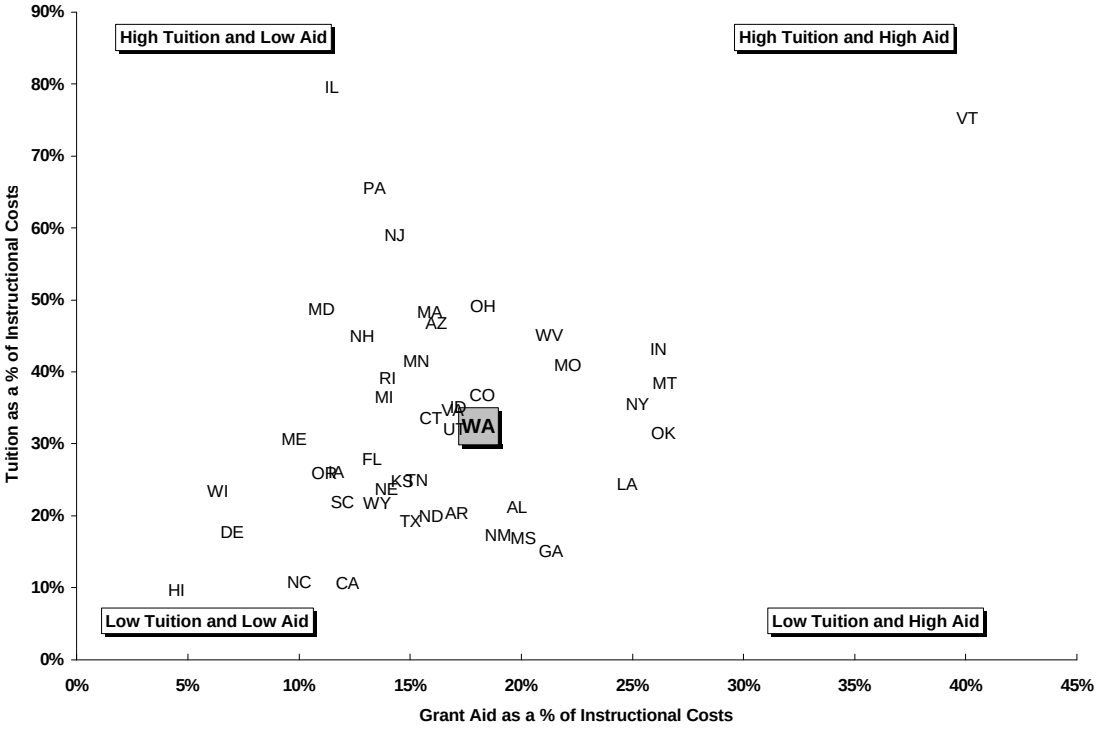
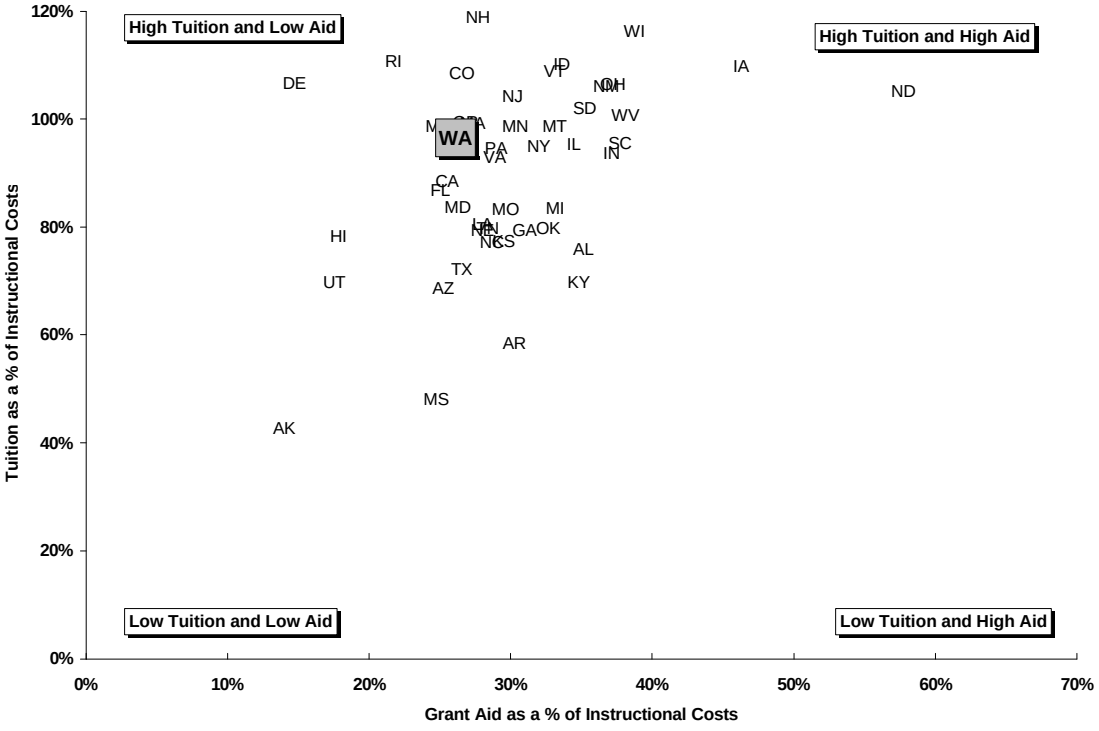


FIGURE 8: PRIVATE FOUR-YEAR INSTITUTIONS - 1995



APPENDIX

FIGURE 9: RESIDENT UNDERGRADUATE TUITION HISTORY (ANNUAL % CHANGE)

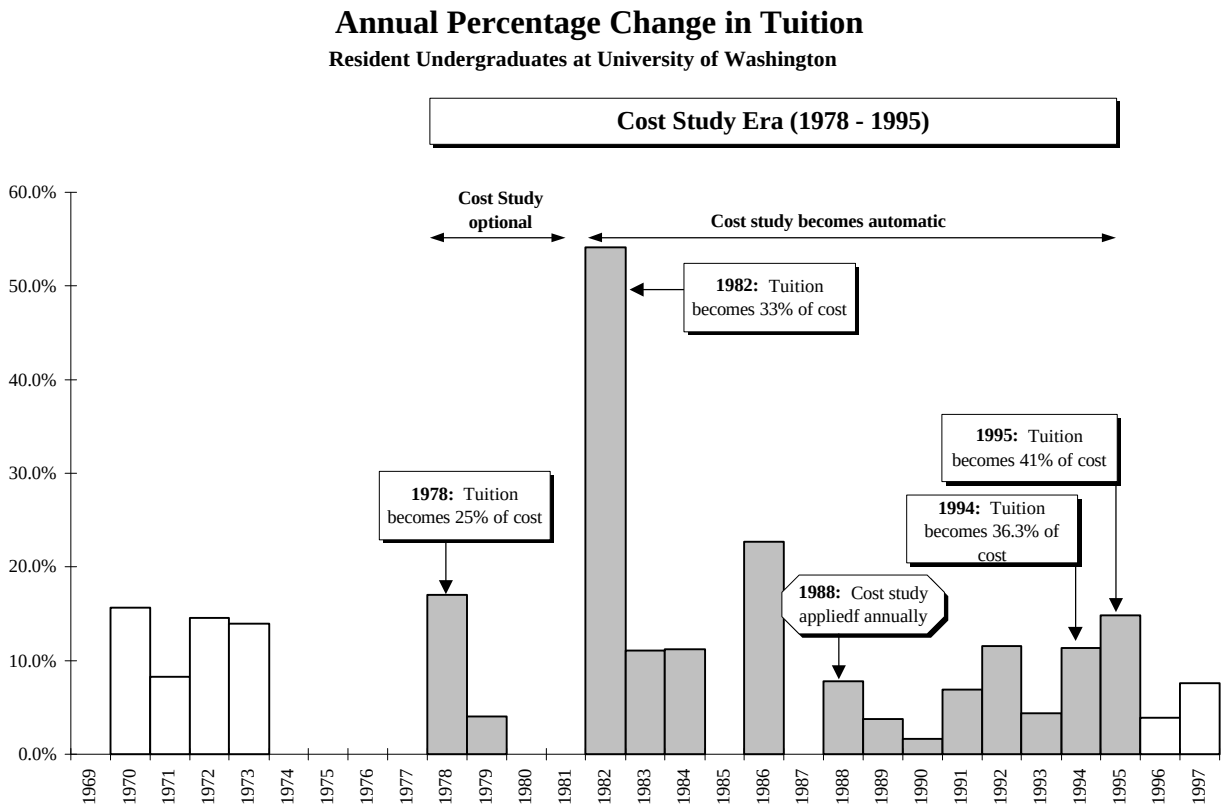


FIGURE 10: TUITION GROWTH COMPARED TO PER CAPITA INCOME GROWTH AND INFLATION

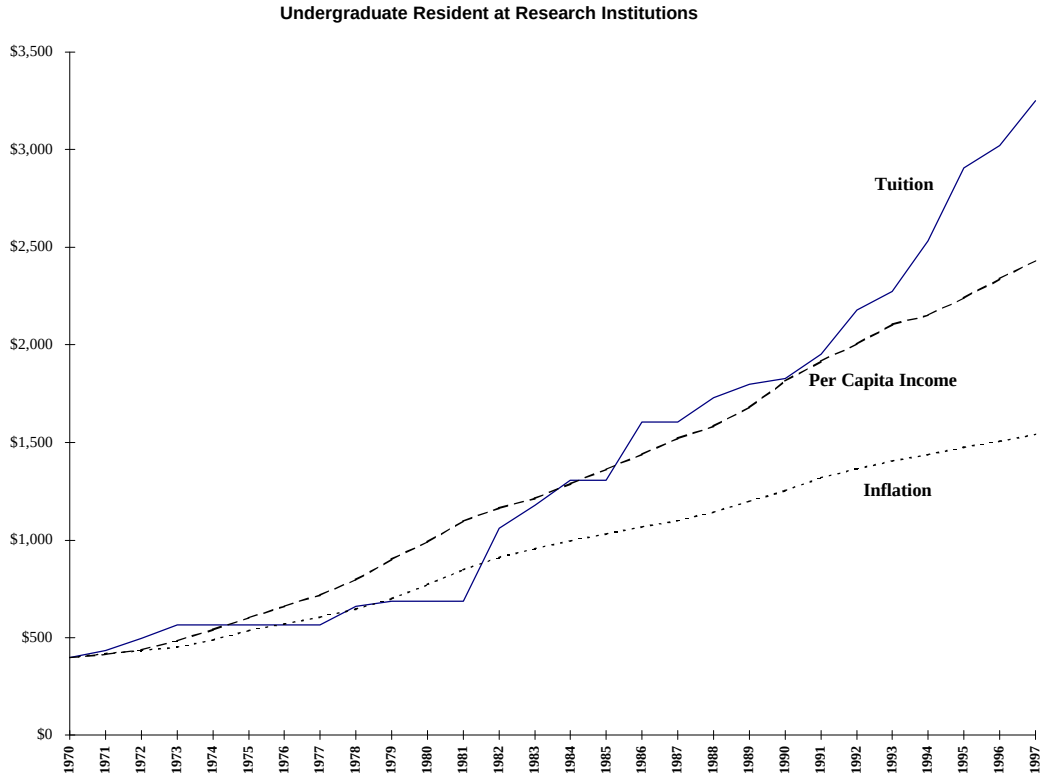


TABLE 11: SUMMARY OF 1997 ACTIONS BY STATE LEGISLATURES

State	Page #	Higher Ed Appropriation	Governance Issues	Tuition	Need-Based Financial Aid	Established Merit-Based Aid Program
Alabama	**1**	Decreased	X			
Alaska	**2**	Decreased		Level		
Arizona	**3**	Increased		Increased		
Arkansas	**4**	Increased	X			X
California	**5**	Increased		Level		
Colorado	**6**	Increased		Increased		
Connecticut	**6**	Decreased		Increased	Increased	
Delaware	**7**	Increased		Increased	Decreased	
Florida	**8**	Increased		Increased	Increased	X
Georgia	**9**	Increased		Increased		
Hawaii	**10**			Increased		
Idaho	**11**					
Illinois	**12**	Increased		Increased	Increased	
Indiana	**13**	Increased			Increased	
Iowa	**13**	Increased				
Kansas	**14**		X			
Kentucky	**14**		X			
Louisiana	**16**	Increased	X			X
Maine	**17**			Increased		
Maryland	**17**	Increased		Increased		
Massachusetts	**18**	Increased			Increased	
Michigan	**19**			Increased		
Minnesota	**19**	Increased			Increased	
Mississippi	**20**	Increased		Level		
Missouri	**20**	Increased			Increased	
Montana	**21**		X			
Nebraska	**22**	Increased		Increased	Increased	
Nevada	**23**	Increased			Increased	
New Hampshire	**24**			Increased		
New Jersey	**24**	Increased				
New Mexico	**25**		X			X
New York	**26**		X			
North Carolina	**26**	Increased				
North Dakota	**27**	Increased		Increased		
Ohio	**28**	Increased		Increased		
Oklahoma	**28**	Increased		Increased		
Oregon	**29**	Increased				
Pennsylvania	**30**	Increased				
Rhode Island	**31**	Increased			Increased	
South Carolina	**32**	Increased				
South Dakota	**32**	Increased	X	Increased		
Tennessee	**33**	Decreased		Increased		
Texas	**34**	Increased			Increased	X
Utah	**34**	Increased		Increased		
Vermont	**35**	Increased		Increased		
Virginia	**35**		X	Level		
West Virginia	**37**	Increased		Increased	Increased	
Wisconsin	**38**			Increased		
Wyoming	**39**			Increased		

From the 1997 Almanac on Higher Education, The Chronicle of Higher Education

Alabama

The board that oversees Alabama's public colleges surprised almost everyone in 1997 with a plan that would reduce the number of state supported campuses to 73 from 182.

The Alabama Commission on Higher Education sent the plan, which would cut $102 million from the $958 million budget for higher education, to Governor Fob James, Jr., in July 1997, one month before the Legislature was expected to convene in special session to craft budgets for the colleges.

Governor James, a Republican, has charged that Alabama has too many colleges and that some of them spend state funds inefficiently. He had asked the commission to help him find a way to finance $100 million in new scholarships. While the Governor's aides praised the group's work, they said the budget cuts probably were too controversial to be approved quickly.

Under the plan, state support would end for remedial education, prison education, education costs for out of state students once they make up more than 25 percent of students on a campus, and public campuses with fewer than 500 full-time equivalent students. The last change would affect mostly branch campuses, which would then have to rely entirely on tuition to stay open. But the commission would not spend the estimated $102 million in savings the way the Governor suggested. It called for using about $52 million to finance $1,500 scholarships for Alabama students who earned at least a B average in high school and maintained it in college. The remainder would go to public colleges for educational purposes other than those barred in the plan.

While some university presidents liked the idea of cutting off tax dollars to small campuses, most institutional leaders vowed to fight any attempt to reduce their budgets. Several worried that Governor James would push for the first part of the plan -- the cuts -- and forget the rest. Because more than 15 percent of Alabama legislators also work for or are trustees of colleges, the possibility of budget cuts seemed remote. Not that increases were likely, however, the Governor in May 1997 vetoed a $3.6 billion education budget for fiscal 1997-98, which contained a 1 percent increase for higher education.

The commission also began cracking down on what it saw as unproductive academic programs. In June, it adopted a "viability" process for identifying programs that appeared at risk. After a three year monitoring period, those that had not sufficiently improved would be phased out over another three years. Such programs were to be identified by 1998.

College presidents in Alabama are always knee deep in state political matters. In 1997, a big issue was governance. Governor James called for reorganizing the way public universities are run; campus leaders responded by floating ideas such as putting all public institutions under the Boards of Trustees of either the University of Alabama or Auburn University. The talk did not translate into legislation.

A different kind of political fight pitted the Commission on Higher Education against the State Board of Education in 1997. The two panels sparred over which had final authority over academic programs and off campus instruction at two-year colleges, which are governed by the state board. The state Attorney General favored the commission, but both sides suggested that the courts may have to resolve the issue.

Alaska

Even though Alaska had a sizable budget surplus in 1996-97, leaders of the Republican dominated Legislature were in the second year of a three-year drive to cut expenditures by an average of $50 million a year, and they would not be dissuaded.

The University of Alaska System, optimistically, had requested a 9.5 percent increase in state funds. Officials hoped that their allocation would at least hold steady. Instead, to their disappointment, they came away with a 2 percent reduction on top of the 1percent cut in general appropriations the previous year.

Governor Tony Knowles, a popular Democrat who is unlikely to face any real challenge when he runs for re-election in 1998, had said he wanted to spare education from cuts, but his wishes were to no avail. The university system comprises four-year campuses in Anchorage, Fairbanks, and Juneau, and nine two-year campuses around the state.

The Legislature presented the campuses with other challenges as well. In collective bargaining, the state had agreed to $3.5 million in raises for faculty members. The Legislature approved the raises but did not provide enough money for them, so the university will have to find the money internally. Nor did the system fare well in its requests for funds to meet the costs of deferred maintenance and delayed capital improvements. Officials had asked the Legislature for $52.5 million for capital improvements and renovations, and $35 million for deferred maintenance, a fraction of the $150 million needed for that purpose. But they received only $7 million for the two categories combined.

System officials had two consolations: The capital enhancement and deferred maintenance budget for the whole state was only $100 million. And legislators were receptive to the university's concerns, although they indicated that they wanted to see a full picture of the state's needs, at their next session, before approving large allocations. System officials are confident that they will be given $50 million or more in 1998 for maintenance and for expanding the library at Anchorage. That money probably would be raised in a bond issue, an unusual tactic in this state, where the outstanding bond obligation is almost nil. Approval for an issue of up to $500 million for various needs is expected to go to voters in fall 1998.

The university's long-term outlook is positive. The state economy is in good shape, thanks to the higher than expected price of Alaskan oil and the Legislature's unusual tactic of cutting spending at times of increasing revenues.

Higher education officials hope to persuade fiscally conservative lawmakers that education is an investment, not a cost of government that should be squeezed down. In polls, Alaska voters consistently rate education as a top concern.

In the face of the cuts, the system's Board of Regents is trying to keep up salaries. It granted a 2.5 percent raise in 1997, as it had a year earlier. Salaries at Alaska community colleges are nationally competitive, but those on the four- year campuses have lagged, and attrition remains a concern.

Labor issues, at least, appear to have been resolved. The system averted a strike that had been threatened by the state chapter of the American Federation of Teachers, which represents instructors at the community colleges. The regents are expecting to negotiate with a new union, United Academics, which represents professors on the four-year campuses. The group was formed in 1997 -- after the regents had aired the idea of abandoning tenure, and system officials had talked of increasing faculty members' workloads.

Tuition costs remain a concern. For four-year programs, Alaska fees are at about the national average. But fees are much higher than average at community colleges. Tuition will stay level in 1997-98.

A reprise may be looming of a mid-1980s fight over how best to educate rural Alaskans, particularly Alaska Natives, many of whom have fared poorly at urban campuses. The Legislature is

heavily Anchorage oriented, and would like to scale back its offerings in rural Alaska. The regents are trying at least to make delivering higher education to those areas more efficient and affordable.

Arizona

Economic prosperity, better relations with Governor Fife Symington, and the state's first big time college basketball championship took the heat off Arizona's three public universities in 1997.

A year earlier, the Republican Governor and some lawmakers had criticized the institutions -- Arizona State and Northern Arizona Universities and the University of Arizona -- for seeking large infusions of cash. Some complained that the campuses had too much money already, along with too many administrators. But state and university officials came together in 1996 to set limits on the budget increases that campuses could propose. By the time the Legislature adjourned in April 1997, college leaders were smiling. Lawmakers had increased funds for community colleges by 9.6 percent, to $122.2 million. And universities received a 7.3 percent increase, to $680.9 million.

Salaries for university faculty members received special attention. Lawmakers allocated a total of $24 million to make wages more competitive, with bonuses for tenured professors who taught two or more classes a semester.

Some Arizona two-year colleges, looking to offer baccalaureate degrees, found the universities standing in their way. Governor Symington vetoed a bill that would have allowed some community colleges to award the degrees to help meet growing demand for higher education in the state. Panels of legislators and educators plan to study the issue.

Arizona also created a college savings plan, into which residents can deposit money and earn interest tax free if the investment is used to pay for college. Lawmakers chose the model over a prepaid tuition program, which some saw as riskier for the state.

Universities took steps in 1996 to broaden access to some financial aid and academic assistance programs that had focused on helping minority students. The changes came in response to a call by some regents for an end to the use of racial preferences.

The Arizona Board of Regents, which oversees the universities, raised tuition and fees for state residents by 2.5 percent, to $2,058, for the 1997-98 academic year. Students had lobbied for no increase, citing the state's historic commitment to low tuition, but some observers wondered how long the universities could afford to remain relatively cheap in the face of an enrollment boom expected in the next decade.

The regents also approved a new "report card" rating of the performance of the three universities. Based on the evaluation, the campuses excelled at graduating students without their having accumulated excess credits; enrolling top graduates from Arizona high schools; and employing faculty members who are popular with students and successful at winning research grants and contracts. The report card said universities needed to improve, however, at retaining and graduating students; creating on-line academic programs; and putting some business related functions in private hands.

Arkansas

The leadership of the Arkansas higher education system underwent so much upheaval during the 1996-97 academic year that a professor returning from sabbatical might not recognize it.

The first domino fell in July 1996, before the academic year began, with the resignation of the state's Democratic Governor, Jim Guy Tucker, who had been convicted on federal fraud and conspiracy charges. His departure set in motion a series of resignations and restructurings that continued well into the following spring. Mr. Tucker was replaced by Lieutenant Governor Michael D. Huckabee, a

Republican, who, at least at the outset, seemed bent on reducing state spending on higher education and other areas to finance his proposed sales tax rebate.

In December 1996, Diane S. Gilleland announced her resignation as director of the Department of Higher Education, a post she had held for six years. She insisted that her departure had nothing to do with the change in the political landscape, but observers noted that many of her favorite programs faced an uncertain fate.

Governor Huckabee replaced Dr. Gilleland with state Senator Lu Hardin, who had been about to give up his seat and his chairmanship of the Senate Education Committee. Though a Democrat, Mr. Hardin appeared to share many of the Governor's conservative beliefs; moreover, his appointment prompted him to swear off plans to run against Mr. Huckabee in 1998. By mid January, Mr. Huckabee had abandoned his own plan for a sales tax rebate, but that did little to make the future any more secure for the Department of Higher Education and the governing board that sets its policies.

Many lawmakers criticized the department as overstaffed and meddlesome. Some sympathized with community colleges, which complained that the department tended to favor four-year institutions and had shortchanged two-year colleges in fiscal 1996-97, when it began to distribute some funds to colleges based on measures of their performance.

The General Assembly voted to cut the Department of Higher Education's budget by 30 percent and its staff by 20 percent. It also passed a measure that abolished the 13 member, gubernatorially appointed Board of Higher Education and replaced it with a 12 member Arkansas Higher Education Coordinating Board. Although the members of the new board also would be gubernatorial appointees, the law required that its ranks include three members of the boards of two-year colleges, three from the boards of four-year colleges, and six nominated by business and industry.

The law gave the state's Council of Presidents, which comprises the heads of all of the public colleges and universities, a significant role in advising the Governor on appointing the new board members, and advising the board on appointing the department's director. The board is required to let the council review in advance all of the items on its agenda. The council also has the right to evaluate the department's director each year.

The new law bucked a national trend by barring the coordinating board from distributing any more money based on colleges' performance. It required the board to develop a new formula for distributing funds, and to rethink the state's policies on tenure and credit hour requirements.

The General Assembly created a separate, seven member state board to handle work force preparation, stripping responsibility for vocational education from the Education Department, which had been accused of neglecting those programs as it tended to public elementary and secondary schools. Legislators also set up a commission to study the state's work force needs and devise a plan to improve technical training.

With Mr. Huckabee's more drastic tax relief plans off the table, public colleges fared well financially in the 1997 legislative session. Lawmakers agreed to raise the colleges' appropriation by about 15 percent for the 1997-99 biennium. They also voted to provide $1.5million over the biennium to give full scholarships to any resident who meets certain academic standards and attends a public or private college in the state.

The public colleges' governing boards laid claim to additional funds by passing tuition increases ranging from 4 to 12 percent.

California

Californians voted in November 1996 to amend their state constitution to ban the use of race and gender-based preferences by public colleges and other government institutions. But instead of settling the state's fierce debate over affirmative action, passage of the measure just moved much of the battle into the courts.

The campaign on behalf of the ballot initiative, Proposition 209, was led by Ward Connerly, a member of the University of California's Board of Regents. He had been a driving force behind the board's July 1995 decision to bar the university system from using such preferences in hiring and contracting, effective January 1996, and in admissions, effective January 1997.

In July 1997, the U.S. Department of Education's Office for Civil Rights announced that it was investigating whether the University of California had discriminated against minority applicants to its three law schools by using admissions standards that favor white and male students. It was responding to a complaint filed by several organizations that represent women and minority groups.

Meanwhile, Governor Pete Wilson, a Republican, grappled with the Legislature over the state budget for fiscal 1998. They finally reached an agreement in early August, weeks after the new fiscal year had begun.

In keeping with one of the key demands of Democratic lawmakers, the budget plan froze tuition at the state's public universities for the third year in a row. It called for a 4.5 percent increase in state spending on higher education, and provided an additional $67 million subsidy to the University of California and California State University systems to compensate them for the revenue they would have to forgo as a result of the tuition freeze. It also promised community colleges an additional $26 million to subsidize their efforts to keep tuition low.

Colorado

Legislative support for higher education remained strong in 1997, with college appropriations increasing 5.1 percent, to a total of $590 million. Endorsing the higher education commission's spending recommendations, lawmakers provided enough new money to allow campuses to hold in-state tuition increases to an average of 1.5 percent.

Governor Roy Romer, a Democrat, vetoed a bill that would have required public colleges to conduct periodic performance reviews of tenured faculty members and to dismiss those who were repeatedly deemed unsatisfactory. He objected to language that would have allowed some institutions to drop a due process policy for professors.

While Governor Romer said in June 1997 that he would issue an executive order calling for post-tenure review policies, he had not done so by midsummer.

Connecticut

After eight years on the defensive in annual battles over Connecticut's budget, public colleges walked away from the 1997 legislative session relatively unscathed and hopeful that the tide had turned.

The session began on an ominous note, with Governor John G. Rowland, a Republican, calling on state lawmakers to lay claim to 10 percent of higher education's funds. He accused the colleges' administrations of hoarding public dollars that should be used to offset reductions in the state's taxes on income and gasoline.

The colleges, insisting that their administrative budgets had already been decimated, predicted that the Governor's plan would lead to widespread layoffs of faculty members. The Connecticut State University System warned that it would be forced to increase tuition by up to 30 percent to compensate for the loss in state funds.

The colleges found strong support in the General Assembly, where Democrats have long controlled the House of Representatives and gained a narrow majority in the Senate in the elections of November 1996. Lawmakers fended off all but $9 million of the $35 million in higher education budget cuts the Governor proposed. The community technical colleges were hardest hit by the remaining cuts.

The state's other public colleges essentially held their ground in terms of operating budgets, and all made important gains on other fronts: Legislators passed an increase of $6.5 million, or 32 percent, in

appropriations for student financial aid, the first growth in such spending since fiscal 1989. (Just over half of the new money is to go to private college students.) It also set up a college endowment matching program, through which it will give $1 to public colleges for every $2 they receive from private donors. The law governing the program commits the state to hand out as much as $163 million in matching funds by fiscal 2009.

Governor Rowland also signed into law a program to provide incentives for early retirement for state employees, including college faculty and staff members. It promises substantial savings for colleges down the road. Lawmakers did not foresee substantial savings coming from the Governor's proposal to merge Charter Oak College, which has no campus but coordinates residents' efforts to continue their education in various settings, into the Connecticut State University System. The plan was rejected.

The trustees of each of the state's higher education systems said they tried to hold down tuition in planning for the 1997-98 academic year. Nonetheless, they raised the undergraduate tuition rates by up to 5.4 percent at the University of Connecticut, 3.9 percent on Connecticut State's campuses, 5.3 percent at the community technical colleges, and 9.6 percent at Charter Oak.

Delaware

Governor Thomas R. Carper, a Democrat, signed into law in June 1997 a measure that will allow parents to set aside money for a child's postsecondary education in tax deferred accounts.

The money can be used to help a student attend college in Delaware or elsewhere, and when it is withdrawn, the earnings will be taxed, according to federal law, at the student's rate, which is almost certain to be lower than that of the parents. While the legislation sailed through the General Assembly, another measure languished. It would have provided a free education at a Delaware public college to any student whose family earns about $45,000 a year or less, as long as the student attained a grade point average of 2.5 or more in high school. The bill's sponsor, State Senator Harris B. McDowell III, persuaded all but two of his 20 colleagues in the Democratic controlled Senate to approve the measure. But just as in 1996-97, the bill died in the House of Representatives, which Republicans dominate by a two-to-one margin. Governor Carper opposed the measure because of its cost, which was estimated at up to $12 million by 2001.

College officials did not rally behind Senator McDowell's legislation, either. They maintained that it was not the best way to help needy students in the state, since some students above the income cap might, because of personal circumstances, need more aid than some of those below it. The officials released a study showing that the nearly 6,100 state residents who attended the University of Delaware, Delaware State University, or Delaware Technical and Community College in academic 1995-96 together faced a gap of $9.8 million between the cost of college and what they received from their parents and financial aid.

Mr. McDowell promised to bring the bill back before the Legislature in January 1998; college officials hoped to work with him to craft a bill more to their liking.

Legislators approved a 3 percent increase in state funds for colleges' operating costs in 1997-98, to $158 million from $154 million, but cut the budget for student aid by nearly 4 percent. Tuition at the University of Delaware, Delaware State, and Delaware Tech rose an average of 7.6 percent.

Florida

Governor Lawton Chiles in May 1997 signed legislation providing the state's Bright Futures Scholarship Program its first major infusion of state funds -- $75 million in lottery dollars. The money was to be used to award about 43,000 merit-based scholarships for academic 1997-98 under the program, which was established in the previous legislative session.

The big winners are high-school graduates who earn grade point averages of at least 3.5 in college preparatory courses and post high scores on standardized tests. Lawmakers promised to provide them with enough money to cover their tuition, fees, and $600 worth of expenses at a Florida public college. Those who choose to attend one of the state's private colleges will get scholarships of an equivalent dollar value. Awards covering 75 percent of tuition and fees will go to high school graduates who earn slightly lower grade point averages and who are bound for college of for postsecondary vocational programs.

At the other end of the academic spectrum, students who encounter academic troubles in college stand to be penalized financially. The state enacted a law requiring that students who have taken a course twice be charged the full cost of providing it to them if they take it again. Until now, the students' share of the cost of a course had stayed at about 25 percent no matter how many times they repeated it.

Students faced mixed financial prospects as a result of other actions taken by the Legislature in 1997. Lawmakers promised public university students an additional $14 million in need-based tuition assistance, but planned to raise the money by increasing undergraduate tuition by 7.8 percent and earmarking 45 percent of the resulting revenue for student aid. Community college students were promised a slight increase in the amount of need based aid available to them, but their tuition was to rise by 8.7 percent.

About the only new need based aid offered without strings attached came in the form of a law committing the state to pay the public college tuition of adopted foster children.

Florida's new budget was seen by some legislators and college officials as violating a state law requiring it to appropriate proportionately more money for need based student aid than for scholarships based on merit. Lawmakers promised to take steps in their next legislative session to bring spending in these areas closer to the lawful balance.

The state suspended the sale of prepaid dormitory contracts in June 1997. These had been offered to help residents cover future costs of room and board, but state officials feared that the investments might not be exempted from federal taxes, and that there might not be enough rooms to go around.

The Legislature denied the State University System's request to let colleges charge students up to $50 each semester to pay for new technology. It did, however, earmark for technology 10 percent, or about $3 million, of the additional $30 million in revenues expected to be generated by tuition increases.

Several lawmakers tried to strip public colleges of the power to charge their own fees for student activities, capital improvements, and other needs. Some of those legislators were annoyed by the University of South Florida's decision to use student activity fees to pay a $14,000 honorarium to Greg Louganis, the former Olympic diving champion, who came there to speak about being gay and HIV positive. Others said they were concerned for parents who were counting on investments in the state's prepaid tuition program to pay the full costs of their children's college education, unaware that these funds would not cover the additional fees that individual colleges charge. Colleges fought to protect their power to charge such fees and persuaded the Legislature not to take any action.

By and large, Florida's public colleges fared well in the 1997 legislative session. The state agreed on a fiscal 1998 budget calling for general fund expenditures on universities to increase by 9.9 percent and those on community colleges by 11 percent.

Much of the additional money was intended to help colleges deal with rapid growth. Concern over rising enrollments also prompted the Legislature to pump more funds into the Florida Resident Access Grant Program, which offers tuition aid to residents who choose private colleges in the state, thus helping to relieve some of the overcrowding at public institutions.

With the state's undergraduate enrollment expected to rise by about 230,000 students by 2010, Florida officials also began looking for new ways to raise funds for college construction -- which has long been financed through a utility tax -- and talked about creating a new system of state colleges or transforming some community colleges into four-year institutions.

In other developments, the Legislature restructured the state's vocational education system, creating a new Division of Workforce Development that will distribute funds to public schools and community colleges based largely on the performance of their programs.

Georgia

Most Georgians have heard about their state's unusually generous HOPE scholarships for college students. In 1996, so did the rest of the country.

President Clinton borrowed the name and the general concept of the $161 million Georgia scholarship program for his proposal to give a $1,500 tax credit to students for each of their first two years of college.

As Congress amended and ultimately approved a form of the President's tax credit in 1997, the first recipients of Georgia's HOPE scholarships graduated from college. The state program pays for tuition and fees at public colleges and provides a stipend for books. To be eligible, students must earn a minimum grade point average of 3.0 by the end of high school and maintain it in college.

The Georgia scholarships came under tough scrutiny in 1997 as a result of the national attention. Some student aid experts charged that the program excludes less affluent students, particularly blacks and Hispanics, because many of them do not have the B average required for the scholarships.

A Georgia State University study found that students who receive HOPE scholarships earn higher grades and are more likely to stay in college than are others. At the University of Georgia in 1996-97, about 97 percent of freshmen who were state residents received HOPE scholarships.

Georgia's political leaders again made a strong financial investment in public higher education in 1997. The state appropriation increased by 7 percent, to $1.5 billion, for the 34 colleges and universities in the University System of Georgia. Included were funds for a 6 percent increase in salaries for college faculty and staff members. Tuition rates went up 6 percent in 1997-98 for Georgia students, but the increases were much steeper for out-of-state students. Under a directive aimed at having non-Georgians pay the full cost of their education by 1998, their rates increased by up to 12 percent.

The Board of Regents continued spreading the word to Georgia residents about the tougher admissions standards that will go into effect at all public colleges in 2001. The standards, which vary among institutions, are expected to relieve enrollment pressure on the state's larger universities by steering more students to two-year colleges.

Hawaii

During the last few years, as Hawaii's tourism driven economy began to sputter, Governor Benjamin J. Cayetano, a Democrat, and state lawmakers made deep cuts in budgets for public agencies, including the University of Hawaii System. The university has responded by increasing tuition sharply, leaving hundreds of faculty and staff positions vacant, and delaying building repairs. Money was slashed for travel, library books and subscriptions, and auxiliary services.

In early 1997, some university officials put their hopes in a state law, Act 161, that mandated a large increase in funds for the system. Legislators tried to amend the law and put off the increase until 1999 -- citing the continuing downturn in tax revenues -- but Governor Cayetano vetoed that measure, leaving Act 161 in effect. The university's faculty union threatened to sue the state unless lawmakers provided the budget increase called for in the statute. No lawsuit had been filed as of mid August 1997. While there was some grumbling about the broken promise of new funds, university officials were happy to have avoided the big budget cuts of the past three years. State officials added no new money to the 1997-99 budget for the University of Hawaii, which will receive about $272 million in each year. University officials also praised lawmakers for authorizing $200 million in bonds for construction projects on the system's campuses.

The Legislature created a 12th seat on the university's Board of Regents, to be filled by a student from one of the system's 10 campuses. The Governor is responsible for selecting the student, who will serve a two-year term.

Tuition policy continues to be a major issue for the university system. Because of the considerable expense of traveling and studying on the mainland, Hawaiian students rely heavily on the system's relatively low priced campuses. Regents raised tuition rates by an average of about 22 percent for 1997-98; the rate for undergraduates at the university's main campus will rise to $2,832.

Idaho

Idaho's economy is picking up steam. The state even turned a small surplus in 1996-97. Even so, Republican Governor Philip E. Batt and legislators held higher education appropriations near the previous year's levels. The outcome disappointed college officials, who acknowledged that they had been optimistic in asking for an 8 percent increase, but who had not expected winding up with virtually no new funds.

A major challenge facing the State Board of Education is to increase the proportion of high school graduates in Idaho who pursue college degrees. About 70 percent do not, and a report issued in October 1996 said more should be done to encourage them to continue their education. It also called for better programs for adults and for those who are academically underprepared. The report focused greater attention on associate degree programs, and the board has offered additional state funds to institutions that do a good job of attracting high school graduates to those programs.

Despite the state's economic success, faculty members and other state employees got no raises in the 1997 legislative session. Lawmakers wanted instead to shore up the state's disaster relief fund, after a series of floods and mudslides from late 1996 to the middle of 1997. That stalled the board's four-year plan, begun in 1996, to raise faculty salaries, which were found in 1994 to be 14 percent below those at comparable institutions in other states. The plan was also made more difficult by enrollment increases at most of the state's six public institutions, which forced them to spend more than they had planned.

Given the conservative state appropriations for higher education, the board is reviewing all of its spending. Officials believe that restructuring the institutions' base budgets may be preferable to pleading with the Legislature for a small increase in spending each year. The board also hopes to shift responsibility for managing budgets to the institutions, allowing its own officials to pay more attention to policy and planning.

To encourage institutions to teach more students without additional construction, the board is for the second year in 1997-98 awarding incentive grants to faculty members who develop new means of delivering courses.

Illinois

Over the objections of many community college leaders, the Illinois General Assembly voted during its 1997 session to let residents use grants from the state's primary financial aid program to attend some proprietary colleges.

Under the change in state law signed by Governor Jim Edgar in July, residents could use grants from the state's Monetary Award Program to attend certain proprietary colleges beginning in the 1997-98 academic year. The awards could be spent only at institutions accredited by the North Central Association of Colleges and Schools, and only for degree programs approved by the Illinois Board of Higher Education. The only proprietary institutions expected to be eligible for such funds in 1997-98 were two campuses of the DeVry Institute of Technology, based in Oak Brook Terrace, and two campuses of Midstate College, based in Peoria.

Governor Edgar, a Republican, had called for expanding the award program and had included funds in his proposed fiscal 1998 budget to pay for doing so, at the urging of the state Board of Higher Education. The change in the program's rules had been recommended by a panel on college affordability set up by the board and the state's Student Assistance Commission.

Business groups and the proprietary schools had lobbied for the change for years. They were opposed by officials of community colleges and private non profit colleges, who argued that the state's often scarce higher education dollars should not go to boost the earnings of for profit institutions.

The Governor made the expansion of the program more palatable to lawmakers by including the $3.5 million needed to pay for it in a proposed $18 million increase in the budget for the Monetary Award Program. The program gives residents annual need based grants ranging from $300 to $4,100, depending on their income.

Proprietary colleges were not the only ones that fared well in the Legislature's 1997 session. The fiscal 1998 budget enacted by lawmakers called for increasing state spending on higher education by nearly $114 million, or 5.8 percent.

The General Assembly agreed to sweeten the pensions of public college employees, to provide community college retirees with better health care benefits, and to establish a prepaid tuition plan. It also agreed to make the children of state university employees eligible for 50 percent tuition waivers at any of the state's public colleges -- not just, as had been the case, at the institution where their parents worked. Some public colleges saw their appropriations cut slightly, however, as lawmakers tried to penalize them for having routinely traded in state purchased cars with just 45,000 miles on the odometer. Legislators believed that the colleges were keeping the cars until they had 75,000 miles on them. And Republicans in the Legislature shot down Mr. Edgar's plan to increase income taxes and use some of the resulting revenue to beef up public college programs that train teachers.

Having given public colleges $120 million for new construction during the 1996 session, lawmakers decided to accommodate just $34.5 million of the board's $284 million request for such funds for fiscal 1998.

The University of Illinois at Urbana Champaign expected to get an infusion of federal money to help its supercomputer center set up a "National Technology Grid," linking computers nationwide. And the Illinois Institute of Technology was promised $120 million in donations by two of its trustees to pay for scholarships and to improve campus buildings.

The state universities' governing boards agreed to raise tuition by an average of 3.9 percent for fall 1997; the new annual rates were expected to range from $2,020 at Southern Illinois University at Edwardsville to $3,308 at Illinois at Urbana Champaign. Community colleges planned tuition increases of 3.5 percent.

Indiana

With the Governor Frank O'Bannon 's support, two financial aid programs were created in 1997. Lawmakers provided $5 million to be used for need based grants to part time students who take two or more classes a semester. The state also authorized a college savings program with tax benefits.

A tax credit proposal pushed by Mr. O'Bannon, a Democrat, failed to win support from lawmakers. The proposal would have given a credit of $1,200 a year, for up to five years, to university graduates who stayed and worked in Indiana. After lengthy budget negotiations, the Governor and lawmakers agreed on a spending plan that provided $951 million to higher education, a 5.5 percent increase over the 1996-97 appropriation. State funds for financial aid increased by 14 percent, to $94.3 million.

Iowa

State appropriations for the colleges totaled $571.1 million, up 5 percent from the 1996 budget. During elections in fall 1996, Republicans won a majority in the state Senate; the G.O.P. also controlled the House of Representatives and had one of their own as Governor, Terry E. Branstad. He vetoed a bill that would have prohibited colleges from using the state's telecommunications network to provide dial up Internet access to faculty members, students, and administrators. Supporters of the prohibition said use of the network took business away from private companies, but university officials argued that students and professors needed the easy access to the Internet that the network provides.

Staff members of the Iowa Board of Regents, which oversees the three state universities, began developing a data base to monitor faculty workloads. Some lawmakers have complained that professors spend too much time on research and too little on teaching. Universities also made teaching loads more flexible in 1996-97, allowing some faculty members to spend more time on teaching rather than research, or vice versa.

Kansas

How much influence should public universities have over state community colleges? Kansas lawmakers and educators began a debate on that issue during 1997 that may result in significant legislation in 1998. Several bills were introduced in 1997 to change how community colleges are governed and financed. But so much uncertainty and debate arose over which direction to go that the issues were passed off to a committee to consider.

Some state lawmakers want the Kansas Board of Regents, which oversees six of the seven state universities, to have authority over many community college matters, including academic programs, job training, and administration. Some also want the state to provide more support for the two-year colleges, giving some tax relief to local districts.

College leaders were divided on what kind of change, if any, they would support. Under the regents, would community colleges become stepchildren to the universities? Or would stronger coordination between two-year colleges and universities help students? If strapped communities no longer had to support community colleges, would state funds for those institutions come at the expense of the universities? State officials expect answers -- or at least more debate -- during the Legislature's session in 1998.

The board of regents pressed state legislators to change the governing structure of the University of Kansas Hospital. Under one bill, the regents would have relinquished control of the hospital so it could operate under a public authority model and better compete with other hospitals. But the bill stalled under the weight of two amendments, one that would have put legislators on the public authority board and another that would have prohibited abortions at the hospital. Lawmakers expect to try again in 1998.

As part of a campus renovation project that some state officials have dubbed the "Crumbling Classrooms Program," the regents were authorized to issue $110 million in bonds in fall 1997 for work at the six public universities. The seventh, Washburn University of Topeka, is supported by local as well as state funds.

Word was spread among Kansas high school students and guidance counselors of a 1996 state law that will establish the first systemwide admissions standards at the six universities under the regents' authority. The state distributed 100,000 brochures about the standards, which take effect in fall 2001, and held several forums on the topic.

A tough new evaluation process for university faculty members was developed in 1996-97. Under a plan crafted by regents, professors, and administrators, compensation and rewards will be tied

to annual evaluations of how well professors meet established objectives and outcomes. Tenured faculty members could be removed for repeated poor evaluations.

Kentucky

If Governor Paul E. Patton is right, future generations of Kentuckians will look back on spring 1997 as a season when the state made visionary changes in its college system. If he is wrong, his effort may be remembered as part of a '90s trend: State officials diagnose problems with public higher education, and then overhaul their college governance structures as a remedy.

Governor Patton, a Democrat, came into office in late 1995 saying the state's postsecondary education system needed major changes. Momentum for reform picked up in fall 1996, as different groups and analysts suggested new ways to run the state's eight public universities, 14 community colleges, and 25 technical schools.

For the past decade, complaints about public higher education in Kentucky have not varied much: The colleges don't work together. Duplication of academic programs is common. Too few credits are transferable among the campuses. The flagship University of Kentucky, which also controlled the community colleges, throws its weight around on budget and other matters at the expense of the state's seven other universities. And the state college coordinating board is ineffectual.

Industry has also argued that state residents need better job skills. Businesses are viewed as avoiding Kentucky. The state's per capita income was $19,700 in 1996, while the national average was $24,200.

Since the Kentucky General Assembly does not meet in odd numbered years, the Governor took advantage of the political lull to call state legislators into special session in May 1997 to consider a 140 page bill to reshape the state's college landscape. He proposed creating three boards: a new coordinating agency with enhanced authority; a board of regents to oversee a new system made up of 13 community colleges and all of the technical schools; and a panel of lawmakers and educators designed to build political consensus for the colleges' long-term needs.

While most members of the Democratic controlled General Assembly favored reform, they split sharply on how to achieve it. The crux of the debate was how the changes would affect the University of Kentucky, which would lose control of the community colleges if the bill became law.

Governor Patton argued that managing the colleges distracted the flagship from becoming a top 20 public research university. But officials of "Big Blue," skeptical that the state would provide enough money to catapult its graduate programs in the national rankings, fought to hold on to the two-year colleges, which were run more like branch campuses of the land-grant university than like autonomous institutions. A team of university officials, led by President Charles T. Wethington, Jr., fanned out around the Capitol almost daily to lobby against the bill.

During the three-week special session, both Democratic and Republican legislators tried to sink various parts of the Governor's bill. Republicans were concerned about his pledge to give colleges $100 million more over three years if the bill passed; some also were worried about handing him a big legislative victory, since a change in state law has made him the first Governor who can succeed himself. Even stronger opposition came from Democratic leaders in the House of Representatives, who argued that the case had not been made for putting the community colleges under a new board.

Another part of the bill that caused some friction was the creation of the Commonwealth Virtual University, a technology-based system for delivering college education. After private colleges complained that they were cut out of participating in it, the bill was changed to include them.

In the end, Governor Patton assuaged many Democrats with several compromises that left a hollow but statutory link between the two-year colleges and the university. Several lawmakers also found persuasive his argument that coordination between community and technical colleges would be improved under a single, independent board.

The amended bill passed by wide margins in the House and Senate.

The Council on Higher Education -- which was renamed the Council on Postsecondary Education in July as a result of the new law -- revised its plan to push state universities to retain and graduate more minority students. Campuses that do not meet tougher benchmarks could be made ineligible to start new academic programs for a year.

Louisiana

State lawmakers ended a series of failed attempts at restructuring higher education when they approved a plan proposed by the popular Republican Governor, Mike Foster. Starting in 1998, the Louisiana Board of Regents will have expanded powers over the state's higher education budgets, programs, and planning. The regents' new responsibilities are expected to lessen the influence of the three boards that oversee the Louisiana State University System, the Southern University System, and the other state colleges. While supporters of the restructuring hope that it will cut down on squabbles among the college systems, some observers said a provision allowing lawmakers to add campus construction projects to budget bills will only sustain the infighting.

Expensive, merit based scholarship programs have been all the rage in the south since Georgia started its HOPE program in 1993. In 1997, Louisiana enhanced its aid programs, to cover tuition to the state's public colleges for high school graduates who have at least a C average and earn good scores on standardized tests. Students with higher grades will receive additional bonuses of up to $800. And students who become teachers in Louisiana after graduation will have their state sponsored loans forgiven.

Lawmakers also approved a 12.4 percent increase in the operating appropriation for higher education, to $726.2 million. College leaders said the budget reflected a new commitment from state officials, who in the past have tapped into campus appropriations when the state economy hit the skids.

Louisiana is one of the most populous states without a community college system to serve it. Lawmakers, eager to broaden access for students as well as to open campuses in their districts, passed a bill in 1997 that establishes three community colleges, each of which would be able to open branch campuses in several counties. Lawmakers also approved a constitutional amendment, to go to voters in 1998, that calls for a new system to oversee all community colleges. State education officials were working on a master plan for community colleges that may affect where the campuses will be located and what kind of programs they will offer.

Big changes came to state provided health care in Louisiana in 1997, when legislators authorized the Louisiana State University Medical Center to take over the state's public hospital system. The state hopes that the system, which has been criticized for failing to collect payments from patients, attract insured customers, and reduce costs, will be run more efficiently under the university.

In a ruling that pleased many college officials, the Louisiana Attorney General said in October 1996 that the state's public colleges did not need legislative permission to raise their fees for student housing, meals, and other services. Lawmakers had supported a constitutional amendment, approved by voters in 1995, that in effect prevents legislatively unauthorized increases in tuition.

Maine

The good tidings came in a report issued in July 1996 by Maine's Commission on Higher Education Governance, an investigative panel that the Legislature had established the year before. After months of research and public hearings, the 11 member commission concluded that the state's leaders should stop bickering about public colleges and start spending more money on them.

The commission said all of Maine's public colleges needed an infusion of money to deal with deferred maintenance and keep up with rising costs. The state also should beef up its technical college system to serve twice as many students within 10 years, the commission said. Calling state support for university research "woefully lacking," the commission urged big spending increases there, as well. It also urged lawmakers to double the state's spending on student aid within five years, to $10 million.

The commission found little fault with the governance structure of higher education. The perennial debate on that subject, it said, should be put to rest. It also expressed approval for the Legislature's decision in 1996 to authorize the development of a new higher education budgeting system that rewards institutional performance.

Board of Trustees of the University of Maine System voted in May 1996 to increase tuition at its seven campuses an average of 4.6 percent for academic 1996-97. The increases on specific campuses varied widely, a reflection of the board's policy of trying to tie the institutions' tuition levels to their missions. The steepest undergraduate tuition increase, 6.3 percent, was on the flagship campus in Orono. Students there can expect to pay annual tuition of $3,570, nearly 9 percent more than the system average. Some of that money will go toward establishing a new school of marine sciences.

Even with tuition increases, officials of the University of Southern Maine were predicting a $4.4 million shortfall in its budget within five years. In April, they released a sweeping reorganization plan intended to close the gap. It called for the establishment of academic programs in media studies, sports medicine, health care management, and other areas with high demand, to attract enough new students to raise an additional $3.3 million annually. The plan would trim $1.1 million a year in expenses, mainly by merging programs and departments and by offering slightly lower salaries when filling vacant faculty positions.

Maryland

The private colleges have considerable clout in the state house, and, to the public institutions' dismay, a firm grip on well over a tenth of Maryland's higher education funds. The wrangling intensified in the early 1990s, when a recession brought deep cuts in the state's spending on higher education and left both sides in fiscal hot water.

In 1995, the public and private colleges reached a truce and formed a coalition called "United Voice for Higher Education." Going into Maryland's 1996 legislative session, they promised to support, rather than undercut, each other's lobbying.

The strategy seemed to work. Even as lawmakers reduced appropriations for other areas, they agreed to give public higher education 4 percent more in 1996-97. Private colleges were promised a corresponding rise in their allocations. The increases, while not large, would help the colleges' recovery from the hammering their budgets had taken a few years earlier.

Community colleges may have fared best of all: Lawmakers agreed to increase their state allocations by up to 20 percent within six years.

With the backing of public colleges, the private institutions also got their lobbyists exempted from reporting requirements established by Maryland's ethics law. In signing the exemption into law in May 1996, Governor Parris N. Glendening, a Democrat, said the need to put private colleges on an equal footing with public institutions, whose lobbyists already were exempt, outweighed any ethical conflicts that might arise.

The state also enacted a law making it easier for researchers at the University of Maryland to establish financial ties to corporations without running afoul of conflict of interest rules. Governor Glendening maintained that the state's economy would benefit from making it easier for professors to get involved in starting new businesses.

The state Senate killed a separate proposal that would have eliminated a program allowing legislators to award publicly financed scholarships secretly to students of their choosing, regardless of academic merit or financial need.

The University of Maryland System's nine four-year colleges had already made plans to raise tuition an average of 6.4 percent in academic 1996-97. Out-of-state students were to be hit the hardest, with some facing increases of 20 percent. The raises were approved by the Board of Regents, which called for non-resident students to be charged the full cost of their education by 1998.

In July, the regents established a policy providing for periodic, comprehensive reviews of tenured faculty members.

Massachusetts

The Legislature approved a 7.5 percent increase for higher education in 1996-97 and a smaller increase in financial aid to students. The lawmakers also passed a measure that allows residents to deduct tuition and fees that exceed 25 percent of their adjusted gross income on their tax returns.

Compensation was dealt with as well in 1996. College employees will receive an 11 per cent increase over the next three years. College presidents received even bigger raises in spring 1996, after the Board of Higher Education delegated the authority over their pay to campus boards of trustees. Those boards increased the salaries of their presidents from an average of $91,000 to a high of $130,000.

Michigan

Michigan voters elected two Democrats to the University of Michigan Board of Regents, one of a handful of public university governing boards in the country for which candidates run on political platforms. Both victors' opponents were conservatives who had been nominated by a divisive Republican Party convention at which many delegates fought unsuccessfully for a moderate, female candidate.

In response to a request from Gov. Engler, universities agreed for the first time to provide matching funds for construction projects. Institutions' share of the projects will be 25 percent.

Tuition increases stayed around 3 percent at the public universities for 1997-98. Michigan State University announced that it would hold tuition increases at or below the rate of inflation until at least 2000, to help its students anticipate what their charges will be.

Minnesota

The tenure debate at the University of Minnesota began in spring 1996 and escalated in September, after the Board of Regents proposed a controversial set of changes in the tenure code. Many professors said the changes would effectively abolish tenure; regents said they wanted to preserve tenure while making the policy more flexible. One proposal would have allowed the university to lay off tenured professors if their programs were eliminated or restructured.

After professors failed in February 1997 to form a collective bargaining unit, some faculty members and administrators devised a new tenure code that left out some of the more contentious elements.

The new plan, approved by the regents in June 1997, established a post-tenure-review system that carries pay reduction as a penalty for continued poor performance. The new code also allows the university to reassign or retrain faculty members if their departments or programs are eliminated; professors may appeal the reassignments.

The state found itself in 1997 sitting on one of the largest budget surpluses in its history. When word got out, the three college sectors -- the University of Minnesota, Minnesota State Colleges and Universities, and the state's private colleges -- began lobbying hard -- and the efforts paid off.

The university received a 16 percent increase in its appropriation, to $1.076 billion for 1997-99. Funds for the same period rose by 12.2 percent, to $1.015 billion, for the state college system, which includes all public two-year and four-year campuses except the flagship university.

Private colleges in Minnesota do not receive direct state aid, but they do fight hard for need based financial aid for state residents. Lawmakers provided funds to increase the maximum grant for private college students over the next two years by about 9 percent, the largest increase in a decade.

The state also expanded student aid opportunities. Lawmakers created the EdVest Program and the Gopher State Bond Program, which offer tax and savings benefits to students and families investing money for college.

Growing pains in the state college system preoccupied legislators in 1997. Created in 1995 with the merger of the three systems serving community and technical colleges and state universities, the new system streamlined operations and consolidated several of the two-year campuses. But some students, professors, and administrators said the system was too centralized and had watered down the missions of some campuses. A plan to merge a state university in St. Paul and a community and technical college in Minneapolis also drew fire from lawmakers, who wanted to include campuses in the suburbs of the Twin Cities.

Mississippi

Thanks mostly to a humming state economy, the Legislature has been generous with higher education in the mid 1990s. Lawmakers increased funds for colleges by 8 percent in 1997, to $506.7 million. They also promised to raise salaries for college faculty and staff members by 10 percent over three years.

Undergraduate tuition rates for 1997-98 at public universities remained frozen at 1992-93 rates.

A months long controversy involving the Board of Trustees came to an end in fall 1996, when the state Senate confirmed four new board members who had been nominated by Governor Kirk Fordice, a Republican. Senators had twice rejected his proposed appointees to the board because the four were white men. The new slate included a black man and a white woman.

Higher education along the Gulf of Mexico coastline, the fastest growing area in Mississippi, drew legislative interest in 1997. In response, the university system board began studying ways to expand college opportunities in the region. The only public university program there now is a branch campus of the University of Southern Mississippi. A report to legislators on the issue is due in 1998.

Missouri

Like President Clinton, Governor Mel Carnahan was a big promoter of tuition tax credits in 1996-97.

The Democratic Governor proposed phasing in state income tax credits of up to $1,500 a year to help Missouri residents pay for the first two years of postsecondary education. He wanted to make the credits available to full or part-time college students who had earned fewer than 60 credit hours and were making satisfactory progress toward a certificate or a degree. He called for the money to be awarded on top of state scholarships and grants and in tandem with the HOPE scholarships that had been proposed by President Clinton.

Governor Carnahan called his proposed tax breaks "Challenge Scholarships" -- and in the end, getting them through the General Assembly proved too much of a challenge.

The state House of Representatives overwhelmingly approved the tuition credit plan early in its 1997 legislative session, but two factions of the Senate wanted to change the proposal. One group said the tax credits should be awarded on a sliding scale, based on economic need. The other wanted to require recipients to demonstrate academic achievement. House leaders failed to persuade their Senate colleagues to vote on the idea before adjourning in May 1997.

The Governor thwarted some of the General Assembly's own higher education plans, vetoing appropriations for eight campus construction projects, including a new technical education facility at Southeast Missouri State University and a new business school at the University of Missouri's flagship campus in Columbia. He accused lawmakers of being fiscally irresponsible, saying they had budgeted only enough money to get colleges started on the projects, which would carry hefty additional costs down the road.

Despite such developments, the state's public colleges and their students fared well, over all, in the 1997 legislative session. Lawmakers increased appropriations for the state higher education system's operations and for student financial aid by 7 percent.

In June 1997, the Missouri Student Loan Program offered students additional help by starting a program through which lenders pay the guaranty fee on student loans.

In academic 1996-97, the state Coordinating Board for Higher Education tied a growing share of public colleges' budgets to performance and encouraged the colleges to collaborate with each other to improve teaching and learning

Montana

A hopeful development for higher education was the overwhelming re-election last fall of Governor Marc Racicot, a Republican. During the 1997 legislative session he threatened to veto the budget bill if higher education and some other state services were slated for cuts. That dissuaded legislators from allocating a smaller budget to higher education than it had received in the last biennium. The allocation remained at about $204 million.

The defeat of a ballot measure brought more good news for college officials. The initiative, which Mr. Racicot and many legislators supported, would have replaced the university system's Board of Regents with a department of education, headed by a gubernatorial appointee. But higher education officials argued that they knew better than politicians how to run their system, and Montana voters, always hesitant to amend their constitution, soundly defeated the proposal.

As a result, the Montana University System will remain its own boss. Since 1994, its two largest four year universities, the University of Montana and Montana State University, have controlled four regional institutions and five vocational technical colleges. There are also nine two-year colleges. System officials and the Governor have agreed to allow above inflation salary increases for faculty members. But it has been up to individual institutions to decide whether they can afford the increases, and some cannot. Still, the approval of raises was a relatively agreeable resolution to a controversial plan, put in place in 1996, to link salaries to faculty productivity as gauged by graduation rates, time spent in classrooms, and other measures.

Another disappointment of the session was the rejection of a proposal to set up Montana's first financial aid program. College officials believe that such a program is needed to ease the debt carried by many students.

The Legislature did, however, approve a plan that will make it easier for families to set aside money to pay for postsecondary education for children, grandchildren, and dependents.

Nebraska

Public colleges in Nebraska helped defeat two state referenda on the November 1996 ballot that they viewed as major threats to their bank accounts.

One would have amended the constitution to set a statewide cap on property taxes, which community colleges depend on for much of their revenues. The other would have amended the constitution to grant every child in the state the right to a "quality education" at the pre-collegiate level. It did not define a "quality education," address the issue of cost, or offer a comparable guarantee at the postsecondary level.

Both initiatives were the product of an unlikely alliance between the Nebraska Farm Bureau Federation and the Nebraska State Education Association. The teachers' union had agreed to back the farmers' bid for property tax relief if the farmers would help the union obtain a constitutional guarantee that public elementary and secondary schools would be adequately financed.

College officials opposed both measures, which, taken together, threatened to give elementary and secondary schools first call on a shrinking pot of state funds. A few weeks before the election, the presidents of 26 private and public colleges issued a statement warning that the passage of either initiative would pit education sectors against one another and would undermine the colleges' efforts to provide greater access to postsecondary education.

Both measures were soundly defeated, but their presence on the ballot worried community college leaders enough to prompt them to throw their support behind other plans for property tax relief. Subsequently, the Unicameral, as the state Legislature is called, passed a bill calling for property taxes to be capped at about half their current level by 2001. The law promised additional funds to those community colleges hit hardest by the tax caps.

The state had a record $300 million budget surplus and colleges expected a windfall in their appropriations for the 1997-99 biennium. Their students got one, with state spending on financial aid due to rise by 25 percent. But the colleges themselves were generally disappointed; the biennial budget called for their appropriation for operating expenses to rise by just over 4 percent.

Lawmakers decided to spend the lion's share of the state's extra revenue on prison construction, elementary and secondary schools, and tax relief. They did, however, provide the University of Nebraska at Omaha with an extra $23 million to construct a new Information Science, Technology, and Engineering Institute.

The governing boards of the state's public colleges turned to their students for other funds, agreeing to increase tuition by an average of 4.5 percent on the University of Nebraska's four campuses, 5 percent at four-year state colleges, and about 3.5 percent at community colleges in academic 1997-98. With the Unicameral's permission, the four-year colleges also made plans to pay for deferred maintenance by charging students a "facilities fee" of $2 per credit hour in 1997-98.

The Legislature also agreed, effective in fiscal 1999, to have the state withhold 1 percent of the University of Nebraska's budget if it fails to hire enough female and minority faculty members. The university will be required to meet certain annual benchmarks, with the goal that it have more women and minority group members in its faculty than 50 percent of its peer institutions by August 2002. State Senator Ernie Chambers of Omaha, the Legislature's only black member, persuaded his fellow lawmakers to adopt the measure and sought, with minimal success, to make cuts in the university's budget after it hired white males to serve as executive director of the alumni association and as head coach of the women's basketball team.

The president of the University of Nebraska system, L. Dennis Smith, asked each of its four campuses to plan to subject faculty members to post-tenure reviews.

Nevada

The Nevada Legislature approved a 21.3 percent increase in appropriations for the University and Community College System of Nevada in the 1997-99 biennium, following a 19.1 percent rise in state spending on the colleges for the previous two years. Most of the spending was aimed at keeping up with the explosive expansion of the nation's fastest growing state.

Included in the $772.1 million appropriation were $5.5 million to help get the state's first law school off the ground, after a nearly 20-year campaign to start one. Legislators approved the start up funds in June 1997. The opening of the law school, at the University of Nevada at Las Vegas, in fall 1998 will leave Alaska as the only state in the country without a law school.

Much of the rest of the increase in funds appropriated by the Legislature was designed to deal with burgeoning enrollments and students' need for financial aid. Lawmakers, for instance, agreed to spend an extra $1 million over two years on the Community College of Southern Nevada, which saw its enrollment grow by 18 percent in 1996-97; the college had budgeted for a 10 percent gain.

Nevada officials have also found that the state's long-standing strategy of low tuition and limited financial aid is not fully meeting the needs of low-income students. Tuition in Nevada remains among the lowest in the country, while registration fees will rise by 4 percent for undergraduates and 3 percent for graduate students in each year of the biennium.

Lawmakers agreed to a 64 percent jump in the state's spending on financial aid in 1997-99, to $11.5 million from $7 million. About $7 million of the new total will be written into the university system's base budget, as opposed to being a one-time allocation, as such funds typically have been in the past.

An additional $2.6 million of the new financial aid money will be used to create Regents' Awards, scholarships that will be based mostly on need and will require students to work or perform community service. In an attempt to make the awards more helpful to the state's many part-time students, the state plans to develop its own formula for assessing need, in place of the federal formula. The state formula will treat part-time students who have income more favorably than do the federal rules.

Families that can save for college also got a lift from state legislators and Governor Bob Miller, a Democrat, who approved a plan that will allow students and parents to prepay the costs of college credits and earn an interest rate guaranteed to cover those credits when the student enrolls.

Big jackpots like the ones Nevada colleges have received from the state in the mid 1990s may be harder to come by in future years, given voters' approval in November 1996 of a statewide referendum that will make it harder for lawmakers to raise taxes. Under the new measure, a two-thirds vote of the Legislature is required to raise taxes or add new ones, up from a simple majority.

New Hampshire

New Hampshire raised tuition sharply for 1997-98 to pay for faculty-salary increases and other priorities. Tuition for state residents attending the University of New Hampshire increased 14.4 percent, to $4,600. The move, which came as many states froze tuition rates or limited increases at public colleges, will place the state flagship higher in the sticker price rankings. Nationally, average tuition and fees at four-year public campuses in 1996 was $2,970.

The range of increases in resident tuition at the state's other public colleges was 11.4 to 13.7 percent. Rates for out of state students, who have shouldered much of the increase in recent years, grew by about 3 percent.

New Jersey

New Jersey has spent the past several years sowing the seeds of reform in higher education. The Legislature's 1997 session was the first to come up with some of the additional money that many of those reforms needed to take root.

Not that 1997 was a bumper year for public colleges: They received much smaller increases in appropriations than they had sought, and four-year institutions got about $24 million less than necessary just to pay for faculty and staff salary increases negotiated by the state.

But things could have been much worse. In unveiling her state budget for fiscal 1998, Republican Governor Christine Todd Whitman had called for state spending on higher education to remain flat, at $732 million. The spending appeared likely to go even lower during the legislative session, when a state court forced lawmakers to set aside an additional $246 million for poor, urban school districts to remedy inequities in the financing of elementary and secondary schools.

The budget package passed by the Legislature in June contained an additional $28 million in new money for public colleges, enough to cover just over half of the four-year colleges' higher labor costs. It also restored $1.6 million in aid to private colleges that Ms. Whitman had proposed cutting.

Moreover, the Governor pushed through a $50 million bond issue to help colleges equip themselves with new technology, as the state Commission on Higher Education had recommended in a long range plan issued in September 1996. She also persuaded lawmakers to provide $1 million in incentive funds to reward colleges that improve the graduation and transfer rates of low income and minority students.

The state also created a tax exempt savings program to help families put money away to send their children to college, and provided $500 scholarships for students who use the money to attend college in the state.

Governor Whitman said New Jersey was able to spend more on higher education in fiscal 1998 because an improved economy had left it with better than anticipated revenues. Some lobbyists noted that upcoming elections in November 1997 also may have inspired the generosity.

Lobbyists for community colleges, which receive about 23 percent of their operating funds from the state, got a boost from the commission's long range plan, which called for the state's share of these costs to rise by about $12 million annually, to 33 percent, over the next seven years. In the end, however, the community colleges received just $8 million in additional money for fiscal 1998, and the state enacted a property tax freeze for elderly and disabled residents that eventually could erode part of the colleges' local tax base.

New Mexico

Lawmakers allocated about $5 million in state lottery revenue for merit based scholarships, which were to be awarded for the first time in fall 1997.

Another new state program lets New Mexicans invest in a college savings account or in a prepaid tuition plan, both of which offer tax benefits.

Both lawmakers and Governor Gary E. Johnson, a Republican, expressed annoyance in 1997 at the considerable number of public colleges, branch campuses, and postsecondary education "centers" that have popped up around the state. A new state law bars public colleges from opening campuses unless the Legislature authorizes the expansion.

Legislators also created the Excellence in Higher Education Committee, which will hold hearings in 1997-98 on the financing and governance structure of public colleges. Its recommendations may be considered during the 1998 legislative session.

New York

A strong economy dissuaded Governor George E. Pataki from slashing the budgets of New York's two public university systems in 1997, but nothing seemed to deter his efforts to transform how the two systems are governed.

Having already largely consolidated his influence over the State University of New York, the Governor sought to shake up the leadership of the City University of New York. He got help from a fellow Republican, Mayor Rudolph W. Giuliani, who emerged as a critic of CUNY during academic 1996-97. Together, they saw to it that the Board of Trustees was dominated by appointees who seemed convinced that the system was wasting money and producing poor results.

Both the SUNY and the CUNY systems received good news in July 1997. Although the state's budget negotiations dragged on, Governor Pataki assured them that, because of an upsurge in tax revenues produced by New York's healthy economy, there would be no need to cut spending on higher education after all. The budget he had released in January contained a $180 million cut in appropriations for public colleges and called on four-year campuses to raise tuition by $400, or 12 percent, in academic 1997-98. It also had contained a 30 percent reduction in spending on the state's tuition Assistance Program. The budget he ultimately agreed to kept higher education spending at the same levels as fiscal 1996.

North Carolina

No budget agreement had been reached by mid August. Governor James B. Hunt, Jr., who was re-elected in November 1996 to a fourth term, had proposed an $80 million increase over two years for the University of North Carolina system. The two chambers of the General Assembly proposed smaller amounts, and the haggling began. The system received $1.386 billion in 1996-97.

Lawmakers also haggled over raising tuition rates on the campuses. The issue was unusually controversial in 1997, one year after rates increased by 46 percent -- or $438 -- at the state's two major research universities, North Carolina State University and the University of North Carolina at Chapel Hill. House Republicans included a 3 percent increase for in-state students in their budget, while members of the Senate, along with university officials, fought for no increase at all. An agreement had not been reached by mid August 1997.

One provision added to the House budget would direct the university system, for the second time since 1995, to study whether state funds are distributed equitably among the 16 public universities. Some lawmakers said the state's five historically black public universities had been shortchanged. A study released in 1996 found that five of the 16 universities -- none of them historically black campuses -- had received less than their fair share.

Among other measures before the Legislature was one that would provide financial incentives to colleges and public schools that offer college-level courses to high school students, and to students who do their first two years of college work at a two-year institution.

The North Carolina Community College System drew national attention for its efforts to combine education and job training with the economic needs of businesses and the state. Industrial and political leaders credited the system with helping to woo new companies to North Carolina and to lower the state's unemployment rate

North Dakota

During its session earlier in 1997, the Legislative Assembly had agreed to provide $31.6 million for capital improvements at public colleges; by summer, some lawmakers were calling for the campus construction projects to be postponed so that the money could be used for flood relief.

The legislative session also resulted in an 11.5 percent, or $35.8 million, increase in state appropriations for public colleges for the 1997-99 biennium. Much of the money was expected to go toward 3 percent salary increases for faculty members over each of the next two years, a top priority for higher education officials, who said the state suffered because it was ranked near the bottom, nationally, in terms of faculty pay.

The additional dollars were to come from both tax revenues and tuition, which the North Dakota Board of Higher Education agreed to raise by 4.4 to 5.9 percent at four-year colleges, depending on the type of institution, for academic 1997-98.

Lawmakers rejected the board's proposal for a $50 tuition increase at the state's two-year colleges, which already have charges well above the regional and national averages.

The Legislature also failed to increase spending significantly on student financial aid, and called for about $1.4 million, or 30 percent, of the general fund dollars being used for this purpose to be supplanted with money the board was collecting from reciprocity agreements through which students from other states attended North Dakota colleges. Colleges warned that these were a "soft" source of funds, which could dry up if the agreements changed or the state's colleges failed to draw enough students.

The Legislative Assembly also made a decision that had little immediate affect on public colleges but could substantially affect them down the road. It agreed to place on the November 1998 ballot an initiative to strike references to specific colleges from the state constitution.

The locations and missions of eight of North Dakota's 11 public colleges are spelled out in its constitution, and some higher education officials contend that this language prevents the state from overhauling the institutions' academic programs to better meet its needs. The effort to delete the references has been opposed by legislators from some rural areas, who contend that without constitutional protections, their local colleges risk being shut down.

The state board was given some additional control over public colleges when lawmakers agreed, during their 1997 session, to let it allocate funds for technology and salaries. Before, lawmakers had appropriated these dollars directly to each institution. Just how much money there would be remained uncertain; by midsummer, the state's farmers were, as it turned out, suffering additional financial losses as the result of a drought.

Ohio

The issue of tuition caps at public universities was hotly debated in the Ohio General Assembly in spring 1997. The state House of Representatives adopted a budget that would have put a 4 percent ceiling on tuition increases at most public universities but would have exempted four institutions that had strong retention and graduation rates. Leaders of some urban institutions that did not meet the criteria objected that this would create divisions among public colleges.

In the end, the state budget capped tuition increases at 6 percent for all colleges. Over all, the state allocated about $4.5 billion for higher education for 1997-99, an increase of more than 5 percent. The budget was praised by college leaders, who had fought against a proposal, by Governor George V. Voinovich, a Republican, to increase funds for higher education by less than 4 percent.

Struck from the budget was a provision that would have given larger than average state grants to high school seniors who passed an academic proficiency exam. Legislators said such a policy change should be debated in the General Assembly rather than slipped into the budget.

A new state law will allow state officials to intervene if a public university falls into financial trouble. The law was passed after some legislators said the state and the Ohio Board of Regents, which

oversees public universities, should have taken stronger action earlier against Central State. The state's only historically black public university, Central State teetered on the edge of closure for much of 1996-97. Most dormitories on the campus were shuttered because of disrepair. The university's ledgers were in even sorrier shape, at times pronounced unauditable. A budget deficit as great as $20 million was rumored to exist. As enrollment fell, state officials talked about converting Central State into a community college or turning it over to a private college. Then came the legislative negotiations over the 1997-99 state budget, and some good news: The institution would survive, with a slightly increased budget of $28 million over the biennium. The money came with strings attached: Lawmakers ordered the university to overhaul some academic programs, continue straightening out its books, and become more efficient. Central State officials said layoffs would probably be needed.

Oklahoma

The Oklahoma State Regents for Higher Education agreed to increase tuition in academic 1997-98 by 9 percent at research universities, 7 percent at regional universities, and 5 percent at two-year colleges. Legislatively mandated caps on tuition increases prevented them from asking for more.

The regents sought these higher tuition levels as part of a long term plan to have students pay a larger share of public college costs. Students had been covering one-fourth of the tab for their education, with taxpayers picking up the rest. The regents, who want to bring the students' share up to a third, argued that even with the proposed increases, the state's tuition rates would remain among the lowest in the country. They also said students seemed willing to pay the additional dollars, as long as the money would be spent on programs and services that are of direct benefit to them.

The regents predicted that higher tuition would generate an additional $14 million, which they promised to spend on such needs as library materials, new technology, distance learning classrooms, and faculty salaries.

Several key members of the state House of Representatives fought the proposed tuition increases, calling them a result of wastefulness and greed on the part of the colleges.

After a long and nasty debate, the House approved the increases by a vote of 52 to 48, which reflected bitter divisions within both the Republican and the Democratic caucuses. The Senate passed the bill overwhelmingly, and Governor Frank Keating, a Republican, signed it.

The Legislature also promised public colleges more of the state's own money. It approved a budget for the 1997-98 academic year that contained a 9 percent rise, or $57 million, in spending on public colleges, following a $71 million increase the year before. Legislators also agreed to increase spending on student financial aid by $1.3 million, or 5.2 percent.

Oregon

After years of property tax rollbacks and budget cuts, the state university system asked, with the concurrence of Democratic Governor John A. Kitzhaber, that lawmakers provide funds sufficient to maintain current service levels. The request was granted, and a budget of about $600 million was approved.

The Legislative Assembly also provided $8.5 million to slow increases in tuition fees, which had jumped by 80 percent since 1991.

Legislators also looked favorably on other priorities set by the system. They approved $5 million for improvements to engineering education programs, and agreed to spend $5.8 million to further the system's goal of making access to higher education easier for geographically isolated students. Regional universities and community colleges are developing a variety of cooperative agreements to improve access.

Legislators provided $7.5 million to help state institutions recruit and retain faculty members. The appropriation will support the system's efforts to raise salaries at least enough to keep up with inflation, and ultimately to rise out of the bottom quarter of salary rankings among public universities nationwide.

As a result, higher education officials are upbeat. Like leaders of other state supported sectors, they are learning to live with reduced state support, and to find other ways to raise funds. What's more, state budgets for corrections, while hefty, are not increasing as rapidly as had been feared a few years ago.

But there are worrisome signs as well.

Higher education officials had hoped that Governor Kitzhaber would persuade the Legislature at its 1997 session to change a law requiring that when state revenues exceed the estimate made in the prior session by more than 2 percent, the excess must be returned to taxpayers as rebates. The money involved is considerable; this year it was more than $400 million.

The Governor had hoped to use more than $30 million of that amount to raise faculty salaries and to freeze tuition rates for state residents. But to the disappointment of college officials -- and of officials in all other sectors of state government -- the Republicans who control the Legislature showed no interest in changing the 2 percent "kicker law."

The other looming problem stems from the November 1996 passage of a ballot measure that cuts property taxes back at least to their 1994-95 level, and then limits their growth to no more than 3 percent each year. The measure will take huge sums out of the revenue streams of local governments, fire districts, and other local authorities. Pressure will grow on legislators to make up the difference from state coffers -- and if they do, higher education is likely to suffer.

Pennsylvania

Four categories of Pennsylvania colleges shared most of the state's $1.55 billion appropriation for higher education in 1997-98: the 14 universities in the State System of Higher Education, which received 26 percent of the budget; the community colleges, which received 10 percent; private colleges which received about 5 percent; and four "state related" institutions -- Lincoln University, Pennsylvania State University, Temple University, and the University of Pittsburgh -- which received about 38 percent. Remaining funds went for financial aid and other purposes.

Competition among the sectors tends to be fierce, especially over students and over appropriations from the state.

In academic 1996-97, Penn State reignited another debate, about new academic programs. The tinderbox was the university's plan to turn 14 of its two-year campuses into four-year colleges. While the university said the expansion would lead only 1,500 more students to enroll by 1998, others believed that the opportunity to earn a Penn State bachelor's degree at several sites would attract many more people than that.

Officials of several private and state system colleges tried to persuade the state's Education Secretary to veto the plan. They argued that Penn State's ambitions would lead to duplication of programs and would sap enrollment on small campuses. State officials ultimately blessed the plan, citing pledges from Penn State leaders that the new four-year campuses would stay small.

Another source of anxiety for some college leaders was the arrival of proprietary schools on the higher education scene. State legislators approved a bill in June 1997 allowing for profit institutions to grant degrees in the state. The measure, which was signed by Governor Tom Ridge, a Republican, made Pennsylvania the last state to permit for profit institutions (that met state standards) to award degrees. The University of Phoenix, a proprietary school with campuses in 12 states, supported the bill. Its officials said they may someday open sites in Pittsburgh and Philadelphia.

Some Pennsylvania college officials fought the measure, saying proprietary schools could cut into enrollments in currently profitable college programs. Duplication was also a factor, they argued, noting that the state already was among those with the most degree granting colleges in the United States.

A perennial issue for private colleges has been the fate of their tax exempt status. As a result of municipal pressure on Washington and Jefferson College to pay taxes on its property, the General Assembly weighed a bill in 1997 that would exempt private colleges from property tax liability. Some colleges, meanwhile, teamed up with their local municipalities to try to win more state aid for public services.

Lawmakers also heard pleas from community college leaders to increase the per-credit formula under which their campuses are financed. State funds for the colleges have not kept up with inflation, and many towns and counties cry poverty when asked to give more money.

The formula was adjusted slightly, and the colleges' operating allocation was increased by about 3 percent. A committee studying community college financing and programs was expected to report to Governor Ridge in late 1997.

Rhode Island

In the November 1996 elections, state voters narrowly approved two referenda to pay for major improvements at the Community College of Rhode Island, Rhode Island College, and the University of Rhode Island.

One measure authorized the state to issue $40.6 million in bonds to finance the development of a new telecommunications system linking the three colleges to each other and to the state Office of Higher Education. The other authorized $33.8 million in bonds for new construction and renovations on the three campuses, with much of the money going to provide the community college with more classroom space.

Voters rejected a third measure, which would have provided $18.5 million to make various state owned buildings, including those at the colleges, more accessible to disabled people.

College officials were pleased, over all, with the election's results, given that Governor Lincoln Almond, a Republican, had denounced all of the bond measures as fiscally irresponsible. He had fought during the previous year's legislative session to keep the bond measures off the ballot, and had even vetoed a state budget that contained them, only to see his veto overridden.

Mr. Almond and the General Assembly enjoyed smoother relations during the 1997 session, and the good will appeared to spill over into appropriations for higher education. With an improved economy pumping $46 million more than expected in tax revenues into state coffers, the Governor and legislators easily reached agreement on a fiscal 1998 budget with 3.8 percent more money for public college operations and 4.2 percent more for student financial aid, the biggest increases in several years.

South Carolina

South Carolina, who spent much of 1996-97 struggling to develop a new performance based system for distributing funds to public colleges.

State legislators ordered the creation of such a system after becoming convinced that the state had been promoting inefficiency and mediocrity at public colleges by allocating funds based on enrollments and operational needs. In spring 1996, the General Assembly passed a groundbreaking law that required the state to tie every dollar distributed to its 33 public colleges to how well they performed.

The law outlined 37 criteria and gave the state Commission on Higher Education until June 1997 to determine how to measure college performance in each area and how much money to have riding on each measurement. Several advisory panels established by the commission spent months wrestling with

the issues at hand. But at its March 1997 meeting, the commission abruptly chose to ignore much of their advice.

The advisory panels had concluded that many of the criteria set forth in the 1996 law were impossible to measure, irrelevant to certain types of institutions, or likely to favor some colleges over others.

The commission's reasons for rejecting their work, however, boiled down to differences in priorities and perspective: The panels had included, and had been heavily influenced by, college officials who were focused on having the state give additional money to their institutions. But the commission was under pressure to appease legislative leaders who were bent on withholding some funds from colleges.

The commission proposed, and the General Assembly approved, a system in which commission staff members would assess the performance of colleges and give each criterion equal weight. Because the 1996 law provided for the new system to be phased in over three years, the commission's plan for the first year, fiscal 1998, was to apply 14 of the 37 indicators and to use them to distribute a token sum: 25 percent of any increase in state funds for college operations.

The General Assembly passed a fiscal 1998 state budget that called for such spending to rise by $18 million, or 2 percent. This meant that only $4.5 million would be distributed based on performance.

In contrast to their operating budgets, the colleges' long neglected capital budgets got a windfall. State lawmakers agreed to borrow $151 million for construction and renovation on campuses. They promised the College of Charleston a new $12 million library, and Coastal Carolina University a new $11.7 million humanities building.

South Dakota

With a population of more than 100,000, Sioux Falls is South Dakota's largest city, but it lacks a public university of its own. The University of South Dakota, South Dakota State University, and Dakota State University all have outposts there, and the State Board of Regents had sought to have them band together to offer classes at a single location.

The board helped the three universities form the Center for Public Higher Education in Sioux Falls, and had hoped to build or lease a place where they could hang their shingles. These plans did not sit well, however, with Augustana College, a 1,800 student institution affiliated with the Evangelical Lutheran Church in America, and the University of Sioux Falls, which is tied to the American Baptist Churches.

Both private colleges proposed working with the new center and having it lease their classroom space, but the regents rejected the idea because, they said, it crossed the state constitution's line between church and state.

The two colleges then asked that plans for the center be put on hold until the constitutional barriers were dealt with, and they lobbied against the regents' request for $6.2 million from the Legislature to finance the new effort. Aided by lawmakers representing the state's other college towns, who argued that the center would drain resources from existing institutions, they succeeded in shooting down several bills to finance the center.

The private colleges did not walk away unscathed, though. The center's backers helped persuade the Legislature to end all state support for South Dakota's Tuition Equalization Grant program, which had provided more than $127,000 in financial aid in 1996-97 to students at independent colleges.

Aside from the Sioux Falls fracas, public colleges fared better in the 1997 legislative session than they had in four years. The fiscal 1998 state budget contained a 4.5 percent increase in spending on the higher education system, with much of the additional money going for new technology and a 3 percent increase in faculty pay.

Leaders of the overwhelmingly Republican state House of Representatives failed in their bid to have the Legislature strip the regents of control over tuition policy. The regents had agreed to raise tuition at the state's six four-year public colleges by an average of 3 percent; the exact increases varied in an effort to bring the differing tuition charges into line.

The colleges might have a harder time getting state money in the future. In November 1996, voters passed a ballot measure raising from a simple majority to two-thirds the votes needed in each chamber of the Legislature to pass a new tax or a tax increase.

Tennessee

Lower than projected tax revenues prompted lawmakers to pass a fiscal 1998 budget that called for a reduction of $30 million, or 3.2 percent, in appropriations for higher education. To help cover the shortfall, tuition increases of 6 percent were subsequently recommended by the higher education commission and enacted by the University of Tennessee Board of Trustees and the Tennessee Board of Regents, which oversees the state's other 46 public colleges.

Controversy surrounded the Tennessee Higher Education Commission and led to a Legislative review of their activities. Two developments helped persuade the General Assembly to put off taking any action on a board overhaul, however, at least until legislators reconvene in January 1998 for the second half of their biennial session. The commission said it had cleaned up its act, and it agreed to give lawmakers a larger role in distributing the state's higher education funds. And Governor Sundquist created a 24 member panel to rethink the state's higher education governance and agreed to seek legislative approval for future appointees to the board.

Texas

The 1997 legislative session was a busy one for higher education. A new law requires the Texas Higher Education Coordinating Board to develop a core curriculum that would be fully transferable from one public institution to another. The Legislature also authorized campuses to charge extra tuition to students who take too long to graduate, and to give a tuition rebate of $1,000 to students who complete graduation requirements on schedule.

Another new law requires public colleges to adopt rules for periodically assessing the performance of all tenured faculty members. The evaluations must be made at least once every six years after a professor is tenured or promoted.

After simplifying the formula for state appropriations to public colleges, lawmakers allocated $7.5 billion for higher education for the 1997-99 biennium, an increase of 9.8 percent.

A rider in the budget orders Texas Southern University, one of two historically black public institutions in the state, to get its financial and management problems under control by June 1998 or risk losing its autonomy. It could have a budget deficit as high as $8 million in 1997, partly because of past problems in financial aid.

While tuition at public institutions remains low in Texas -- hovering around $2,000 a year on average -- financial aid became a priority for legislators, particularly those who wanted to put aid dollars in the hands of minority students.

The Legislature allocated $10 million over two years for the state's merit based scholarship program, up from $300,000 in the last biennium. Need based funds for students at private colleges rose 25 percent for the next two years, to $94.4 million.

Utah

The state's discretionary budget grew tight during the Legislature's 1997 session and was expected to remain so for years to come, as a result of the state's decision to spend $1.59 billion rebuilding a long stretch of the highway. The effort, undertaken to prepare Salt Lake City to stage the 2002 Winter Olympics, has been described as the largest public works project in Utah's history. College officials fear that the state will have precious little extra money over the 10 years that the rebuilding costs are financed.

State lawmakers had considered trimming spending on public college operations by more than $4 million for fiscal 1997-98, but they agreed to give the nine institutions an additional $7 million, or 4.3 percent. That wasn't bad, given the circumstances, but it was the smallest increase in appropriations for the colleges in a decade. The Legislature provided no increase in funds for student financial aid.

The state Board of Regents, having promised to hold down tuition rates, initially called for tuition to increase by just 2 percent at research universities and by less at other institutions. But the Legislature ordered a 3 percent increase in pay for college employees and directed the colleges to cover a fourth of the cost. The board responded by saying the Legislature had left it no choice but to call for across the board tuition increases of 3.8 percent. Some lawmakers complained that the board was scapegoating them for its own failure to hold down costs.

The board already had been under pressure to review faculty workloads, hiring practices, and tenure review policies, and to recommend savings. It voted to require the state's colleges to accept each other's general education credits helping transfer students to get through college in less time and saving the state money.

A constitutional amendment approved by voters in November 1996 may help to hold down financial pressures on the board. The measure clarified the definition of "public education," -- for which the state's income-tax revenues are earmarked -- to include higher education, thereby giving public colleges access to a new source of state funds.

Vermont

The state Supreme Court declared Vermont's system for financing public schools unconstitutional in February 1997, the middle of the legislative session, forcing all other issues, including higher education, to the back burner.

But legislators did take note of a study by the General Assembly's fiscal office, showing that state spending on higher education had dropped by 8.3 percent since 1990, while spending on Medicaid had grown by 90 percent, on prisons by 74 percent, and on welfare by 47 percent.

To begin to correct that, lawmakers approved budget increases for the University of Vermont, the Vermont State Colleges, and the Vermont Student Aid Commission of 3.5 to 4.5 percent, along with several million dollars more for capital improvements.

The $27.3 million appropriation for the University of Vermont still left a $3 million hole in its fiscal-1998 budget, which the university filled by increasing enrollments, trimming costs, and setting aside slightly less institutional financial aid than its students needed.

Meanwhile, college officials in Vermont continued to try to keep tuition levels -- highest among the nation's public colleges -- in check. Tuition rose by about 4.5 percent at the University of Vermont and the Vermont State Colleges for in state and out-of-state students alike.

Virginia

A strange sort of civil war broke out in Virginia in 1996, as political and ideological factions vied for control of the state's system of 15 public universities. By the summer of 1997, few permanent gains by either side had been made. But fallout from skirmishes was everywhere. Most of the fighting

was waged within the State Council of Higher Education, Virginia's higher education coordinating agency, which advises the governor and legislators on budgetary and long-term needs.

In July 1996, on a vote of 6 to 5, Elizabeth McClanahan was elected chairman of the council. An appointee of Governor George Allen, she and her allies wanted the council's members, rather than those on the staff, to take the lead in developing policy. For decades, the 11 members of the council had relied on the staff's well regarded education experts to craft proposals on academic policy, tuition rates, and enrollment projections.

Ms. McClanahan and most of the council members who supported her had personal or professional ties to Mr. Allen, a conservative Republican; three of them had worked in his office. The connections troubled some college leaders, members of the council's staff, and business leaders, who had fought off the Governor's plans to cut college budgets and curtail the council's powers.

The first battle after Ms. McClanahan's election came in fall 1996, when council leaders asked aides to the Governor to review enrollment projections made by the council's staff. State officials found that some of the short-term projections were too high, by as much as 15 percent. The council then proposed cutting $2.7 million from three universities, an idea that drew protests from college and business leaders who had created a private group to lobby for higher education. Council leaders, citing the interests of taxpayers, argued that the spending was not warranted.

When the General Assembly convened in January 1997, the Democrats who controlled the House of Delegates criticized the council's leaders and passed a bill to replace all council members with new appointees, some chosen by the Governor and others by legislators, who have not had such power. The Senate, split between Democrats and Republicans, defeated the bill.

But the General Assembly also refused to take the $2.7 million away from the three universities. And, at the council's request, lawmakers approved about $31 million for faculty salary increases and institutional projects. Lawmakers did not approve the council's request for more funds for financial aid, citing a tuition freeze that has been in place since 1995.

The freeze, which will remain in effect in 1997-98, was another flash point for council members. Some of Ms. McClanahan's critics on the council, as well as on the staff, argued that a tuition increase was needed for college expenditures to keep pace with inflation. But the council's leaders favored extending the freeze, which Governor Allen had suggested.

Morale among the council's staff members hit a low point in April 1997, when the council voted 7 to 3 not to renew the contract of Gordon K. Davies, the staff director for 16 years. Those who voted against him said the chemistry was poor between them and the director.

Dr. Davies, who is regarded as a national leader in higher education policy, later said council leaders had deposed him because he would not embrace ideas that he opposed, such as providing state financial aid only to students who had a C average or better.

The next month, four members of the council resigned together to protest what they called the "firing" of Dr. Davies and the "dictatorial atmosphere" created by the council majority - all signs, they said, of the crumbling of public higher education in Virginia. Similar charges were made by Lieutenant Governor Donald S. Beyer, Jr., the Democratic candidate to succeed Governor Allen in the November 1997 election.

The council's leaders said, as they had for months, that there was no evidence of politics in council affairs, and that the only people who saw it were politicians.

Governor Allen quickly appointed four new council members, one of whom was a veteran of a different battle -- a lawyer who had defended the Virginia Military Institute's all-male admissions policy before the U.S. Supreme Court, which struck the policy down in 1996.

The public institution decided in fall 1996 not to attempt going private. Officials made plans throughout the academic year to integrate women into its student ranks, and also dealt with complaints from some faculty members about the low number of female and minority professors on the campus. By August 1997, about 30 women planned to enter the institute in the fall.

Two new state programs were put in place during the 1996-97 academic year to help Virginians pay for college. A state scholarship fund was created to pay for tuition and fees for second year community college students who enrolled in fields for which businesses have expressed a need. In addition, Virginia opened a prepaid tuition program to state residents in December 1996. The fund was popular, attracting $260 million in investments in its first three months.

West Virginia

In the November 1996 gubernatorial election, West Virginians elected a familiar face: Cecil H. Underwood, a 74 year old Republican who had served as governor 35 years before.

The man he replaced, Gaston Caperton, had billed himself as "the Education Governor" and had carried out major reforms in elementary and secondary schools. He was in the first year of an ambitious five year effort to overhaul the state's higher education system when he ran up against the state's new term limit law. Unable to see his education reforms through, he went to Columbia University's Teachers College to head a new institute dedicated to helping states craft sound education policies.

College officials seemed confident that Mr. Caperton's reform plans would continue apace under Governor Underwood, who had served as chairman of one of the state's two higher education governing boards and as president of Bethany College, a private institution. They were right. Governor Underwood took the higher education overhaul into its second year.

Behind the five year reform effort was an agreement: The state would steadily increase its spending on higher education if the colleges took major steps to become more efficient, to make better use of technology, and to carry out other changes designed to improve access and student performance.

As part of the deal, the Legislature was committed to giving annual budget increases of at least 3.25 percent to the state's two higher education systems, the State College System of West Virginia and the University System of West Virginia. During the 1997 legislative session, however, it became clear that this arrangement worked to the disadvantage of the state college system, for which costs were rising more rapidly as a result of increased enrollment and other factors.

The state House of Delegates proposed rectifying this situation by transferring $714,000 from the university system to the state college system, giving the university system a smaller increase than promised. The university system and its supporters in the Senate rose up in fierce opposition.

The Legislature was able to buy its way out of the dilemma -- giving both sides as much money as they had requested -- as a result of higher-than-expected tax revenues generated by a revived state economy and healthy lottery sales. Lawmakers also agreed to issue $77.4 million in bonds to cover new construction in the two systems.

To keep their commitment to become more efficient, West Virginia Graduate College and Marshall University merged to eliminate duplication, and West Virginia University merged its hospital with the private, non-profit United Hospital Center to cut costs. As required under the long-range reform plan, all state colleges raised tuition in fiscal 1997-98, by an average of about 3.6 percent, to complement the state's added investment.

To help preserve college access, the Legislature voted to increase spending on the state's need based tuition grant program by more than 20 percent, to about $8.9 million, in fiscal 1998. It also took steps to make sure that the revenue the state collects from student fees is given back to students as financial aid, rather than commingled with other state funds.

The Legislature agreed to devise a new prepaid tuition plan through which parents or grandparents could invest money in a state trust fund to pay for a public college education. A legislative panel was appointed to work out the details.

Wisconsin

The State of Wisconsin's enactment of a 1994 reform of property taxes shifted $1 billion in the costs of elementary and secondary education from local governments to the state. The burden that that placed on the state budget had left lawmakers hard pressed to pay for public colleges; support for the University of Wisconsin System had dropped 2.8 percent for academic 1996-97, on top of a similar decline the year before.

Public colleges hoped to see their appropriation increased by at least 2 percent in the budget for fiscal 1997-98 -- if lawmakers ever got around to passing one. The Legislature failed to pass a budget by July 1, when the new fiscal year began, and some observers predicted that the state would be unable to enact a new budget before the fall.

A major sticking point in the budget talks was college tuition. The Legislature's Joint Finance Committee had agreed to increase the University of Wisconsin System's tuition by about 4 percent in 1997-98 and about 3 percent in 1998-99, and to give the system the opportunity to raise tuition another 4 percent in each of those years to finance a 4 percent annual pay increase for faculty and staff members. The plan was endorsed by Governor Tommy G. Thompson, a Republican, whose own proposed budget had contained a similar plan.

Senate Majority Leader Chuck Chvala instead wanted to use $21 million in tax revenue to help pay for the salary increases, and to limit tuition increases to about 5 percent each year. But weeks dragged on as he tried to muster enough support from his fellow Democrats, who held only a one seat majority in the Senate.

By late July, the system's Board of Regents had had enough. It voted to increase the tuition charged to resident undergraduates by 7.9 percent in 1997-98, as allowed in the joint committee's plan.

The governing board for the Wisconsin Technical College System, which depends on the state for about a fourth of its funds, called for most students' tuition to rise by 5.9 percent in fall 1997. But students enrolled in programs geared toward preparing them to transfer into the university system would pay 11 percent more.

Although changes in the state's tax laws had given the community technical colleges access to slightly more property tax revenue, their state support was expected to increase by just 1.5 percent in the 1997-99 biennium.

Wyoming

With the state's oil and other major industries continuing to struggle, pressure is building on all state agencies, including public colleges, to decide which of their budget items are most important. Governor Jim Geringer, a Republican, and many legislators argue that such an approach is essential as state revenues become scarcer.

To promote his priority financing concept, Mr. Geringer had sought to revive the advisory Postsecondary Education Planning and Coordinating Council, which includes representatives from higher education, the public, the Governor's office, the Legislature, and elementary and secondary education. However, the council rarely, if ever, meets, and the university and the state's far flung community colleges have continued to make most of their own decisions.

Meanwhile, college leaders in Wyoming have faced problems familiar to colleagues in other states. Tuition has increased more than officials would like. No new increases were approved in this legislative session, the second of a two-year biennium, but a second consecutive 7.5 percent increase, approved in last year's session, was to take effect in fall 1997.

On the other hand, the university's tuition is still low compared with those of most public doctoral institutions. The increases also are lower than those of the early 1990s, when they ran as high as 14 percent a year.

Faculty pay, too, remains a worry. The Legislature has not granted raises for two years. The institutions will push for one at the next legislative session, which begins in January 1998. Officials are concerned about their ability to attract able professors and about faculty turnover. More striking is the turnover among support staff members at the university, running at 20 percent per year, twice its normal rate.

The outlook for state support has been clouded by a 1995 state Supreme Court ruling that found the state's financing of school districts to be inequitable and ordered it to be remedied by mid 1997. At a special session of the Legislature in June 1997, lawmakers designed a remedial plan and appropriated funds to carry it out. The impact of that action on money for other state agencies, including colleges, remains uncertain, in part because the school districts that had originally sued may do so again over the Legislature's new approach.

A bright spot in recent years has been the increasing ease with which students can transfer from community colleges to the university. Improvements in the distance learning system have been made, too. Governor Geringer and the institutions have agreed to try to maximize the state's involvement in the "virtual university" that is being set up by the Western Governors' Association.