

2002 Legislative and Board Overview

Recent legislative and board activity in 14 of the 15 WICHE states are summarized in this report. Appropriations to higher education increased in most states, with growth ranging from .46 percent in Washington to 16.2 percent in Wyoming. Budget share for higher education declined in Hawaii, Idaho, Nevada, New Mexico, and Utah, while Alaska, Arizona, California, South Dakota, Washington and Wyoming reported an increase. With the exception of California, the states reported tuition increases at four-year institutions, with resident undergraduates paying from 2.5 to 14.4 percent more in fall 2002. Tuition increases ranged from .13 to 14.3 percent for two-year students in the states. Nonresidents will generally see increases as well across the region. Colorado is moving toward a voucher system to finance students entering higher education institutions. Major issues were access, financial aid, nursing, governance, accountability, and P-16. Financial aid concerns in California focused on timely distribution of Cal Grant scholarships to low-income students, while Washington increased need-based aid funding and reduced support for the Promise Scholarship. Governance and planning issues emerged in California, Hawaii, and Nevada through strategic planning activities and in Oregon through the institutions' request for greater flexibility within the system.

Action during the 2002 legislative and board sessions and related budget activity for fiscal year 2002-03 in 14 of WICHE's 15 states are reviewed in this edition of *Policy Insights*.

Appropriations and Finance

Among the Western states, state appropriations to higher education were generally up from FY 02 levels.

Appropriations were higher in **Alaska, Arizona, Montana, Nevada** (FY 2001-2003 biennium), **New Mexico, South Dakota, Utah, Washington,** and **Wyoming**; increases ranged from .46 percent in **Washington** to 16.2 percent in **Wyoming** (see Figure 1).

Stable funding in **North Dakota** reflected the second year of a biennial budget.

California, Idaho, and **Hawaii** saw smaller appropriations—down .2 percent, 5.8 percent, and 2.13 percent, respectively, from FY 02.

Arizona will begin several initiatives to examine the state tax structure. Also, new legislation calls for larger budget units, so universities will submit annual budget requests, rather than biennial requests. Lawmakers in Arizona placed limits on capital spending at 8 percent of total expenditures and transfers.

A fifth special session in **Oregon** produced more cuts for higher education; for the community and technical colleges, that meant \$2.97 million less for self-improvement courses. The original 2001-03 state appropriation for community college support was \$463.318 million; if the \$56 million deferred payment is calculated as a cut, Oregon's appropriation has been reduced by as little as 3.64 percent or as much as 18.77 percent, with the majority of cuts being imposed in the second year of the biennium. Voters defeated a tax measure in January 2003.

Budget Share

Reports of budget share tell a somewhat different story (see Figure 2).

States with budget share percentage point increases were Alaska (from 8.68 to 9.19), Arizona (from 14.1 to 14.9 percent), California (from 12.6 to 12.7 percent), South Dakota (from 15.58 to 15.88 percent), Washington (from 12.15 to 12.21 percent), and Wyoming (universities from 23.4 to 25.4 percent and community colleges from 2.3 to 2.6 percent).

Declines in budget share from 2001-02 to 2002-03 were seen in several states: Hawaii declined from 8.40 to 8.10 percent, Idaho fell from 16.19 to 15.44 percent, Nevada declined from 19 to 18.80 percent; New Mexico fell slightly from 15.77 to 15.73 percent; Utah dropped from 15.60 to 15.40 percent.

Figure 1 Percent Change in Appropriations to Higher Education, FY 2002 to FY 2003

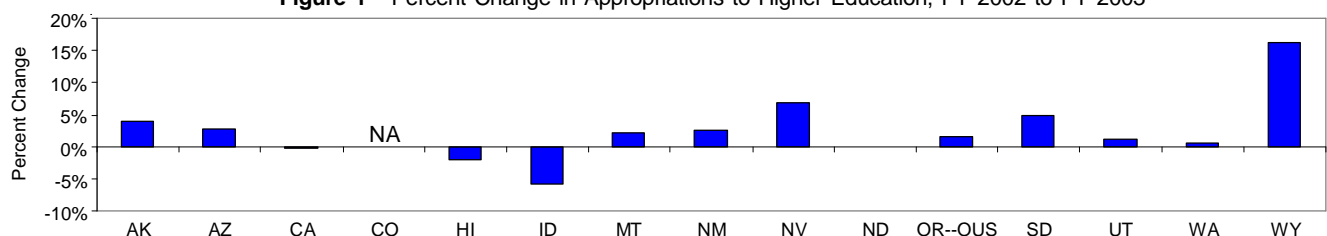
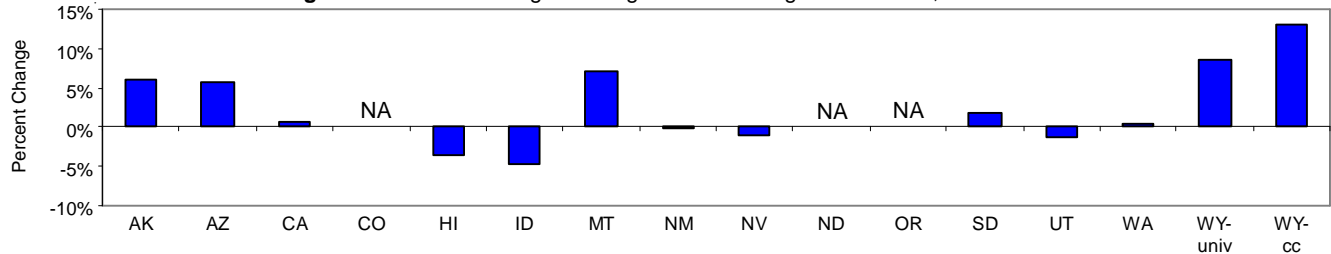


Figure 2 Percent Change in Budget Share for Higher Education, FY 2002 to FY 2003



Tuition & Fees

- Resident undergraduate tuition increases at four-year institutions took effect in all WICHE states except California for fall 2002 (see Figure 3).
- Increases for resident undergraduates at public four-year universities tended to range between 3 and 7 percent. The largest increase occurred in Washington at 14.4 percent, with Hawaii lowest at 2.53 percent. Four states had double-digit increases.
- Tuition increases for two-year residents were somewhat higher overall, with most states charging 5 to 10 percent more this year.
- Nonresident tuition at four-year institutions increased throughout the region; most increases were between 5 and 10 percent, but ranged from less than 1 percent in **Hawaii** to 15.1 percent in **Washington**.
- The University of **Alaska** Regents are examining a tuition increase exceeding the yearly HEPI raise of about 3.5 percent. The University has not raised tuition above the yearly inflation rate since 1995. Under consideration is a 10 percent rise—6.4 percent plus the 3.6 percent inflation adjustment—for each of the next two fiscal years.
- **Colorado** institutions were moving toward a legislatively-approved tuition increase of 7.7 percent, but Gov. Bill Owens vetoed that hike and proposed 4.7 percent instead. The state averaged out at 5.61 percent for four-year institutions.
- A new law in **Idaho** raised the cap on community college tuition from \$50 per annum to not more than 10 percent per annum, with a maximum amount of \$1,250.
- A governor's recision and a special legislative session in **Montana** reduced state support for the Montana University System by \$12.4 million. The

Regents responded to this reduction by reducing expenditures by \$7.2 million and raising \$5.2 million through a tuition surcharge on all students that averages \$45 per full-time student for fall semester and \$193 per full-time student for spring semester. In 2001-02 state support accounted for 48 percent of the educational units' current unrestricted budgets. As a result of these recisions, state support in 2002-03 will fall to 43 percent of the educational units' CU budgets.

- **New Mexico** may review its tuition waiver programs.
- In an attempt to attract more out-of-state students, the **North Dakota** State College of Science in Wahpeton offered a tuition break this fall to nonresidents from bordering states who live in the residence halls and purchase a meal plan. The State Board of Higher Education has also provided the campuses increased flexibility in setting tuition rates and the granting of tuition waivers.
- This fall, the University of **Oregon** began a three-year pilot program that offers a tuition discount of \$13 per credit hour for classes taken after 3 p.m.
- The **Utah** Board of Regents uses a two-tier tuition model: the first-tier tuition increase was set by the Board at 3.5 percent with .05 percent dedicated to student financial aid at each institution. The second-tier increase for undergraduates was proposed by presidents and varied widely among the public institutions. In an unusual move, the legislature required that an additional \$2 million be raised in graduate tuition and the money distributed through the System, even though only certain schools are capable of raising graduate tuition. Utah also now requires non-residents to complete 60 credit hours to gain residency status for tuition purposes. The effects of the new law are now being felt; tuition revenue losses on

Figure 3 One-Year Percent Change in Resident Tuition at Public Four-Year Universities 2001-02 to 2002-03

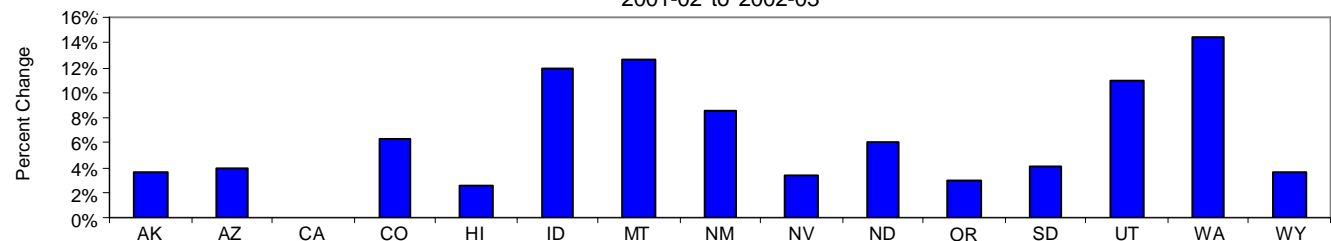
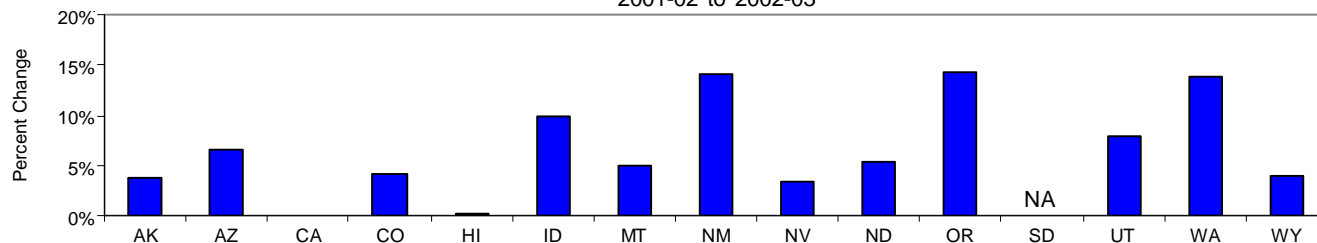


Figure 4 One-Year Percent Change in Resident Tuition at Public Two-Year Colleges
2001-02 to 2002-03



Utah campuses from students in neighboring states who opted to stay home or go elsewhere may equal or exceed the estimated \$5 million of second-year nonresident tuition produced by the new policy.

■ The **Washington** legislature failed to enact a statewide tuition policy and adopted the 2002-03 tuition methodology as a provision of the biennial state operating budget. For the first time, the Higher Ed Coordinating Board recommended that the legislature give complete tuition-setting authority to the institutions. Lawmakers did not adopt the recommendation, opting to retain the authority to set tuition limits for resident undergraduates, with the institutions approving specific tuition rates within those caps. Institutions may set tuition without restriction for all other students. The current policy will be revisited by the next legislature.

■ Legislation to support immigrants was taken up in some Western states. In 2001, **California** gave undocumented immigrants and all non-California residents who had attended a California high school for three years and graduated the same access to education as other students in California. Legislation was introduced in **Utah** to grant in-state tuition to children of illegal immigrants when they graduate from a Utah high school; it would become effective only upon passage of a similar federal measure. **Washington** lawmakers may reconsider legislation in 2003 to extend resident status for tuition purposes to undocumented students. Meanwhile, the U of Washington would like to make residency harder for out-of-state students to obtain.

Access

■ **Idaho's** legislature authorized two major universities to enter into agreements for funding of a new collaborative education center in Boise.

■ **Nevada's** preliminary data indicate that access has been positively impacted by the Millennium Scholarship.

■ The **North Dakota** University System is finalizing a long-term enrollment management plan which is focused on enhancing, supporting, and empowering the campuses, growing the working-age population of the state, addressing employers' workforce training needs, and recognizing shifting population trends.

Financial Aid

■ The **Alaska** Commission on Postsecondary Education and its partner agency, the Alaska Student Loan Corporation, responded to concerns over the increasing costs of higher education by approving and funding a borrower benefit program that made borrowing from both the state and federal student loan programs the lowest costs in the U.S. Several bills relating to loan forgiveness/assumption for individuals serving in specified professions were unsuccessful but may be reintroduced as the shortage situations will undoubtedly continue to worsen.

■ In **California**, more than \$212 million ear-marked for 194,000 low-income students who received Cal grant scholarships had not been dispersed as of early August because lawmakers had failed to approve a state spending plan at that time. Cal State institutions were directed by the chancellor to provide financial credit. The budget was signed in early September, at which time the grants were made available.

■ In **Montana**, the financial difficulties of the state and the resulting rapidly increasing tuition has heightened the Regents' concerns over affordability and access for students. The Regents have made student assistance their only request for additional state funding for the 2004-2006 biennium.

■ **New Mexico's** Lottery Success Scholarship program may be up for review before the FY 03 session.

■ **Utah** modified the state's New Century Scholarship program, changing it from an entitlement to providing as many scholarships as funding is made available.

■ The **Washington** legislature increased need-based financial aid funding (State Need Grant program), but reduced funds for the Promise Scholarship, a program that rewards outstanding high school graduates from low- and middle-income families. But the legislature and governor enacted the Promise Scholarship into statute; created in 1999, the program has been operated under a budget proviso.

Workforce Development: Nursing

■ In **Alaska** the health care industry asked the University to double the output of nurses over the next four years and is planning to match state funding to support the action. The Alaska Commission on

At a Glance — Budget Impact on Higher Education



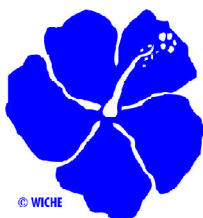
Alaska's Board of Regents requested a \$17 million increase from its FY 02 base. While the Governor fully endorsed the entire budget, the legislature was hesitant to pass such a large request. This session, the legislature faced a \$1 billion fiscal gap in the operating budget for FY 03. Although the majority claimed to have executed a state fiscal plan over the past five years by reducing state spending by over \$250 million, the revenue side was not addressed until this year. A bipartisan group of House and Senate members formed a Fiscal Policy Caucus this past session to explore ways of bringing in additional revenues, but in the end there was no consensus to any "plan" and only one revenue measure was passed.



Arizona's final general fund appropriation for FY 02 was \$765.8 million, a \$47.5 million, or 5.8 percent cut from the original FY 02 appropriation of \$813.3 million. The FY 03 appropriation was repealed during a special session in November 2001 and the negotiations for the FY 03 year began with the FY 02 base, after the budget cuts. There was an immediate 2.5 percent cut across most agencies. The universities did receive \$38.3 million for salary increases, employee related expenses, enrollment growth, debt service and transfer articulation. State employees received a \$1,450 annual increase effective June 8, 2002. The salary increase was reduced from an original appropriation of 5 percent increases for each of the fiscal years 02 and 03. Gov. Jane Hull called for agencies to cut spending further as the current budget is also expected to end with a large deficit.



In **California**, higher ed has been mostly spared the budget cuts that impacted other areas of the budget. The state general fund budget for higher ed declined only \$19 million; budget cuts to all areas of the state budget combined over the last year total \$10 billion. The budget provides \$629 million for the State's Cal Grant financial aid programs, a 17 percent increase. For the eighth year in a row, the budget does not increase systemwide fees for resident undergraduate students and graduates students in the three public systems. The prospects of a \$34.8 billion budget shortfall this year and next means that things may change for higher education in the next few months.



Because of a weak economy, there have been nominal increases in the University of **Hawaii** operating budget. In 1995, there was a major reduction in state funding commensurate with an increase in tuition revenues. Since then, there have been some increases in budget due to collective bargaining and gubernatorial initiatives, but overall, the budget has remained flat.



All of higher ed in **Idaho** experienced a budget reduction from the FY 02 appropriated amount. Tuition and fees increased an average of almost 12 percent at four-year institutions to offset the budget reductions. Each institution still has to undergo some restructuring, trim expenses, and lay off personnel. Although the legislature allocated nearly \$64 million last year for building projects, a hold was placed on all projects and funding as part of a contingency plan to balance the budget.



Montana has seen steadily increasing tuition in all sectors of higher education. However, since FY 99 the Regents have made a concerted effort to hold down costs of two-year education by a differentiated tuition strategy for the five Colleges of Technology and in lower-division courses at UM-Western and MSU-Northern.



Since **Nevada** is between legislative sessions, there was no new legislation concerning higher education in 2002. The 2003 session convenes in February. In August, Gov. Guinn ordered state agencies—including the University and Community College System—to cut their proposed budgets for 2003-04 by 3 percent to help reduce a projected budget shortfall.



In **New Mexico**, budgets are essentially flat, but include 0 percent salary increases with increased insurance costs. Thus, individuals have suffered net compensation decreases in many cases. The legislature established a Faculty Endowment Fund, which requires non-governmental matching funds by eligible institutions and is intended to attract and retain highly-qualified faculty using private funds as leverage.



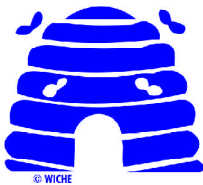
The **North Dakota** University System is preparing two budget requests for the 2003-05 biennium. One is a needs-based budget consistent with the Board's new long-term finance plan. The other request—a "hold even" budget with no general fund increase—is being submitted at the request of the Governor. The University System will be expected to fund health insurance and salary increases for the upcoming biennium within the current base budget in the hold-even budget.



Oregon's \$834.4 million total appropriation to higher education, with \$414.14 million in FY 02 and \$420.22 million in FY 03—were original budget amounts, including operations, debt services, and capital. Following two legislative special sessions, the OUS biennial total is currently at \$790.8 million. A proposal by Gov. Kitzhaber, being litigated in the Oregon courts, would further reduce the amount to \$763.5 million. The state held five special sessions of the legislature before the end of the calendar year.



South Dakota had an increase in funding.



In **Utah**, the 1.1 percent increase from FY 01-02 to FY 02-03 is accurate but misleading. The original 01-02 budget was reduced by \$19.7 million or 3.4 percent. The 1.1 percent increase in 02-03 is calculated on this reduced 01-02 base. If compared to the original budget appropriated for 01-02, FY 02-03 was cut 2.3 percent at the same time enrollment grew by 7.7 percent.



Washington state funding has been reduced, and tuition has been increased to cover some, but not all, of the reductions. The 2002 supplemental budget reduced higher education spending by 4.8 percent overall from the level originally approved for the fiscal year that began July 1. State funds were not provided for faculty salary increases in 2002-03, although at least one university provided raises of around 1 percent from reallocations and other funds. After years of limiting tuition increases to the range of 4 to 6 percent, the legislature authorized governing boards to increase tuition for 2002-03 by a maximum of 16 percent (research universities), 14 percent (regional universities and TESC) and 12 percent (community and technical colleges, set by the State Board for Community and Technical Colleges). Since the 1970s in Washington, periods of recession or economic slowdown have been accompanied by a year or two of double-digit tuition increases. However, there are concerns that this decade will see several years of large tuition increases because of voters' passage of spending limit initiatives coupled with legislative tax cuts following the recession of the early 1990s. One result of the current budget crisis has been a push to investigate options for a long-term, dedicated funding source for higher education. Two former governors initiated an effort to build support among community and business leaders for some form of dedicated funding for colleges and universities.



In **Wyoming**, 2002 was a budget session and legislation affecting higher education was largely budget related. Two student loan bills, one dealing with nursing and the other with targeted occupations, failed. Both would have forgiven loans for working in those occupations in the state. Community colleges' general fund revenues have risen over the period and the colleges have fared well. Part of this is due to a comparator based funding allocation model that determined Wyoming colleges were underfunded by \$14.9 million in relation to their comparators at the 50th percentile. The legislature funded the entire gap.

Postsecondary Education was involved in discussion on legislation and issues of workforce shortage as the legislature considered bills to create incentives for attracting and retaining workers in critical shortage areas such as teachers and nurses. No new programs were implemented through legislation.

■ The **Arizona** legislature now requires the Regents and State Board of Directors for Community Colleges, in conjunction with HMOs, hospitals and certain private institutions, to develop a caregiver program to double the number of graduating nurses to 2,000 per year within five years.

■ The **California** Postsecondary Education Commission is beginning a study, mandated by the legislature, that looks at nursing programs' admissions requirements and makes recommendations to the legislature and governor on ways to address the nursing shortage.

■ **Idaho** legislators directed the Board of Education to devise a plan of action to address the nursing shortage.

■ A Governor's Task Force on Health Care Workforce in **Montana** highlighted shortages in nursing and other health care fields: \$1 million of federal Workforce Investment Act funds for incumbent worker training, with a focus on business retention and expansion with an emphasis on health care occupations.

■ A joint memorial in **New Mexico** requesting a collaborative study involving schools of nursing and others failed. However, a bill passed appropriating \$50,000 from an existing fund to the State Board of Nursing to contract for a study of the need for additional nurses and education/training needs to meet state health care demands. In other action, an appropriation of \$2.7 million was appropriated for nursing expansion.

■ **South Dakota** legislators enacted a program to expand nursing education programs at two institutions by increasing the number of slots for associate degree students at off-campus sites; they also funded a fast-track program for students with a bachelor's degree and the prerequisites and who can take an intensive year-long nursing concentration.

■ Unsuccessful legislation in **Wyoming** would have created a loan forgiveness program for nursing.

Governance & Planning

■ New legislation limits the duties and responsibilities of the **Arizona** State Board of Directors for Community Colleges, transferring many responsibilities to local district boards.

■ Survival was a major issue for the **California** Postsecondary Education Commission this year when its budget was deeply cut. The state has a new master plan covering K-12 and higher education. Community colleges may gain additional authority under the plan.

■ **Colorado** lawmakers granted autonomy to two public institutions in the Colorado State University system and the system of State Colleges of Colorado; the system is drafting legislation for the 2003 session

to break up the system and give the remaining colleges their own governing boards.

■ The University of **Hawaii** System is grappling with increased self-reliance and self-administration. Under a reorganization plan the state's two-year campuses would win more autonomy and may drop "community college" from their names.

■ Opened in September 2002, **Nevada's** first state college adds a "third tier" of higher education to the state system; the institution's mission is focused on training more K-12 teachers and nurses. The Regents also approved a new master plan for the next 10 years. Major goals include ensuring that higher education is an essential element in developing and sustaining a strong, dynamic, knowledge-based economy; providing consistently excellent learning experiences for students; increasing the participation and success of Nevadans at all levels of higher education and in all ethnic groups; providing programs and services that address the unique educational needs of a diverse and non-traditional population; increasing partnerships with K-12; and being instrumental in advancing society's objectives and enriching the lives of the state's citizens.

■ **Oregon's** universities are seeking greater flexibility within the system and from the state—including individual governing boards, tuition-setting authority, enrollment management control, and freedom from state limits on private funds, bonding, and construction.

■ The **Washington** coordinating board has taken initial steps toward developing its 2004 Master Plan for Higher Education, which will be presented to the legislature and governor in December 2003.

Accountability and Information

■ A **Montana** legislative subcommittee adopted policy goals and accountability measures for the Montana University System to initiate this fall.

■ Under a recent policy revision in **Nevada** concerning the release of student directory information, students now must be notified annually of their right to "opt out" of the institution's directory, which releases student information.

■ The **North Dakota** University System is implementing a consolidated information system to manage financial, human resources, and student data for the public postsecondary institutions and the entire state government. Eventually, the system—known as ConnectND—will integrate student information from K-12 and higher education. The University System also released its first annual accountability measures report, which was developed in response to the outcomes of the Roundtable on Higher Education. Performance and fiscal accountability measures were jointly developed between the State Board of Education and the legislature in exchange for more spending flexibility; 30 measures were mandated by the legislature and seven additional measures were added by the Board.

■ The **South Dakota** Board of Regents is launching its information technology plan, the STUDENT Project—a unified student information system for the state’s six public universities. Each student will have only one record and can perform common student services transactions and obtain commonly needed information online. These services will include applying for admission and financial aid, registering, applying, purchasing textbooks, accessing library services, dropping and adding courses, and paying fees. Implementation is scheduled for fall 2003.

■ **Utah** State University is offering to pay tuition for students who don’t earn their degree in four years, if they agree to stipulations during their first year of college. Under the Graduate Guarantee Program, students must sign a contract to not change major and abide by a course schedule every semester.

P-16

■ A **California** bill requiring a college prep core curriculum for all high school students failed. The UC system implemented a new “comprehensive review” policy allowing institutions to admit all students on the basis of academic and personal information such as whether the student overcame hardships.

■ The University of **Hawaii** will be working in cooperation with the Department of Education to develop a P-20 system of seamless education.

■ The **Idaho** State Board of Education and the legislature adopted a new assessment program for public K-12 students; it’s aligned with the state’s new achievement standards and will serve as the measurement tool for new accountability measures. The State Board of Ed has also adopted an Internet-based testing system, enabling them to measure student achievement over time and provide results to students and teachers within 24 hours. Online testing has been adopted by only a few other states.

■ **Montana** convened representatives from K-12, higher education, legislators, executive office staff, college and university presidents, business, school administrators, and others in early October for a P-16 roundtable. With support from WICHE’s Pathways to College Network project, the roundtable focused on issues around increasing access and success for low-income students and those from minority populations.

■ Education reform, particularly with regard to governance of a P-16 system and teacher preparation/shortage issues may be on **New Mexico’s** agenda this next session.

■ The **North Dakota** University System, in collaboration with the Dept. of Public Instruction, developed a centralized database of contact information for the state’s high school students to reduce duplication and more effectively recruit high school graduates for the state’s universities.

■ Successful legislation in **South Dakota** now allows public schools to provide the Board of Regents with student directory information for 8th through 12th graders. The Board also modified its dual credit

policy to allow transfer of credit for certain college courses taught in high schools.

Other Issues

Term Limits—In **Idaho**, term limits dominated the legislature early on and culminated in repeal of the state’s term limit laws for all state and local offices. An initiative effort on the November ballot to put term limits back in place was rejected by Idaho voters.

Proprietary Education—Responsibility for regulation of **Utah’s** postsecondary proprietary schools was transferred from the Regents to the Division of Consumer Protection.

Admissions and Testing—The **California** State University system would like to see a test for 11th graders that could be used both for state assessment and for college placement—essentially aligning high school standards tests with college entry requirements.

Funding—In special session, the **Hawaii** legislature approved funding for a new medical school and biomedical research center; additional money was approved for repair and maintenance and facilities construction throughout the state.

Issues to Watch

■ *Accountability.* **Washington’s** Institute for Public Policy at The Evergreen State College will be conducting interim studies on the performance of the state’s research university branch campuses and on the mission and operation of the Higher Education Coordinating Board. Legislators in **Wyoming** will reconsider establishing a Public Policy Research Institute as well as a technology business incubator at the University of Wyoming.

■ *Access and Success.* In 2000, **Arizona** citizens approved a dedicated revenue source for research and technology initiatives at state universities. In FY 2002, the program’s first year, about \$45 million was generated, with some of the funds providing matching grants for innovative projects to increase enrollment, retention, and graduation rates.

■ *Financing.* WICHE’s *Changing Direction* project is an **Arizona** University system reform initiative that includes a comprehensive review and revision of funding streams and management strategies designed to strengthen support of instructional, research, and financial aid programs. In **Colorado**, the Governor’s Blue Ribbon Panel on Higher Education is considering a voucher system to finance students entering higher education institutions and to get universities out from under voter-approved TABOR (Taxpayer’s Bill of Rights) law restrictions. Under one scenario, every student would receive a flat grant amount; another option would give students from low-income families larger vouchers. The 2003 **Montana** legislature faces a \$250 million revenue shortfall for the 2004-2005 half of the biennium. The Governor’s executive budget

proposal includes a combination of budget reductions along with a transfer of \$93 million from the constitutionally protected coal trust fund to balance the biennium budget. Previous legislatures have failed in their attempt to transfer such funds. **New Mexico** may consider revamping the entire higher education funding mechanism (excluding capital and financial aid). **South Dakota** plans to redesign its approach to funding public higher education. Related to this is the preparation of a South Dakota Opportunities Report to look at responses to the changing demographics of the state, system and institutional administrative responsibilities for realignment, consolidation, and collaboration, efficiencies to be gained from process and structure changes, and alignment of institutional responsibilities for delivering curriculum to citizens. In **Washington**, most publicly funded colleges and universities must make a variety of reallocations and spending cuts in their 2002-03 internal budgets to compensate for the net loss in revenue after state funding cuts and tuition are calculated. Spending adjustments are being handled differently at each institution. The **Wyoming** legislature has authorized an interim project on the financing of state—including university—needs.

■ **Tuition.** The **Alaska** Regents are examining an increase in tuition levels over and above the yearly HEPI raise of about 3.5 percent. The University has not raised tuition above the yearly inflation rate since 1995. Bills pending in **California** to establish state policy on undergraduate student charges at community colleges and the State universities failed passage. Legislators in **Utah** may look at charging the full cost of instruction for students who retake courses more than once or who take substantially more credits than needed to graduate. A **Washington** lawmaker initiated a tuition and financial aid study during the 2002 interim, which may result in new tuition and financial aid legislation for the 2003 session.

■ **Financial Aid.** **California** legislators are looking at bills to revise the Cal Grant program, including provisions allowing recipients of the Cal Grant A award to use part of the award for up to two academic years

of full-time study at a community college and the remainder for up to three years at a degree-granting institution. Other changes would require maintenance of a database for recipients and GPA reporting. Next year, **South Dakota** will revisit the Regents Scholars program, an initiative to provide scholarship funding for students who have taken the Regents Scholars' heavy college prep curriculum and maintained a B average. Following Gov. Janklow's veto in 2001, a constitutional amendment attempt was defeated by the legislature this year.

■ **Nursing.** Further refinements to **Arizona's** nursing legislation are possible as this is expected to continue to be an issue in the state. To support efforts to improve health professions education, the three state universities are collaborating on the Translational Genomics Research Institute—an integrating organization between the universities and major research institutions to enhance scientific research in the state. Nursing education may resurface in **Wyoming** as the statewide nursing shortage continues.

■ **Administration.** Reform in the Public Employees Retirement System (PERS) in **Oregon** will likely be a major issue next session; outcomes will have a large impact on higher education at all levels. In **Wyoming**, the increasing costs of health insurance may surface as a potential area for action.

Final Note

The information in this *Policy Insights* was collected and refined over several months, yet we were unable to maintain an up-to-date picture of state budgets for this report. FY 03 has been a chaotic year for most state economies. Multiple cuts and mid-year tuition increases have become common for higher education institutions in the West and across the nation this year. There are few signs that FY 04 will be any better, as the very fluid budget situations continue to challenge state and institutional leaders.

This issue of **Policy Insights** was prepared by Cheryl Blanco, director of Policy Analysis and Research. WICHE gratefully acknowledges assistance from staff in State Higher Education Executive Offices in providing and reviewing information.

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