SHEEO

STATE HIGHER EDUCATION EXECUTIVE OFFICERS ASSOCIATION

State Tuition, Fees, and Financial Assistance Policies

For Public Colleges and Universities

Andrew Carlson

2012-2013

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

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Foreword

This report, *State Tuition, Fees, and Financial Assistance Policies for Public Colleges and Universities: 2012-13*, examines the philosophies, policies, and procedures that influence decision-making regarding public college and university tuition, student fees, and student financial aid programs. This report also provides information related to general higher education affordability issues.

The intent of this report is not to provide actual tuition costs, but to focus on the policies that establish those tuition, fees, and aid amounts. Other sources, including but not limited to, the Washington Student Achievement Council, the College Board, and the National Center for Education Statistics IPEDS data, make tuition rates and revenue publicly available.

This report is the seventh in a series of updates by SHEEO on this topic. The initial report, *Survey on Tuition Policy, Costs, and Student Aid,* was produced by John Wittstruck in 1988, and provided the foundation for all subsequent work. The 1993 update by Charles S. Lenth, *The Tuition Dilemma: State Policies and Practices in Pricing Public Higher Education*, has been widely cited in public policy circles and in scholarly publications. Melodie E. Christal later produced *State Tuition and Fee Policies: 1996-97*, which included updates on what were then new initiatives in higher education: student technology fees, and state prepaid tuition and college savings plans. The 2002-03 version by Christopher Rasmussen addressed the ongoing issues of tuition and fees policies and expanded information on the various goals and objectives of state-level student financial assistance policies including a report of the impact of state legislative term limits on higher education policy. The 2005-06 version by Angela Boatman updated the 2002-03 information and for many years provided the most current analysis of the policies both undertaken and anticipated for tuition, student fees, and financial aid. The 2010-11 report by Allison Bell updated the previous reports and provided information on the impact of American Recovery and Reinvestment Act funding. This 2012-13 report by Andrew Carlson focuses on the Great Recession's impact on tuition policies and financial aid programs.

Although the survey has evolved over the past two decades, it continues to address consistent questions. SHEEO is indebted to Alene Bycer Russell (formerly of SHEEO), and Cheryl D. Blanco (currently with the Southern Regional Education Board) who developed the instrument upon which the current version is based. Over the years, input into survey revisions has been provided by SHEEO staff as well as various representatives of state higher education agencies.

We welcome your comments on this report and encourage you to browse its associated Web site at www.sheeo.org/finance/tuit.

George Pernsteiner
President
State Higher Education Executive Officers
Boulder, Colorado

Introduction

The 2012-13 State Tuition, Fees, and Financial Assistance Policies survey was administered in late fall 2012 and winter 2013 by the national association of State Higher Education Executive Officers (SHEEO). State fiscal officers from each state were invited to respond to the survey. The survey was designed to gather information on the policies and guiding philosophies for setting tuition, fees, and financial aid.

Given the recent economic changes across the nation and heightened attention on the financing of higher education, especially interest in and concern about tuition rate increases, the 2012-13 survey is a timely update. In the months leading up to the administration of the survey, SHEEO received multiple requests for updated tuition policy information.

SHEEO has administered similar surveys on a semi-regular basis (past reports are available online http://www.sheeo.org/resources/publications/state-tuition-fees-and-financial-assistance-policies). This survey was significantly revised in order to ascertain policy differences between two-year and four-year institutions, to understand how the economic downturn shaped the policy landscape, and to obtain additional detail on state financial aid programs. The 2012-13 survey consisted of eight sections:

1. Tuition-Setting Philosophy
2. Tuition-Setting Authority and Process
3. Tuition Setting for Resident Undergraduate Students
4. Tuition Setting for Nonresident Undergraduate Students
5. Other Tuition Policies
6. Student Fees
7. Student Financial Assistance
8. Alignment of State Fiscal Policies

Thirty-eight responses from 35 states were received. Mississippi, New York, and Oregon each completed two surveys to better respond to requests for sector-level information. In total, 70 percent of states responded.

This report provides a summary of the survey responses. Caution should be exercised when comparing this report to the results of prior surveys due to methodological differences and revisions to the questions. More attention is paid to the economic downturn's impact on policy in this narrative because that was the primary reason for the update.

While reviewing the report, it is important to be mindful that there are nuances of the policy process that are impossible to capture in any single survey or report. Responses, by their nature, likely simplify matters and do not fully reflect the development of the policy process over time, the intensive behind-the-scenes work of institutional, state agency, and legislative staff, or the hours of public discourse that go hand in hand in setting tuition, student fees, and financial assistance levels in each state. The responses broadly highlight state policies (both formal and informal), similarities and differences across the states, and how environmental factors might influence changes in these policies. The survey responses also delineate the entities that have a formal role in tuition, student fees, and financial aid policies.

TUITION-SETTING PHILOSOPHY

A state's tuition-setting philosophy or approach serves to guide policymakers and others involved in the tuition-setting process and the majority of the respondents identified a philosophy or approach in their states. In fact, of the 35 respondents, only six indicated that there was no statewide policy in place in their state for the four-year sector (five respondents for the two-year sector). Almost a third of the two-year sector and more than half of the four-year sector respondents suggested that the tuition-setting philosophy was tied to institutional budgetary needs. Just like the 2010-11 survey, this was the most common response. Many respondents also indicated that the statewide philosophy is that tuition should be low (12 in each sector) or moderate (6 in the two-year sector, 12 in the four-year sector). In addition to the options on the survey, two respondents suggested that the tuition-setting policy was based on a funding formula or funding level; however, this relationship was not formalized and varied year to year. In the 2010-11 survey, no state indicated a philosophy that "tuition should be high." However, five respondents in this survey indicated that "tuition should be as high as necessary to ensure quality."

Figure 1a displays the responses to questions on tuition-setting philosophy and approach from the current survey.

Figure 1a: **Tuition-Setting Philosophy**

Philosophy	Two-year Sector		Four-year Sector	
	Number	%	Number	%
Tuition should be as low as possible	12	27%	12	18%
Tuition should be moderate	6	14%	12	18%
Tuition should be as high as necessary to ensure quality	0	0%	5	8%
Tuition policy is guided by institutional-level philosophy or budgetary needs	12	27%	18	28%
Tuition rates should align with peer tuition rates	4	9%	7	11%
Tuition should be set to offset reductions in state support	5	11%	5	8%
No statewide tuition philosophy exists	5	11%	6	9%
Total Responses	44		65	

Respondents were given the opportunity to select all responses applicable to the situation in their state.

***Figure 1b*: Tuition-Setting Philosophy**

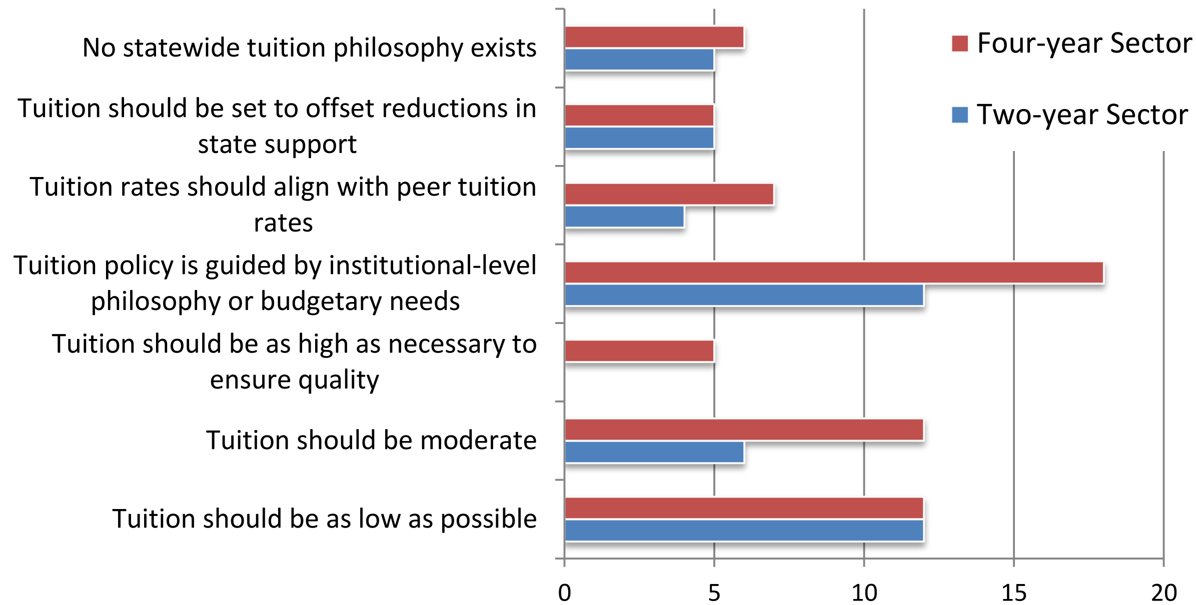


Figure 2 summarizes where the state's overall tuition-setting philosophy is formalized. When an overall philosophy is formalized it is typically done at the board level by rule or policy. The next most common formalization occurs in legislative statute. No respondents indicated a tuition philosophy formalized by state rule and only one state (Wyoming) indicated that the tuition philosophy is formalized in the state constitution for the four-year sector.

***Figure 2*: Formalization of Tuition-Setting Philosophy**

	Two-year sector	Four-year sector
In state Constitution	0	1
In legislative statute	6	9
By state rule	0	0
By board rule/policy	10	14
Not formalized at state level	12	10

States were also asked to further elaborate on the rationale behind their tuition philosophy. Unsurprisingly, states often identified multiple rationales; the most common include:

1. **Meeting budget requirements in light of state fiscal outlook**
   Many states noted the need to offset changes in state budgets with changes in tuition rates. Per student state support is declining in many states, requiring higher tuition levels to meet institutional budgeting needs and maintain quality.
2. **Tuition levels should promote access and affordability.**
   States are concerned with providing high quality education at affordable rates, even in the face of challenging economic conditions. States described two distinct ways to promote access and affordability: keeping tuition low or combining moderate tuition with sufficient financial aid.

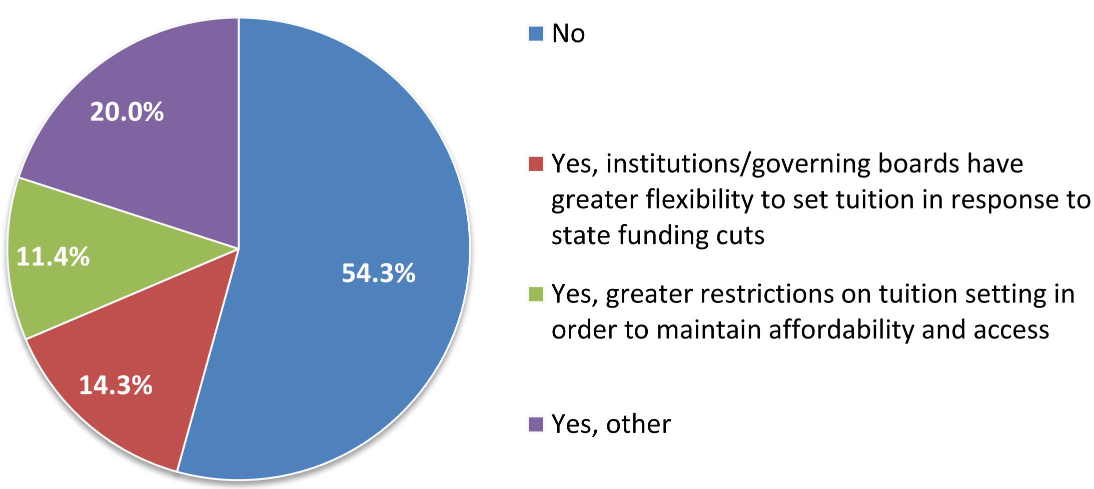
3. **Tuition rates should consider different institutional missions.**
   A number of respondents indicated that institutional missions were taken into account when setting tuition levels and that institutions have requested changes in tuition rates in order to address their mission. Many states indicated that tuition in the two-year sector should be as low as possible since these are the open-door, access institutions, while tuition rates in the four-year sector might be moderate or high and tied to other criteria. In these states, the annual rate increase allowed for the two-year sector is lower than the allowable increase at the four-year sector.
4. **Balance should be considered in setting tuition.**
   Many states noted the importance of balance in tuition setting. This includes balancing changes in tuition rates with changes in the availability of financial aid as well as balancing cost and quality.
5. **Tuition should be comparable to that of peer institutions.**
   Many states use their peer institutions and surrounding states to help determine tuition levels.

Changes to Tuition-Setting Philosophy

More than half of the respondents (54.3%) indicated that since FY 2008 economic conditions have not brought about short-term changes to tuition-setting policy that differ from the overall philosophy in their states. Fiscal Year 2008 was the high point in overall state support for higher education nationally, right before the economic downturn. Of the remaining respondents, 14.3% indicated greater flexibility for governing boards to set tuition rates in light of state funding cuts, 11.4% indicated greater restrictions in order to maintain access and affordability, and 20.0% indicated that other short-term actions were taken that differ from the overall historic philosophy in their state. These data are shown in Figure 3.

***Figure 3*: Short-term Actions or Policies due to Economic Conditions**

Have economic conditions since FY 2008 led to any short-term actions or policies on tuition that differ from the general philosophies described above?



The following highlight some of the state-level changes that were implemented recently or are being considered:

- In Connecticut, there is greater political pressure and engagement to keep tuition rate increases low despite recent reductions in state support. Connecticut has traditionally been a high tuition/high aid state.
- In Maine, the University System has proposed a tuition freeze in 2014 and 2015 if state support is held flat or increases. Montana and Oklahoma also reported tuition rate freezes.
- Major tuition flexibility legislation was implemented in Colorado, Florida, and Washington (four-year sector). In Colorado, the flexibility is for five years and allows governing boards to raise tuition as necessary to offset state funding reductions in exchange for increased accountability. Florida institutions can raise tuition up to 15% as long as the base tuition, set by the legislature, and the university increase do not exceed 15% in total. Washington's policy was originally for eight years and institutions could take advantage of increased tuition flexibility in exchange for putting more funding into institutional aid.
- Nevada temporarily suspended its Tuition and Fee Committee and abandoned the practice of basing tuition rate recommendations on achieving regional peer parity.
- Wisconsin eliminated state tuition-setting limitations during the 2011-13 biennium, but included a non-statutory tuition cap. The Wisconsin Board of Regents was given more authority and is required to develop a tuition plan for the future.
- Mississippi Institutions of Higher Learning board began informally setting tuition rates in two-year cycles to allow students and institutions to better plan and budget.
- New York adopted Rational Tuition legislation in FY 2012 that allows for moderate tuition increases and provides sufficient spending authority.
- Illinois extended its Truth in Tuition guarantee from four to six years.

TUITION-SETTING AUTHORITY AND PROCESS

States were asked to describe the process through which tuition levels are set. The variety of answers given underscores that there are as many processes for setting tuition as there are states. In many states, it is a multi-step process involving many entities. Most respondents described a consultative process that begins in the fall each year and continues into the spring. This process normally involves consideration of revenue projections and estimates of available state support prior to setting tuition rates. In fact, tuition is formally set after the state budget is finalized for the upcoming fiscal year. In many states, multiple entities play a role throughout the process. Figure 4 describes which entity has ***primary*** tuition-setting authority in each of the states for the two-year and four-year sectors. Although listed as a possible response, only California indicated that primary authority for the two-year sector rests with the governor (along with the legislature).

Figure 4: **Primary Tuition-Setting Authority**

	Governor	Legislature	Statewide coordinating/ governing agency for multiple systems	Coordinating/ governing board(s) for individual systems	Local district governing board(s)	Individual institutions
Two-year sector	California*	California*	Kentucky	Alaska	Idaho	Delaware
		Louisiana	North Dakota	Colorado	Iowa	Ohio*
		Ohio*	Oklahoma	Connecticut	Kansas	
				Georgia	Mississippi	
				Hawaii	Nebraska	
				Illinois	New York (SUNY)	
				Indiana	Oregon	
				Montana		
				Nevada		
				New York (CUNY)		
				Tennessee		
				Texas		
				Washington		
				West Virginia		
				Wyoming		
Four-year sector		Florida	Iowa	Alaska	Texas	Delaware
		Louisiana	Kentucky	California		Ohio*
		Ohio*	North Dakota	Colorado		Wyoming
		Washington	Oklahoma	Connecticut		
			South Dakota	Georgia		
				Hawaii		
				Idaho		
				Illinois		
				Indiana		
				Kansas		
				Maine		
				Mississippi		
				Montana		
				Nebraska		
				Nevada		
				New York (CUNY)		
				New York (SUNY)		
				Oregon		
				Tennessee		
				West Virginia		
				Wisconsin		

*California and Ohio provided two responses.

Although states were asked to identify which entity has primary authority for setting tuition, primary authority is not always synonymous with full authority. The responses in Figure 5 illustrate that many entities are involved in tuition setting, and each plays a different role in the process.

Figure 5: **Role in Tuition-Setting Process**

Four-year Sector	Full legal decision-making authority	Informal or consultative role	No role	Other role
Governor	4	17	8	6
Legislature	9	16	6	3
Statewide coordinating/governing agency for multiple systems	8	9	10	2
Coordinating/governing board(s) for individual systems	21	2	5	1
Local district governing board(s)	6	3	18	1
Individual institutions	8	16	0	5

Two-year Sector	Full legal decision-making authority	Informal or consultative role	No role	Other role
Governor	1	13	10	6
Legislature	7	11	8	4
Statewide coordinating/governing agency for multiple systems	4	8	13	2
Coordinating/governing board(s) for individual systems	13	5	5	3
Local district governing board(s)	9	5	11	2
Individual institutions	5	17	2	4

Institutions are not passive players in tuition setting, even if they do not ultimately have primary authority in a state. Kentucky reported that individual institutions set tuition rates within very strict guidelines or parameters established by local or state-level entities. Many states, including Colorado, , Idaho, Kansas, Maine, Mississippi, Nevada, and West Virginia, described a process where institutions submit tuition rate proposals each spring that are in line with guidance from governing boards or the state legislature. In Indiana, the Commission publishes non-binding recommendations for tuition and fees for the next two academic years. Institutions are required to hold a public hearing within 30 days of the Commission's recommendation before setting tuition rates.

Respondents were asked to describe what incentives exist at either the state or institutional level to minimize tuition increases. Not surprisingly, a wide range of incentives were described. The most common explicit and implicit incentives are described below:

- For states with little legislative oversight of the tuition-setting process, there is an incentive to keep tuition increases low in order to ensure the legislature does not become more involved down the road.
- State appropriations are the key incentive to keep tuition low and play the biggest role in the tuition rate charged. In some cases, supplemental appropriations are provided in lieu of tuition increases. In other cases, state support reductions are made when rate increases are overly high.
- The risk of losing students to in-state peer institutions due to excessive tuition increases is also considered when setting tuition rates each year.
- Another incentive is possible scrutiny from the governor, legislature, and the general public when tuition increases are significant.
- The impact of tuition increases on state financial aid programs that are tied to tuition rates is also of consideration.

Tuition Revenue Appropriation and Spending Authority

The setting of tuition levels is not the only policy that is important when considering tuition policies. Equally as important (and as varied across the states) are policies on spending authority. That is, who "owns" the tuition revenue and has the prerogative to decide how it is spent. This authority might lie with institutions, states, or coordinating and governing boards. The majority of states (30) indicated that the tuition revenues are controlled and retained by the individual institutions or campuses. Figure 6 describes where tuition spending authority lies within each state. Note that some respondents may have multiple responses due to the possibility that tuition revenues for different systems are handled differently.

Figure 6: **Tuition Revenue Spending Authority**

Tuition revenues are controlled and retained by individual institutions or campuses		Tuition revenues are deposited into separate, institutionally-designated state tuition accounts from which all funds must be appropriated prior to expenditure	Tuition is appropriated and is a direct offset of the state general revenue appropriation	Tuition revenues are retained at the state level but under the direct control of a state governing or coordinating board
Alaska	Maine	Florida	Nevada	South Dakota
California	Mississippi	Hawaii	New York (CUNY)	
Colorado	Montana	Idaho		
Connecticut	Nebraska	Kansas		
Delaware	New York (SUNY)	New York (CUNY)		
Florida	North Dakota	New York (SUNY)		
Georgia	Ohio	Texas		
Hawaii	Oklahoma			
Idaho	Oregon			
Illinois	Texas			
Indiana	Washington			
Iowa	West Virginia			
Kansas	Wisconsin			
Kentucky	Wyoming			
Louisiana				

TUITION SETTING FOR RESIDENT UNDERGRADUATE STUDENTS

There are many factors that influence decision-making about tuition levels for resident undergraduate students. Out of 12 survey-predefined factors, the top five most influential factors at the four-year sector in 2012-13 were: 1) state general fund appropriations; 2) prior year's tuition; 3) cost of instruction; 4) institutional mission; and 5) availability of/appropriations for financial aid. For the two-year sector, they were: 1) state general fund appropriations; 2) prior year's tuition; 3) institutional mission; 4) availability of/appropriations for financial aid; and 5) cost of instruction. When asked which factor was most influential over the last three years (i.e., during the economic downturn), respondents for both sectors overwhelmingly said state general fund appropriation levels were the most influential.

Figure 7 displays the responses states provided for each factor's level of influence along with the average level of influence (on a scale of 1 to 4, where 1 is "minimal to no influence" and 4 is "controlling influence"), and the rank (based on the average). It is clear from this analysis that availability of state support is far and away the most significant factor influencing resident tuition rates.

Figure 7a: **Factors Influencing the Setting of Resident Undergraduate Tuition—Four-year Sector**

Factor	Number of Responses				Average level of influence	Rank
	Minimal to no influence	Moderate influence	Significant influence	Controlling influence		
State general fund appropriations	1	4	22	6	3.00	1
Prior year's tuition	3	13	16	1	2.45	2
Cost of instruction	10	5	16	2	2.30	3
Institutional mission	5	15	13	0	2.24	4
Availability of/appropriations for financial aid	7	15	10	1	2.15	5
Tuition charged by peer institutions	11	10	11	1	2.06	6
A policy cap on the percentage or dollar increase for tuition	18	3	7	4	1.91	7
State philosophy about the appropriate share of tuition costs to be borne by students vs. the state	13	13	5	2	1.88	8
Inflationary indices (CPI, HECA, HEPI, etc.)	12	16	5	0	1.79	9
Tuition policies of comparison states	17	13	2	1	1.61	10
State workforce needs	17	15	1	0	1.52	11
State per capita personal or disposable income	20	10	3	0	1.48	12

Figure 7b: **Factors Influencing the Setting of Resident Undergraduate Tuition—Two-year Sector**

Factor	Number of Responses				Average level of influence	Rank
	Minimal to no influence	Moderate influence	Significant influence	Controlling influence		
State general fund appropriations	2	3	19	5	2.86	1
Prior year's tuition	4	11	12	2	2.28	2
Institutional mission	6	11	10	2	2.07	3
Availability of/appropriations for financial aid	6	11	10	2	2.07	4
Cost of instruction	10	4	12	3	1.93	5
Tuition charged by peer institutions	7	13	7	2	1.90	6
State philosophy about the appropriate share of tuition costs to be borne by students vs. the state	8	15	5	1	1.69	7
Inflationary indices (CPI, HECA, HEPI, etc.)	10	16	3	0	1.41	8
State workforce needs	10	17	2	0	1.38	9
A policy cap on the percentage or dollar increase for tuition	17	4	5	2	1.11	10
State per capita personal or disposable income	16	9	3	0	0.96	11
Tuition policies of comparison states	17	11	0	1	0.90	12

Limits to Raising Tuition

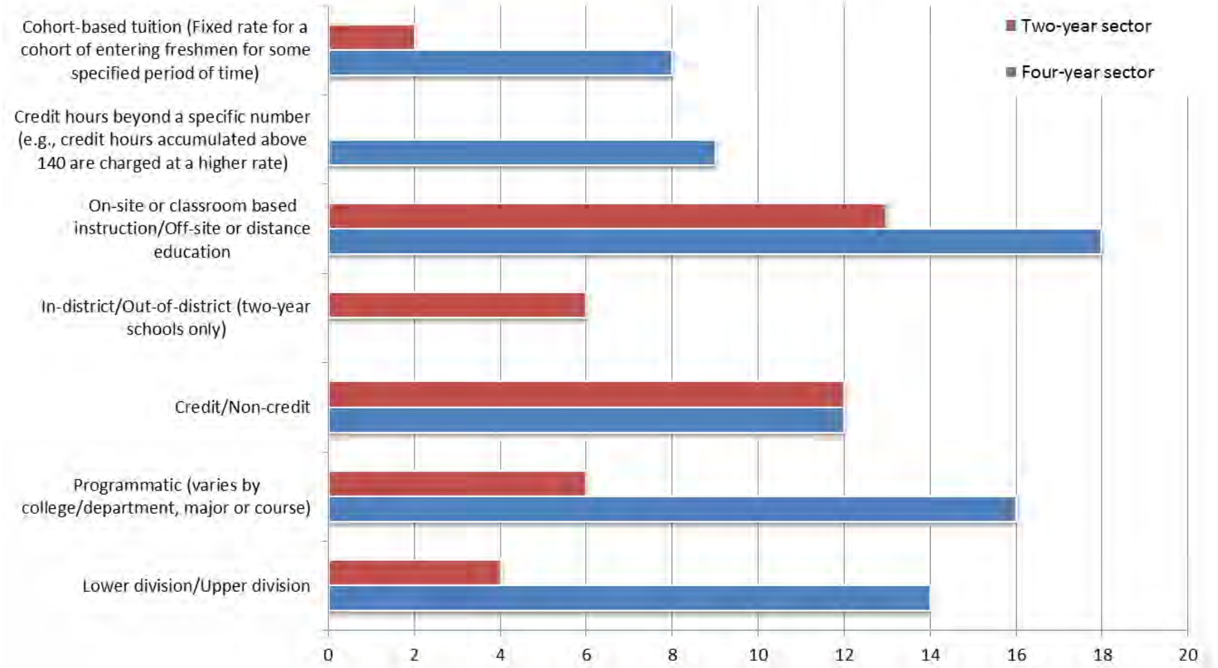
Fifteen states have reported that, in the past three years, there has been a curb, cap, freeze, or other limit placed on tuition. Nineteen states reported that there has not been. The 2010-11 survey found similar results with 41.3% of respondents reporting a curb, cap, or freeze in place – including ten of the fifteen states from this year's survey. Of the fifteen states, four states (Iowa, Oklahoma, Montana, and California) described an actual freeze on resident undergraduate tuition increases. In California, the tuition freeze was tied to a special appropriation of state funding. In Montana, the freeze was applied to the two-year sector in an effort to promote access. Thirteen states reported that their states have a policy that requires a portion of revenue from tuition increases to be set aside for student financial aid. For these states, the amount required for set-aside ranged from 3.5% to 20%.

Differential Tuition

Many states reported that differential tuition is used for resident undergraduate students. That is, different students might pay different tuition rates based on the following factors:

- Programmatic (varies by major or course) (6 states for two-year sector, 16 for four-year sector);
- On-site or classroom based instruction/Off-site or distance education (13 states for two-year sector, 18 for four-year sector);
- Credit/Non-credit (12 states for two-year and four-year sectors);
- Lower division/Upper division (4 states for two-year sector, 14 for four-year sector);
- Credit hours beyond a specific number (e.g., credit hours accumulated above 140 are charged at a higher rate) (9 for four-year sector);
- In-district/Out-of-district (two-year schools only) (6 states); and
- Cohort-based tuition (Fixed rate for a cohort of entering freshmen for some specified period of time) (2 states for two-year sector, 8 for four-year sector).

***Figure 8*: Summary of Tuition Differentials by Sector**



Resident Tuition Rates and Variation

Policies for setting undergraduate tuition may vary not only by state, but by sectors and institutions within states. As Figure 9 demonstrates, there is a lot of variation in the setting of undergraduate resident tuition.

***Figure 9:* Resident Tuition**

	Statewide policy	Varies by sector	Varies by institution within sector
Tuition is set per credit hour regardless of how many credits the student is taking	6	5	9
Tuition is set at a flat rate for full-time students	9	7	14
A per credit surcharge is imposed at or above a specific number of credit hours	0	5	11
No formal policy exists on resident undergraduate tuition setting	8	0	3

TUITION SETTING FOR NONRESIDENT UNDERGRADUATE STUDENTS

In a majority of the states, tuition setting for nonresident undergraduates is left to the discretion of governing boards and/or institutions and typically receives less attention (or scrutiny) than rate setting for resident undergraduate students. While the policy focus for resident students tends to be maintaining affordability within realistic budget constraints, nonresident tuition rate setting policy, where it exists, primarily focuses on ensuring students pay at least the full cost of instruction.

Figure 10 summarizes the responses from the survey and shows that where a policy exists, nonresident tuition is typically indexed to the resident rate. For those states that index nonresident tuition, most set the index between two and four times the resident tuition rate.

Figure 10: **Nonresident Tuition Setting**

Which of the following statements describes how nonresident undergraduate tuition is set in your state? (Check all that apply)

	Two-year sector	States	Four-year sector	States
Nonresident tuition is set at a mandated percentage of the cost of undergraduate instruction	1	CA	2	CA, WV
Nonresident tuition is indexed to the undergraduate resident tuition (e.g., two times the resident tuition rate)	10	AK, CA, CT, GA, KY, MS, ND, OK, WV, WY	8	AK, CT,GA, KY, ND, OK, SD, WY
Nonresident tuition is aligned with rates at peer institutions	4	CA, HI, LA, TX	7	CA, HI, LA, MS, TX, WA, WI
Nonresident tuition is market-based and institutions should charge what students can afford to pay	2	HI, MT	7	CA, IN, MS, MT, OR, TN, WA
No formal policy exists on nonresident undergraduate tuition setting	10	CO, DE, KS, IL, IN, NY, OH, OR, TN, WA	11	CO, DE, IA, ID, IN, KS, ME, NY, OH, OR, TN

Nebraska indicated that nonresident tuition must simply be higher than resident tuition. In Nevada, tuition rates increases are determined every two years at an annual rate that must be equal to or greater than the Higher Education Price Index (HEPI), an inflation factor specific to the higher education industry. Finally, South Dakota indicated that nonresident tuition rates are kept low compared to peers in an effort to attract nonresidents to the state. The hope is that these students will stay in South Dakota after graduation and contribute to the state economy.

OTHER TUITION POLICIES

Reciprocity Agreements

The regional associations (MHEC, NEBHE, SREB, and WICHE) have established general undergraduate tuition reciprocity agreements. In addition to regional agreements, many states report that they have other reciprocity agreements established. Examples of these are:

- *A specific reciprocity agreement with another state or states:* California, Colorado, Iowa (for a specific program only), Indiana (for students living in border counties), Kentucky, North Dakota, Oregon, South Dakota, Texas, Washington, and Wisconsin;
- *Institutionally-based/system-based reciprocity agreements:* Delaware, Florida, Georgia, Hawaii, Illinois, and Tennessee.

Additionally, Nevada reported that their Good Neighbor reciprocity program was discontinued for new students in 2011 and California is increasing the rate they charge to participating students from two times the community college resident rate to three times that rate. While not explicitly stated, these policy changes are likely due to budget pressures caused by the economic downturn.

Tuition Rates for Undocumented Immigrants

States were asked if a policy regarding tuition rates for undocumented immigrants had been considered in their state. Sixteen respondents (47.1%) said that such a policy had not been considered. Of the remaining respondents, five (14.7%) said a policy had been considered to prohibit resident tuition rates for undocumented students. Eleven respondents (32.4%) said a policy to charge resident rates had been considered, while two said a tuition rate other than the resident or nonresident rate was considered. Of the 18 respondents who reported that a new policy had been considered, 12 (66.7%) reported that a new policy was implemented. For more details on these policies, refer to the individual survey responses found here: http://www.sheeo.org/resources/publications/state-tuition-fees-and-financial-assistance-policies

STUDENT FEES

Just as there are a range of policies to set tuition levels, there are a variety of policies across the states for setting student fees. Mandatory fees are defined as charges that most full-time students are required to pay in addition to tuition charges. Designated fees are defined as charges that apply to specific classifications only, such as certain courses, programs, services, or groups of students. In this section, the term “fees” applies only to mandatory fees, as opposed to designated fees.

Statewide Student Fees Philosophy

States were asked to describe the overall philosophy in their state about mandatory student fees. Many reported that institutions can set fees, governing boards can approve fees, or that a combination of both exists in their state. When setting mandatory fees, there were different philosophies that guided decision-making. Seven states (Connecticut, Indiana, Kansas, Kentucky, Maine, Ohio, and Washington) described a philosophy where tuition and mandatory fees were linked and considered together as part of an overall pricing strategy. The prevailing philosophy that emerges from the survey responses is that mandatory fees are institutionally controlled, with some sort of oversight component from a governing board. Twenty-three states responded that fees are set or controlled by the institution, while sixteen states described a requirement for governing or coordinating board approval. Students are given a voice in decisions about fees in Colorado, Georgia, and Wisconsin. Both Connecticut and Montana specifically mentioned a philosophy that fees should be minimized. Figure 11 shows where the fee policy is formalized by sector.

***Figure 11*: Formalization of Fee-Setting Policy**

How is this fee policy formalized in your state? (Check one per sector)

	Two-year sector	Four-year sector
In state Constitution	0	0
In legislative statute	4	6
By state rule	1	1
By board rule/policy	17	21
Not formalized at state level	8	7
Total	**30**	**35**

Changes in Fees Policy

About one-fourth of respondents (9) reported that their fee policies have changed since 2008 (the start of the economic downturn). Examples from these respondents follow:

- Colorado significantly revised their fee statutes through House Bill 1301 during the 2011 legislative session. The revisions include streamlined fee definitions, increased transparency in the fee-setting process, and better alignment of institutional fee plans to statewide fee policy. The revisions came out of an audit of fee policy and statute in the state;

- The Florida Board of Governors can now approve new fees that are not currently identified in statute. The fee must be approved by the local governing board prior to review by the Board of Governors;

- In Kentucky, fees to fund the construction or renovation of facilities have been put in place in lieu of state funding for these purposes. Two institutions in Mississippi will begin charging a mandatory capital fee in 2013-14;

- In California, the University of California and California State University Systems are now calling the primary, mandatory student charges "tuition" as opposed to "fees." The prior terminology was a holdover from the tuition-free days under the California Master Plan;

- Oregon has rolled all programmatic fees into tuition for the University System as of 2011-12; and

- Georgia's policies have changed so that student participation on fee committees has been expanded and fees are required to be used for student-centered activities.

Further, eight out of 34 states indicated that a curb, cap, freeze, or other limit had been placed on fees in their state since 2008, representing 23.5 percent of respondents.

Authority to Set Student Fees

As described above, the authority to set student fees tends to be the prerogative of institutions and system governing boards. For the four-year sector, the majority of states rest fee-setting authority with their individual or system governing boards, while for the two-year sector the authority in most states is with these governing boards or with local district governing boards. Figure 12 below summarizes the responses from the survey:

Figure 12: **Fee-Setting Authority**

Please indicate which entities in your state have the authority to set mandatory fees. (Check all that apply)

	Two-year sector	Four-year sector
Governor	1	0
Legislature	4	6
State coordinating/governing agency	4	9
Individual / system governing board(s)	14	23
Local district governing board(s) (two-year only)	14	0
Total	**37**	**38**

STUDENT FINANCIAL ASSISTANCE

Most of the states surveyed reported on their statewide student financial assistance programs. These programs help defray the cost of attending higher education for students and their families. State aid programs are one part of a complicated puzzle that is combined with federal aid (both grants and loans) and institutional aid and designed to reduce the cost of higher education for individuals. Different states' programs have different goals and rationales behind them. Some are need-based and targeted at those students who otherwise could not afford to attend an institution of higher education. Other programs are merit-based and award academic achievement regardless of economic need. Some states offer blended programs that award students based on a combination of need and merit. State work-study programs pay for students to work during the academic year (typically on campus). Finally, many states offer categorical programs targeted at specific populations. Figure 13 summarizes the types of student financial assistance programs in the states.

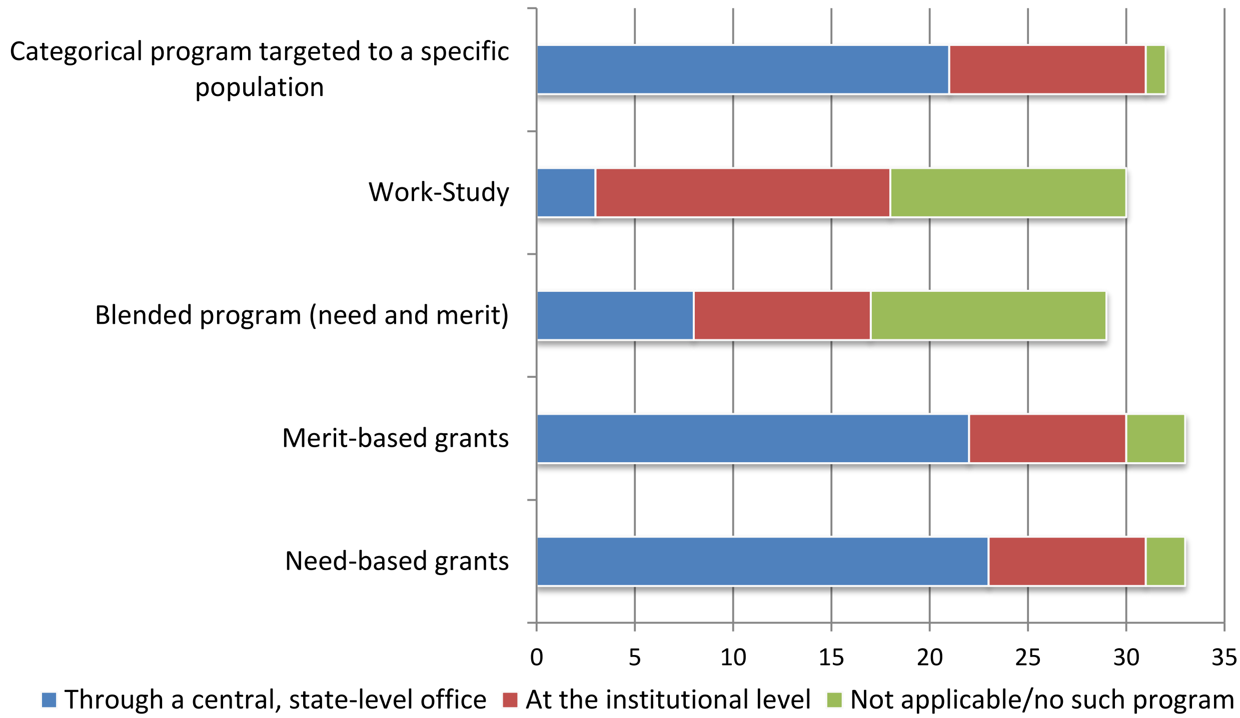
Figure 13: **Types of Student Financial Assistance Programs**

	Offered under state statute	Offered through a formal policy but not in statute	Offered at discretion of institutions	Not offered
Need-based grants	22	6	3	2
Merit-based grants	20	2	9	2
Blended program (need and merit)	8	2	8	10
Work-Study	7	2	10	11
Categorical program targeted at a specific population	24	3	4	1

The majority of need-based, merit-based, and categorical programs are offered under state statute with 22, 20, and 24 responses, respectively. In contrast, based on the responses to the survey, over half the work-study programs are offered at the institutional level.

Similarly, as shown below (Figure 14), most need, merit, and categorical financial aid programs are administered at the state level through a central office. In other words, the awarding of grants to individual students is handled centrally. For work-study programs, most are administered at the institutional level.

***Figure 14*: Administration of State-Funded Grant Programs**



States were asked to describe the specific goals of each of their aid programs. Twenty-five out of 27 (93%) respondents said the goals of their need-based programs were to promote broad access to higher education and improve the affordability of higher education. In contrast, the main goals of merit-based programs are to recognize talent and reward student effort (37% of respondents) and keep talented students in the state (26% of respondents). Where applicable, the main goals of blended programs are to improve affordability (25%) and promote student retention and degree completion (20%).

The Merit/Need Balance

Twenty-seven states (84.6% of respondents) reported that there is no formal policy regarding the mix of merit-based and need-based aid. Hawaii, Indiana, Kentucky, North Dakota, and Texas all reported a formal policy. In Kentucky, the proportion of lottery proceeds that is dedicated to the state's need-based aid program, as well as the proportion dedicated to merit-based aid, is specified in statute. Hawaii's mix varies by institution mission. At the community colleges, it's 80% need and 20% merit. At the four-year baccalaureate institutions, it's 60% need and 40% merit. At the flagship research institutions, it's 50% need and 50% merit. Although it is not a formal policy, West Virginia stated that they are striving for a 50/50 split between their need and merit programs.

Impact of the Economic Downturn and Changes in Financial Aid Policy

The economic downturn had a significant impact on state financial aid programs. From SHEEO's State Higher Education Finance FY 2012 analysis, it is clear that states protected funding for state grant programs to the best of their abilities from FY 2008 to 2012. Over this time period, aggregate national funding for state public aid increased from about $5 billion to $6 billion while overall state support for higher education decreased from a high point in 2008 of $80.7 billion to $72.3 billion (all dollars are unadjusted for inflation) in 2012. Despite the increase in state aid, rapid enrollment growth decreased the purchasing power of these aid dollars on a per student basis.

States handled the funding challenges caused by budget pressures and enrollment growth in many different ways. Many states protected their main need-based programs but implemented funding reductions or changed eligibility for their other aid programs. Some examples include:

- Florida made the eligibility requirements for their merit programs more stringent in order to reduce the number of qualified participants.
- Washington suspended its merit and categorical programs, reduced need-based awards to students attending private institutions, and changed the eligibility requirements for its work-study program.
- New York made a policy change so that graduate students are no longer eligible to participate in its State Tuition Assistance Program.

Despite these changes, the increased demand for aid meant there was insufficient funding to provide standard award amounts for all eligible students in many states. A review of the responses shows states used a variety of techniques to handle the shortfall. These included:

- Reducing the size of individual grant awards or, in cases where grants are awarded at the institutional level, encouraging institutions to reduce the size of the award to meet demand.
- Awarding grants on a first-come, first-served basis. (Note: this strategy tends to harm the students with the most need who may not enroll until just before the academic term and thereby miss the opportunity for aid.)
- Changing the Expected Family Income (EFC) cut-off amount for eligibility in order to focus aid to students with greater financial need.
- Pro-rating awards to available funds, thus providing at least some aid to more students.
- Requiring institutional aid to offset reductions in state aid.

A number of states reviewed or implemented changes to their existing financial aid programs. In many cases, the impact of the recession was the catalyst for the review or reform.

- In Mississippi, the Education Achievement Council is conducting a review of its need-based and merit-based financial aid programs.
- The Iowa Board of Regents requested the creation of a state need-based grant program for students attending public institutions; however, the program was not funded.

- Changes may be made to the TEXAS Grant Program to limit eligibility to eight semesters and require full-time enrollment of at least 12 credit hours per term.
- Through legislation, Idaho consolidated six state-funded scholarships into one blended aid program which includes incentives for student completion.
- Students in Nevada will no longer be eligible to receive need-based grants after they reach 150% of the credits required in their chosen degree program.
- For 2013-14, Colorado narrowed eligibility for its state need-based program from 150% of PELL EFC to only those students who are PELL eligible. Further, financial aid allocations increase as students make progress towards completion.
- Indiana made significant changes to the Frank O'Bannon scholarship through legislation. These changes to the main state need-based program will be implemented in 2013-14 and are designed to increase transparency and encourage completion.

Differences in Philosophy by Sector

As with the prior survey, most states did not comment about differences in student financial assistance philosophy or policy between the two-year and four-year sectors. Kansas and Texas indicated the majority of state funds go to students at four-year institutions due to the higher cost of attendance. Likewise, Idaho, Indiana, and Washington indicated the impact of basing aid on tuition rates leads to more aid dollars going to the four-year sector.

State Aid for Students Attending Private Institutions

States vary in whether their aid programs can be used by students attending private institutions. The following chart shows that where the programs exist, more often than not, aid is available to students attending private, non-profit institutions; however, states are more likely to not allow aid for students attending for-profit institutions. Six states (Connecticut, Delaware, Kansas, Louisiana, Mississippi, and Oklahoma) indicated their need-based programs could be used by students attending independent, non-profit institutions, but not for-profit institutions. Eight states (Delaware, Idaho, Mississippi, Nebraska, Nevada, Oklahoma, Tennessee, and West Virginia) indicated similar eligibility for their merit-based programs.

***Figure 15*: Independent Institution Eligibility**

Independent, non-profit institutions			
Type of Aid Program	**Yes**	**No**	**NA/ no such program**
Need-based grants	23	5	1
Merit-based grants	18	5	2
Blended program (need and merit)	6	3	13
Work-Study	6	7	10
Categorical program targeted at a specific population	15	8	2

Independent, for-profit institutions			
Type of Aid Program	**Yes**	**No**	**NA/ no such program**
Need-based grants	16	10	2
Merit-based grants	10	13	3
Blended program (need and merit)	2	7	13
Work-Study	2	9	12
Categorical program targeted at a specific population	9	13	3

Alignment of State Fiscal Policies

Thirteen states reported that some kind of initiative had been implemented or was discussed to address the issue of college affordability for students and their families. These states are California, Colorado, Connecticut, Delaware, Idaho, Illinois, Indiana, Mississippi, Montana, Nevada, Ohio, Oregon, and South Dakota. Twelve states (Colorado, Hawaii, Indiana, Kansas, Maine, North Dakota, Oregon, South Dakota, Tennessee, Texas, Wisconsin, and West Virginia) also described consumer information outreach programs in their states where the cost of college and how to pay for it are described in detail for prospective students and their families. These programs, in many cases, are in response to the federal government's Net Price Calculator and Gainful Employment requirements.

Additional information on these initiatives can be found in the full survey responses on the SHEEO Web site (www.sheeo.org/finance/tuit/responses10.xls).

Response to Federal Tax Legislation

States had various responses to federal tax legislation when considering tuition and fee policies. Figure 16 summarizes these responses and shows how states have responded to the HOPE and the federal Lifetime Learning Credit. The most common response was to create a college savings plan or prepaid tuition policy.

***Figure 16:* Response to Federal Tax Legislation**

	Action taken	Under consideration	Not under consideration
Raise tuition to take advantage of new tax credits	1	0	27
Take federal tax credits into account when calculating state student aid eligibility	0	0	25
Create state-level programs that replicate the federal initiatives	2	1	23
Conform the state tax code to federal policy to simplify the tax process for families	1	2	21
Create a state prepayment or college savings plan	22	0	7
Publicize the availability of federal tax credits as a means to finance college	2	3	21
Provide bridge loans to students	0	0	24

Relationship between Policies

As expected, there are varying levels of coordination between tuition and financial aid policies. In Delaware, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Mississippi, North Dakota, Nebraska, Nevada, New York (CUNY), South Dakota, Tennessee, and West Virginia, there is no formal relationship, or at best an informal relationship between tuition policies and financial aid policies.

Eight states reported a more formal or structured relationship between tuition and financial aid policies. These states are California, Colorado, Connecticut, Hawaii, Iowa, New York (SUNY), Oregon, and Texas. In California, financial aid award amounts are tied to tuition charges. Interestingly, similar linkages in Illinois and Wisconsin were suspended due to the economic downturn. Colorado, Connecticut, Hawaii, and Iowa reported that a percent of tuition revenue must be set aside for institutional financial aid each year.

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2012-2013 State Tuition, Fees, and Financial Assistance Survey

1. Introduction

The purpose of this survey is to update the information gathered from the 2011 survey on state-level policies and procedures governing public higher education tuition, fees, and student financial assistance. This is NOT a survey of the actual rates or amounts of current tuition, since other sources already exist for those data. The term "tuition" as used in the survey includes all standard student charges including required "education fees" in states that prohibit tuition per se.

There are eight sections to this survey (please note numbering restarts at the beginning of each page):
1. Tuition-Setting Philosophy
2. Tuition-Setting Authority and Process
3. Tuition-Setting for Resident Undergraduate Students
4. Tuition-Setting for Nonresident Undergraduate Students
5. Other Tuition Policies
6. Student Fees
7. Student Financial Assistance
8. Alignment of State Fiscal Policies

Please be as complete as possible in your responses to each of the questions. Responses should reflect policies and procedures in place for the 2012-13 academic year (FY 2012-13). Your responses will be saved as soon as you hit the "Next" button at the bottom of the page. If you click "Exit This Survey," your responses for that page will not be saved.

If you have any documents to submit along with this survey, please send them to Andy Carlson (acarlson@sheeo.org).

Thank you very much for your participation. If you have any questions, please contact Andy via email (acarlson@sheeo.org) or phone (303) 541-1607.

***1. Before you begin, please provide us with your information. These information items must be completed in order to move on to the survey.**

Name (first and last):

SHEEO Agency or Higher Education Agency:

State:

Email Address:

2. Tuition-Setting Philosophy

1. Which of the following statements best describes the overall tuition philosophy or approach for public colleges and universities in your state? (Check all that apply)

	Two-year sector	Four-year sector
Tuition should be as low as possible	☐	☐
Tuition should be moderate	☐	☐
Tuition should be as high as necessary to ensure quality	☐	☐
Tuition policy is guided by institutional-level philosophy or budgetary needs	☐	☐
Tuition rates should align with peer tuition rates	☐	☐
Tuition should be set to offest reductions in state support	☐	☐
No statewide tuition philosophy exists	☐	☐

Other (please specify):

2. Describe the rationale for the philosophy stated above (e.g., tuition should be low to maximize access, high tuition is combined with high financial aid, institutions best understand their fiscal situations, etc.).

3. How is this tuition philosophy formalized in your state? (Check one per sector)

	Two-year sector	Four-year sector
In state Constitution	☐	☐
In legislative statute	☐	☐
By state rule	☐	☐
By board rule/policy	☐	☐
Not formalized at state level	☐	☐

Clarifying comments:

4. Have economic conditions since FY 2008 led to any short-term actions or policies on tuition that differ from the general philosophies describe above?

- No
- Yes, institutions/governing boards have greater flexibility to set tuition in response to state funding cuts
- Yes, greater restrictions on tuition setting in order to maintain affordability and access
- Yes, other

Please describe:

5. Describe any changes in tuition policy (not changes in tuition levels) in your state since FY 2008 (the economic downturn).

6. Describe any potential tuition policy changes that have been proposed or discussed - by the state legislature, board members, the SHEEO agency, or by the governor - for the immediate future in your state.

3. Tuition-Setting Authority and Process

1. Please briefly describe your state's tuition-setting process.

2. What role does each of the following individuals or entities play in establishing tuition rates and/or tuition policies for the FOUR-YEAR SECTOR in your state? (Check all that apply)

	Full legal decision-making authority	Informal/consultative role	No role	Other role
Governor	☐	☐	☐	☐
Legislature	☐	☐	☐	☐
Statewide coordinating/governing agency for multiple systems	☐	☐	☐	☐
Coordinating/governing board(s) for individual systems	☐	☐	☐	☐
Local district governing board(s)	☐	☐	☐	☐
Individual institutions	☐	☐	☐	☐

3. What role does each of the following individuals or entities play in establishing tuition rates and/or tuition policies for the TWO-YEAR SECTOR in your state? (Check all that apply)

	Full legal decision-making authority	Informal/consultative role	No role	Other role
Governor	☐	☐	☐	☐
Legislature	☐	☐	☐	☐
Statewide coordinating/governing agency for multiple systems	☐	☐	☐	☐
Coordinating/governing board(s) for individual systems	☐	☐	☐	☐
Local district governing board(s)	☐	☐	☐	☐
Individual institutions	☐	☐	☐	☐

4. Which of the entities above has the primary authority for establishing tuition? (Check one per sector)

	Two-year sector	Four-year sector
Governor	☐	☐
Legislature	☐	☐
Statewide coordinating/governing agency for multiple systems	☐	☐
Coordinating/governing board(s) for individual systems	☐	☐
Local district governing board(s)	☐	☐
Individual institutions	☐	☐

5. If individual institutions have primary authority, which of the following statements best describes the nature of their authority? (Check one per sector)

	Two-year sector	Four-year sector
Individual institutions set tuition rates within very strict guidelines or parameters established by local or state-level entities (e.g., a footnote in the appropriations bill providing a percent increase on tuition rates)	☐	☐
Individual institutions set tuition rates within moderate or limited guidelines established by local or state-level entities (e.g., guidance that tuition rate increases should not exceed inflation)	☐	☐
Individual institutions set tuition rates with no external restrictions, but are influenced by expressed opinions	☐	☐
Not applicable	☐	☐

6. How has the the tuition-setting process and authority changed in your state over the last three years and what has caused those changes (e.g., changes in legislative leadership, term limits, etc.)?

7. What incentives (explicit or implicit) exist at the state or institutional level to minimize tuition increases?

8. Which of the following tuition revenue appropriation policies are in place in your state? (Check all that apply)

	Two-year sector	Four-year sector
Tuition revenues are controlled and retained by individual institutions or campuses	☐	☐
Tuition revenues are deposited into separate, institutionally designated state tuition accounts from which all funds must be appropriated prior to expenditure	☐	☐
Tuition is appropriated and is a direct offset of the state general revenue appropriation	☐	☐
Tuition revenues are retained at the state level but under the direct control of a state governing or coordinating board	☐	☐
Tuition revenues are deposited into state general funds, with their return to higher education only inferred	☐	☐

Other (please specify):

4. Tuition-Setting for Resident Undergraduate Students

1. The following factors may be used by various individuals/groups who set public resident undergraduate tuition rates in the states. Please indicate the level of influence exerted by each of the factors in decision-making about tuition levels for the FOUR-YEAR SECTOR in your state. If individual institutions are responsible for setting tuition, use your best judgment in assessing the role of each factor in the statewide aggregate.

	Minimal to no influence	Moderate influence	Significant influence	Controlling influence
Inflationary indices (CPI, HECA, HEPI, etc.)	○	○	○	○
State per capita personal or disposable income	○	○	○	○
State general fund appropriations	○	○	○	○
Tuition charged by peer institutions	○	○	○	○
Tuition policies of comparison states	○	○	○	○
Institutional mission	○	○	○	○
Cost of instruction	○	○	○	○
Prior year's tuition	○	○	○	○
Availability of/appropriations for financial aid	○	○	○	○
State workforce needs	○	○	○	○
State philosophy about the appropriate share of tuition costs to be borne by students vs. the state	○	○	○	○
A policy cap on the percentage or dollar increase for tuition	○	○	○	○

Other (please specify):

2. Please indicate the level of influence exerted by each of the factors in decision-making about resident undergraduate tuition levels for the TWO-YEAR SECTOR in your state. If individual institutions are responsible for setting tuition, use your best judgment in assessing the role of each factor in the statewide aggregate.

	Minimal to no influence	Moderate influence	Significant influence	Controlling influence
Inflationary indices (CPI, HECA, HEPI, etc.)	○	○	○	○
State per capita personal or disposable income	○	○	○	○
State general fund appropriations	○	○	○	○
Tuition charged by peer institutions	○	○	○	○
Tuition policies of comparison states	○	○	○	○
Institutional mission	○	○	○	○
Cost of instruction	○	○	○	○
Prior year's tuition	○	○	○	○
Availability of/appropriations for financial aid	○	○	○	○
State workforce needs	○	○	○	○
State philosophy about the appropriate share of tuition costs to be borne by students vs. the state	○	○	○	○
A policy cap on the percentage or dollar increase for tuition	○	○	○	○

Other (please specify):

3. If you indicated that cost of instruction has an influence, please indicate approximately what percent of the cost of instruction is covered by tuition:

Two-year sector

Four-year sector

4. Of the above list, please indicate the three most influential factors in setting resident undergraduate tuition rates for the FOUR-YEAR SECTOR in your state over the past three fiscal years:

1.
2.
3.

5. Of the above list, please indicate the three most influential factors in setting resident undergraduate tuition rates for the TWO-YEAR SECTOR in your state over the past three fiscal years:

1.
2.
3.

6. Has there been a curb, cap, freeze or other limit placed on tuition at any time in your state in the past three fiscal years?

- No
- Yes

If yes, please describe and indicate if it was applied differentially to various sectors or institutions:

7. Does your state have a policy that requires a portion of revenue from tuition increases to be set aside for student financial aid?

- No
- Yes

If yes, please describe and provide the percentage applied to financial aid:

8. Differential tuition results when groups or individuals pay different tuition rates based on certain criteria, such as level of study, major, etc. Indicate if any of the following types of differential tuition are used for resident undergraduate students at public colleges and universities in your state. (Check all that apply)

	Two-year sector	Four-year sector
Lower division/Upper division	☐	☐
Programmatic (varies by college/department, major or course)	☐	☐
Credit/Non-credit	☐	☐
In-district/Out-of-district (two-year schools only)	☐	☐
On-site or classroom based instruction/Off-site or distance education	☐	☐
Credit hours beyond a specific number (e.g., credit hours accumulated above 140 are charged at a higher rate)	☐	☐
Cohort-based tuition (Fixed rate for a cohort of entering freshmen for some specified period of time)	☐	☐

9. Resident Undergraduate Block Tuition: Which of the following practices exist within your state? (Check all that apply)

	Statewide policy	Varies by sector	Varies by institution within sector
Tuition is set per credit hour regardless of how many credits the student is taking	☐	☐	☐
Tuition is set at a flat rate for full-time students	☐	☐	☐
A per credit surcharge is imposed at or above a specific number of credit hours	☐	☐	☐
No formal statewide policy exists on resident undergraduate tuition setting	☐	☐	☐

Other (please specify):

10. If you indicated that tuition is set at a flat rate for full-time students, please indicate the number or range of credit hours taken, if known, and describe to which institutions/sectors the flat rate applies.

5. Tuition-Setting for Nonresident Undergraduate Students

1. Which of the following statements describe how nonresident undergraduate tuition is set in your state? (Check all that apply)

	Two-year sector	Four-year sector
Nonresident tuition is set at a mandated percentage of the cost of undergraduate instruction	☐	☐
Nonresident tuition is indexed to the undergraduate resident tuition (e.g., 2 times the resident tuition rate)	☐	☐
Nonresident tuition is aligned with rates at peer institutions	☐	☐
Nonresident tuition is market-based and institutions should charge what students can afford to pay	☐	☐
No formal policy exists on nonresident undergraduate tuition setting	☐	☐

Other (please specify):

2. If you indicated that nonresident tuition is a percentage of the cost of undergraduate instruction or a percentage of resident tuition, please indicate those percentages:

Percentage of the cost of undergraduate instruction (2-year sector)

Percentage of the cost of undergraduate instruction (4-year sector)

Percentage of resident undergraduate tuition (2-year sector)

Percentage of resident undergraduate tuition (4-year sector)

6. Other Tuition Policies

1. In addition to the general undergraduate tuition reciprocity agreements that exist within the regional higher education associations (MHEC, NEBHE, SREB, WICHE), does your state have a policy specific to students from neighboring states or individual counties (e.g., a "good neighbor" policy)? If yes, please briefly describe and provide a link to or a copy of the policy.

2. Has your state considered a policy regarding tuition rates for undocumented immigrants? (Check one)

- No
- Yes, consideration of a policy to prohibit resident tuition rates for undocumented students
- Yes, consideration of a policy to charge resident tuition rates for undocumented students
- Yes, consideration of a policy to charge tuition rate other than nonresident rate or resident rate for undocumented students

3. If you answered yes to question 2 above, was a policy implemented? (Please describe and provide a link to the policy if available)

- Yes
- No

Please describe:

7. Student Fees

Unless otherwise stated, the term "fees" applies only to mandatory fees, as opposed to designated fees. Mandatory fees are defined as charges that most full-time students are required to pay in addition to tuition. Designated fees are defined as charges that apply to specific classifications only, such as certain courses, programs, services, or groups of students.

1. Describe the philosophy in your state specifically related to mandatory student fees (for example, fees make up for tuition limitations, fees are institutionally controlled, etc.).

2. How is this fee policy formalized in your state? (Check one per sector)

	Two-year sector	Four-year sector
In state Constitution	☐	☐
In legislative statute	☐	☐
By state rule	☐	☐
By board rule/policy	☐	☐
Not formalized at state level	☐	☐

Clarifying comments:

3. Describe any fee policy changes in your state since FY 2008 (not changes in fee levels).

4. Describe any potential fee policy changes that have been proposed or discussed by the state legislature, board members, the SHEEO agency, or by the governor in your state.

5. Has there been a curb, cap, freeze or other limit placed on fees in the past three fiscal years?

- No
- Yes

If yes, please describe:

6. Please indicate which entities in your state have the authority to set mandatory fees. (Check all that apply)

	Two-year sector	Four-year sector
Governor	☐	☐
Legislature	☐	☐
State coordinating/governing agency	☐	☐
Individual / system governing board(s)	☐	☐
Local district governing board(s) (two-year only)	☐	☐

Other (please specify):

8. Student Financial Assistance

1. Check which, if any, of the following student financial assistance programs your state offers.

	Offered under state statute	Offered through a formal policy but not in statute	Offered at discretion of institutions	Not offered
Need-based grants	◯	◯	◯	◯
Merit-based grants	◯	◯	◯	◯
Blended program (need and merit)	◯	◯	◯	◯
Work Study	◯	◯	◯	◯
Categorical program targeted to a specific population	◯	◯	◯	◯

Other (please specify):

2. How are individual student financial aid awards calculated and allocated in your state for each of the state funded grant programs?

	Through a central, state-level office	At the institutional level	Not applicable/no such program
Need-based grants	◯	◯	◯
Merit-based grants	◯	◯	◯
Blended program (need and merit)	◯	◯	◯
Work Study	◯	◯	◯
Categorical program targeted to a specific population	◯	◯	◯

Other (please specify):

3. The following is a list of possible goals of student financial aid policy. Understanding that multiple programs might exist in your state to meet a variety of objectives, please indicate the goals that are most influential in the creation and administration for each type of state financial aid program.

	Goals
Need-based grants	
Merit-based grants	
Blended program (need and merit)	
Work Study	
Categorical program targeted to a specific population	
Other program	

Other (please specify)

4. How is this financial aid philosophy formalized in your state? (Check one per row)

	In state Constitution	In legislative statute	By state rule	By board rule/policy	Not formalized at the state level
Need-based grants	○	○	○	○	○
Merit-based grants	○	○	○	○	○
Blended program (need and merit)	○	○	○	○	○
Work Study	○	○	○	○	○
Categorical program targeted to a specific population	○	○	○	○	○

Clarifying comments:

5. Describe any significant changes in the overall state financial aid appropriations in the last three fiscal years.

6. Describe any significant changes in financial aid grant awards to individual students in the last three fiscal years.

7. Describe how reductions in available state funding for financial aid programs have been handled in your state (e.g., grant awards made based on "first come first served", changes made to eligibility requirements to reduce the size of the eligible population, etc.). Specify where this policy is formalized, if applicable.

8. Describe any financial aid policy changes (not financial aid appropriations) and the reasons for them in the last three fiscal years.

9. Is your state considering any major reforms to existing state financial aid programs in the next few years? If so, please describe.

10. Does your state have a formal policy regarding the mix between merit and need-based aid?

- No
- Yes

If yes, please describe:

11. For each of the programs in your state, specify whether students attending independent, non-profit and independent, for-profit institutions are eligible to receive aid.

	Independent, non-profit institutions	Independent, for-profit institutions
Need-based grants		
Merit-based grants		
Blended program (need and merit)		
Work Study		
Categorical program targeted to a specific population		

Additional comments:

12. Do the public institutions in your state provide tuition waivers (full or partial) or other financial assistance for particular categories of students (e.g., dependents of faculty/ staff, military personnel, senior citizens, etc.)?

	Assistance offered under state statute	Assistance offered through a formal policy but not in statute	Assistance offered at discretion of institutions	Assistance not offered
Graduate assistants	○	○	○	○
Student athletes	○	○	○	○
Faculty/staff members	○	○	○	○
Dependents of faculty/staff members	○	○	○	○
State employees/civil servants (other than faculty/staff)	○	○	○	○
Dependents of state employees/civil servants	○	○	○	○
Dependents of deceased police officers or firefighters	○	○	○	○
Participants in public service programs	○	○	○	○
Military (Active)	○	○	○	○
Military (Honorably discharged)	○	○	○	○
Dependents of military	○	○	○	○
Senior Citizens	○	○	○	○
Students who qualify for need-based aid	○	○	○	○
Students who qualify for merit-based aid	○	○	○	○

Other (please specify):

13. Please provide any necessary clarifying comments for the above question.

14. In which of the following occupational areas does your state provide assistance, loan forgiveness and/or loan repayment programs to those who provide service to the state following graduation? (Check all that apply)

	In-School Financial Assistance	Loan Forgiveness	On-the-Job Loan Repayment
Teaching	☐	☐	☐
Nursing	☐	☐	☐
Medicine/ Dentistry/ Optometry	☐	☐	☐
Engineering	☐	☐	☐
Information technology	☐	☐	☐
Child care	☐	☐	☐

Other (please describe):

15. Please describe any differences in philosophy or policy concerning student financial aid at public two-year vs. public four-year institutions in your state.

16. If your state is considering any development of, or changes in, a prepaid tuition program or a college savings plan, please describe.

17. What consideration, if any, has been given in your state to the impact that tuition prepayment programs or college savings plans may have on tuition levels? By whom?

9. Alignment of State Fiscal Policies

1. Describe any initiatives being discussed in your state to address the affordability of college for students and their families. Include any initiatives or collaboration with other agencies to provide consumer information on college price and the financing of higher education, including financial aid programs. Please provide a link to or a copy of any written materials developed.

2. Below is a list of possible state policy responses to federal legislation creating various education tax credits and deductions, including the HOPE and Lifetime Learning Credit. Check which of the following actions, if any, have been taken in your state, those currently under consideration, and those not under consideration. (Check all that apply)

	Action Taken	Under Consideration	Not Under Consideration
Raise tuition to take advantage of new tax credits	☐	☐	☐
Take federal tax credits into account when calculating state student aid eligibility	☐	☐	☐
Create state-level programs that replicate the federal initiatives	☐	☐	☐
Conform the state tax code to federal policy to simplify the tax process for families	☐	☐	☐
Create a state prepayment or college savings plan	☐	☐	☐
Publicize the availability of federal tax credits as a means to finance college	☐	☐	☐
Provide bridge loans to students	☐	☐	☐

Other (please specify):

3. Describe the relationship (formal or informal) between the tuition policies and fee policies in your state (e.g., viewed as similar but different source of funds, no relationship, etc.).

4. Describe the relationship (formal or informal) between tuition policies and financial aid policies in your state (e.g., high tuition/high aid, no relationship, etc.), including any differences that might exist between sectors.

5. How is your state working to coordinate state appropriations, tuition, and financial aid policies?