

**NASSGAP State Roll Call Issues  
Spring Conference, May 23-26, 2004, Washington D.C.**

<b>NASSGAP State Roll Call Issues -- Spring 2004 Conference Washington DC</b>			
<b>In Attendance</b>		<b>STATE</b>	<b>ISSUE</b>
1		<b>Alabama</b>	<b>AL</b> After significantly reduced funding in our state aid programs for 2003-04, the Senate has concurred with the House version of the education budget. The legislature has passed the education budget with level funding for 2004-05. The budget now goes to the Governor for his signature.
2	No	<b>Alaska</b>	<b>AK</b> State fiscal future in general is uncertain with statewide budget shortfalls not address. The University of Alaska appropriations short-funded. The 2004 legislation, supported by the Commission, passed giving ACPE authority to design and implement a need-based grant program. Also passed was authority for ACPE to to issue bonds to fund certain state projects. Loan forgiveness bills, unfunded, pending from first session did not pass. The Commission expands education lending to include federal and alternative consolidation programs.
			Also, the highly competitive academic scholarship that is awarded on an interest bearing account will, potentially, not be funded this year. Additional funding has been requested. The legislature is considering that request.
			Completed first year of annual sequenced outreach campaign to parents and students. Commission's Early Awareness and Rural Outreach (EARO) Advisory Board completes first year, establishing positive linkages between various education sectors. NBA star Carlos Boozer, an Alaskan high school graduate, signs as Commission spokesperson to promote access to higher education for Alaskans. Alaska receives a <i>College Goal Sunday</i> planning grant from Lumina Foundation.
3		Arizona	<b>AZ</b>
4	Yes	<b>Arkansas</b>	<b>AR</b> In November 2002, the Supreme Court upheld a lower court ruling that the funding formula for K-12 was unconstitutional because it did not provide an adequate and equal education for all students, and gave the legislature until Jan 1, 2004 to fix the problem. After the January 2003 regular session and a May 2003 special session failed to address the problem, the governor called the legislature into special session in Dec 2004 and they met for 60+ days before developing a compromise solution. On one side the governor proposed consolidating all school districts of less than 1500 students, which would have reduced the number of districts from 308 to approximately 115, and on the other were the legislators from rural areas, who opposed any mandatory consolidation. Eventually the legislature passed a compromise plan to consolidate districts with less than 350 students, which was about 50 of 308 districts. To pay for the estimated \$450 million to meet the constitutional requirements, the sales tax was increased by 7/8 cent and a 10% corporate franchise tax was implemented.
			The concern for higher education is that written into the law is a clause that if the revenue generated is insufficient to meet needs of K-12, the additional funds will come from the rest of the state budget. Tuition and fee increases announced for next fall are in the 6-10% range. A new teacher loan forgiveness program will be awarded starting in fall 2004. The program offers loan forgiveness for students who enter teaching and teach in either/or subject or geographic shortage areas. There is also a loan repayment option available.

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5		California	CA	
6		Colorado	CO	
7		Connecticut	CT	
8	Yes	<b>Delaware</b>	<b>DE</b>	The Delaware House of Representatives unanimously sent a bill to Gov. Ruth Ann Minner that delays the start of a controversial three-tiered diploma system this year. The Senate just unanimously approved the bill. The measure delays for a year the issuance of basic, standard and distinguished diplomas, depending on 10th-grade standardized test scores. All graduates will receive standard diplomas this year, with a sticker for students with distinguished test scores. The Governor is expected to sign the bill.
				A bill in the Delaware House that would have dedicated 10 percent of a proposed riverfront casino's gross gaming revenue to a trust that would pay for scholarships at the University of Delaware, Delaware Technical & Community College and Delaware State University will be amended to remove the scholarship component. A section of the bill to legalize slot machines on Wilmington's Riverfront would have provided about \$15.4 million a year for college scholarships. However, the amendment will remove the funding for the scholarships and instead dedicate more money directly to the cash-strapped city (from an estimated \$4.6 million to \$10 million a year). Delaware's secretary of education said she was not upset about the proposed change.
				Legislation is pending to address the shortage of speech/language pathologists in Delaware to work with infants and toddlers, age birth to three years of age, with developmental delays and disabilities. This legislation extends the incentive loans for speech/language pathologists to employees of providers of the Part C, birth to Three Early Intervention System programs. Currently only students who agree to work in Delaware public schools as a licensed speech pathologist are entitled to awards and qualifying employment for service repayment of their scholarship.
9		District of Columbia	DC	
10	Yes	<b>Florida</b>	<b>FL</b>	Florida 2004 Legislation projects an overall 14% financial assistance funding increase. Both merit and need programs received increases to assist with the anticipated increases of 5% and 7.5% tuition and fees at public 2 year and 4 year institutions respectively. A new tuition assistance program for students attending private institutions was also implemented with first year funding.
11		Georgia	GA	
12		Hawaii	HI	
13		Idaho	ID	
14	Yes	Illinois	IL	
15	Yes	<b>Indiana</b>	<b>IN</b>	There are no significant changes anticipated insofar as award minimums and maximums for the agency's primary need-based grant are concerned for the 2004-05 academic year. The agency is working on a two-year budget request that must be submitted by August of this year as part of the state's biennium budget process. The state legislature will work on passing a budget by the second quarter of 2005. All eyes are on state revenues...and gas prices.

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16	No	<b>Iowa</b>	<b>IA</b>	While most state appropriations remain unchanged from last year, Iowa's major state grant program did receive a \$1.9 million increase. This restored the reduction required during the 2004 fiscal year and resulted in a net increase of approximately \$740,000. In addition, a program which provides education benefits to national Guard members was doubled.
				The General Assembly also provided direction on the eligibility of for-profit colleges and universities to participate in the major state grant program. The total dollar amount of funding for all currently eligible for-profit colleges and universities was restricted, and colleges and universities seeking to gain future eligibility will be required to be tax-exempt under IRS 501 (c) (3) requirements.
				LEAP issues continue to be a concern in Iowa as we carry on our discussions with the Department of Education about state eligibility.
17		<b>Kansas</b>	<b>KS</b>	Higher education in Kansas fared pretty well during this last legislative session. There were no cuts to any programs and we even received an additional \$1 million in our largest need-based grant program; as well as an additional \$200,000 in our National Guard Tuition Assistance Program. An immigrant tuition bill was signed that would allow some illegal immigrants to have a tuition break - by paying resident tuition - at state universities and colleges. Those illegal immigrants would have to have attended a high school in Kansas for at least three years and have graduated or earned a general education development certificate in immigration status or plan to do so when they were eligible. Immigrants would be required to file an affidavit to that effect with the institution they attend. Kansas is fortunate to have a very pro-education Governor.
18		Kentucky	KY	
19	Yes	<b>Louisiana</b>	<b>LA</b>	The Louisiana Office of Student Financial Assistance has adopted a new organizational structure and added a new executive position of Chief Research and Planning Officer. This position will report directly to the Executive Director and will be responsible for the agency's strategic plan, as well as initiating and conducting research projects on the programs administered by the agency.
				The legislative session is currently active, ending June 21. There were 26 new bills introduced to make changes to the state's Tuition Opportunity Program for Students (TOPS). Most of the bills are constituent driven to change criteria for initial eligibility. There is still no talk of budget restraints to curtail the program that currently has a \$106 million price tag.
				At the beginning of 2004, START (529 College Savings Program) allowed account owners to choose equity options for their deposits. Previously, all accounts were invested in fixed rate funds by the state treasurer. We also introduced a new on-line system that allows account owners to apply and manage their accounts via the internet.
20	Yes	<b>Maine</b>	<b>ME</b>	Maine has received a reduction of \$ 200,000 in the upcoming FY 05 Fiscal Year in the Maine State Grant Program, this reduction should have a minimal impact on the program. FAME is adding almost 1 million dollars to the NextGen Access Scholarship Program which is targeted to non-traditional students, these funds are generated by the administrative fees collected in Maine's NextGen College Savings Program. FAME introduced a Secondary Market Program which if successful could provide additional scholarship revenue.
21		Maryland	MD	

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22		Massachusetts	MA	
23	No	<b>Michigan</b>	<b>MI</b>	Michigan is facing an estimated shortfall of 1.3 billion for fiscal year 04-05. One of the proposed ways to cut costs for the next fiscal year is the elimination of the state's need based financial aid program for private institutions. The Governor proposed using the cost savings from this elimination to fund the promised return of monies to four-year public colleges and universities that kept tuition increases to no more than the rate of inflation. Legislative support indicates that there is support to maintain the program, but there is no solution on where the funding will be found to pay for the reinstatement. It is anticipated that the legislature will remain in session through June and July in order to develop a budget for FY 04-05. A possible cost savings in the legislative proposal may limit access to the Merit Award program through a more stringent qualifications process.
24	Yes	<b>Minnesota</b>	<b>MN</b>	The 2003 legislature made our agency a cabinet agency so the governor appoints the head of our agency. That person has been here two months now. There may or may not be some reorganization or reorienting of our mission. Our 2004 legislature is done Monday, May 17th midnight. They may or may not pass a bill that affects higher education. If they don't pass a bill, the governor may call a special session, or not.
25		Mississippi	MS	
26		Missouri	MO	
27	Yes	Montana	MT	
28	No	<b>Nebraska</b>	<b>NE</b>	The Nebraska Legislature reduced the funding for the state grant program by 1/2 of 1% from what was originally proposed for the 2004-05 academic year. We were extremely pleased with this outcome considering the state was looking at a \$500M deficit. In November, the Legislature will be proposing to our state voters a constitutional amendment on how to disburse funds from our state lottery. While the majority of the discussion in the Legislature was on funding for our state fair, included in the amendment is funding for education. While the Legislature will determine during the budget process how to allocate these funds to different educational areas, our hope is that they will continue appropriating funds to our state grant program. We received \$2M during the 2003-04 and 2004-05 academic years, on top of our general fund allocation to award in our need based state grant program.
29		Nevada	NV	
30		New Hampshire	NH	
31	Yes	<b>New Jersey</b>	<b>NJ</b>	Governor McGreevey and the Legislature have consistently supported the grant and scholarship programs administered by the New Jersey Higher Education Student Assistance Authority despite the fiscal challenges of the last few years.
				This support continues into the FY05 budget cycle. The Governor has recommended funding for a new merit-based program, NJSTARS, for 2005-06. This scholarship would cover the cost of tuition and fees at a NJ county college for any resident graduating in the top 20% of their high school class who maintains continuous full-time enrollment in a degree program.

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				The appropriation for NJ's largest need-based program, the Tuition Aid Grant program, would increase by \$19.3 million to \$198 million if the recommended budget is approved. TAG award values would increase for the more than 60,000 current award recipients, while providing funds for up to 2,000 additional award recipients.
				Sufficieint funding has been recommended for FY05 to restore the merit-based Distinguished and Urban Scholars awards to the historic level of \$1,000 per year. These awards were reduced to \$950 during the 2003-04 academic year because of fiscal constraints.
				Increased funding for the Pilot Part-Time TAG Programs for County College Students is also included in the proposed budget. This program, which was first funded in 2003-04, has provided nearly 7,300 part-time county college students with grants totaling about \$3 million.
				An increase is also recommended for the state share of the Outstanding Scholars Recruitment Program, while other programs are level funded.
32		New Mexico	NM	
33	Yes	<b>New York</b>	<b>NY</b>	The Governor has recommended a budget request for the Tuition Assistance Program that provides a graduation incentive for recipients if they earn their degree. This proposal is funded by withholding a portion of their award until graduation. This proposal has no time limit on earning the degree to get the incentive. In response, the legislature has demonstrated an interest in pursuing the idea of providing incentives to reward graduation, but their approach has differed from the Governor's.
				With no budget in place as of yet, the TAP budget remains undetermined. TAP on the Web, New York's pioneering effort in joining the online FAFSA to its state application, is growing rapidly in its overall usage. Since its inception in Feb 2003, more than 110,000 New York applicants have linked over from the online FAFSA to TAP on the Web and applied for aid. For the 2004-05 academic year, more than 55,000 people have used TAP on the Web, already surpassing last year's total for the entire year.
34	Yes	North Carolina	NC	
35		<b>North Dakota</b>	<b>ND</b>	Dr. Robert Potts was appointed Chancellor of the North Dakota University System. He begins July 1, 2004. Dr. Potts is currently president of the University of North Alabama. The North Dakota University System is in the process of implementing a new computer software--People Soft. Two of our 11 state colleges went live (as pilot schools) during academic year 2003-04. The remaining 9 colleges/universities are scheduled to go-live in June/July 2004. The State Board of Higher Education approved tuition increases ranging from 8 to 19 percent for academic year 2004-05. Three of our 11 state supported colleges will be charging tuition on a per-credit hour basis.
36	Yes	<b>Ohio</b>	<b>OH</b>	In the face of a growing deficit in the State budget, cuts totaling \$10.7 million were made in the FY04 higher education budget. As in previous years, no cuts were made to appropriations for state-funded scholarship and grant programs. Appropriations for the "state share of instruction" (state subsidy for state universities and two-year colleges) were also held harmless.

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			<p>A new scholarship program developed by the Board of Regents will improve college aspirations, improve academic preparation for the rigor of college and make college more affordable for low and moderate income students. If funded, The "Learn and Earn" Scholarship Program will provide incentives and financial rewards for early college and career planning, enrollment in rigorous high school courses, taking college entrance tests and parental involvement in the academic and college planning process. Funding for the program was anticipated from the legalization of video lottery terminals at Ohio race tracks. That legislation did not pass. An article in the April 21, 2004 Cleveland Plain Dealer suggests that a plan is developing in the General Assembly to put the VLT proposal back on the ballot in November. Estimated revenue is \$533.5 million in the first year. Of that amount, \$229.7 million would be earmarked for the Learn and Earn Scholarship Program.</p>
			<p>The final recommendations from the Governor's Commission on Higher Education and the Economy include the following:</p>
			<p>Increase college enrollment by 30% in ten years. Develop and implement a marketing campaign for higher education. If new money is available, fund the Learn &amp; Earn Scholarship Program, but do not divert funds from the Ohio Instructional Grant Program. Develop a plan to better consolidate and integrate state, federal and institutional financial aid programs. Report biennially to the Governor and the General Assembly on institutionally-financed need-based and merit-based student financial aid.</p>
			<p>Responding to a recommendation from the a state-wide Financial Aid Consultation, the Board of Regents has implemented a plan to equalize the size of need-based grants awarded to dependent students and independent students with dependents. In the past, dependent students received substantially higher grants than independent students (with dependents) who had comparable family incomes. This equalization process began in the 2003-2004 academic year and will continue through the next biennium. The Financial Aid Consultation has also recommended the use of EFC to determine eligibility for the Ohio Instructional Grant.</p>
			<p>For the first time, the Board of Regents has enforced the state need-based grant deadline that appears in the FAFSA (October 1<sup>st</sup>). (Several college financial aid administrators have pointed out that if a student completes an electronic FAFSA, the state deadline dates may be missed.)</p>
37	Yes	<b>Oklahoma</b>	<p><b>OK</b> The Oklahoma Tuition Equalization (OTEG) program was created but not funded by the 2003 Oklahoma Legislature. There is a strong possibility that funding (between \$500,000 and \$1.5 million) may be provided to implement this need-based program which will provide awards of up to \$2,000 to students attending Oklahoma's colleges and universities.</p>
			<p>Oklahoma's two flagship institutions have announced their intentions to increase tuition by approximately 6 percent in 2004-2005. It is expected that Oklahoma's other public institutions will announce tuition increases as well with many exceeding 6 percent.</p>

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38	Yes	<b>Oregon</b>	<b>OR</b>	The Oregon Legislature deemed that the "The Oregon Student Assistance Commission (OSAC) shall study and report to the Seventy-third Legislative Assembly...on the impact of a change to the Oregon Opportunity Grant programs that would restrict award amounts for students at independent colleges to no more than the amount awarded to students attending state institutions of higher education within the Oregon University System. The report shall include the recommendations of the commission on whether to implement the change and on how best to implement the change.
				OSAC has held a series of public hearings on this issue. The Oregon Association of Student Financial Aid Administrators have been asked for input. There has not been any consensus from the segmental groups (Community colleges, 4-year public institutions and 4-year private institutions.)
				The Governor of Oregon has appointed a committee on Access and Affordability to design a new state need grant program that in their most current design would operate much like a pell grant with a larger grant amount than the current 11% of COA, prorated awards, serving all eligibles and more. The committee will finish their work shortly. Governor Kulongowski wants to take this new proposal to the voters to establish a permanent endowment through new tax revenues.
39	Yes-	Pennsylvania	PA	
40	No	<b>Puerto Rico</b>	<b>PR</b>	April-May is the period for state agencies hearings to discuss their 2004-05 projected budget before the Legislature. PR's Office of Management and Budget is recommending an increase of \$2.5 millions for the state student aid programs, but this could still be insufficient for us to meet the MOE requirement for LEAP & SLEAP. This is mainly due to the fact that last year PR's principal state university cut off a millionaire institutional student aid program funded with state monies, and it caused a deadly impact on our state average effort. We will be looking forward to the restitution of that state university institutional funding and to the increased recommended by the OMB. We will be sponsoring a study on the postsecondary student population with both financial need and 3.0 academic point average to determine their average level of expenses not covered after federal, state and other aid, and defining the state capacity to afford covering them fully or substantially. The purpose is to reduce the risks that may erode their educational goals.
41	Yes	<b>Rhode Island</b>	<b>RI</b>	For fiscal 2005, the Governor has proposed an across the board 10% reduction in spending. We are hoping to absorb some of this reduction by reducing administrative costs and to make up some of the reduction with revenue generated by our tuition savings program. There have been no new programs initiated or no programs eliminated. Tuition increased by 5% at the state university and by 7% at the state college and state community college.
42		South Carolina - <i>Tuition Grants Program</i>	SC	
43		South Carolina - <i>Commission on Higher Education</i>	SC	

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44		South Dakota	SD	
45	Yes	<b>Tennessee</b>	<b>TN</b>	The State budget is the main issue concerning Tennessee's grant program. For the 2003-2004 fiscal year, the state need based grant program had a 9% decrease in its funding level. The proposed budget for the 2004-2005 fiscal year is also estimating a slight decrease of approximately 1%. The legislature will be in session until the end of May and will finalize the budget at that time.
				With the implementation of the lottery scholarships in Tennessee for the 2004-05 academic year, we have experienced had over a 63% increase in FAFSAs processed for Tennessee residents. The FAFSA is the application for the lottery scholarship also. With this application increase, funds for the state grant program will be at a premium. State grant funds are normally expended in late April. This year, the state grant funds were expended in late March. With out new funding the grant program, Tennessee is facing a 15 million deficient just to maintain the same level as years past.
				Also, the highly competitive academic scholarship that is awarded on an interest bearing account will, potentially, not be funded this year. Additional funding has been requested. The legislature is considering that request.
				It has been a challenge to implement a new lottery scholarship program in 5 months. The program is estimated at \$180 million in the first year of operation. It is expected to serve 65,000 students in 2004-05. And, as indicated by states that we talked to prior to the program becoming law, changes are already in the making at the legislative level.
46		Texas	TX	
47	Yes	Utah	UT	
48	Yes	<b>Vermont</b>	<b>VT</b>	During this legislative session VSAC's statutes were revised and updated for the first time in over 30 years. The rewrite established some new programs in statute which were only appearing in appropriation language up to this point, brought statutes in line with existing practices, and recognized current methods of determining eligibility. All of Higher Education in Vermont was originally slated for a 2% increase in funding. As of last week it appears that we will actually received 2.75% increase.
49		Virginia	VA	
50	Yes	<b>Washington</b>	<b>WA</b>	<b>Legislative Session and Program Funding</b> - The growth in student demand for need-based aid received favorable attention from the Washington Legislature during the session that wrapped up this spring. In all, 2004-05 funding for the primary grant program will increase by about \$14 million effectively holding the cohort of recipients harmless from the effects of tuition increases and providing funds for about 2,000 more students.

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				<p>The legislature also restored about \$2 million for the state's primary merit base program. Funding had been cut two years ago causing the value of the prorated award to sink to about 43% of community college tuition. For 2004-05 the program will serve about 500 more students and the value of the award will increase to a little over 50% of community college tuition.</p>
				<p><b>US Supreme Court Case – State Aid and the Theology Prohibition</b> - In March, the US Supreme Court found in favor of the State of Washington regarding a widely publicized suit challenging the state's law prohibiting state financial aid for students pursuing theology degrees. The ruling affected similar provisions in many other states. Last year a federal appeals court had ruled the state's law unconstitutional.</p>
				<p><b>Current Policy Issue – Grant amounts for Private Career Students</b> - Students at private career schools in Washington are eligible to participate in the state's primary grant program. The grant amount for these students, however, is equal to the grant made available for students in the public community and technical colleges, which is based on the public schools' relatively low tuition charges. Given that tuition at private career schools is generally much higher than public community colleges and given that some private career schools have begun offering baccalaureate degrees, the sector has petitioned the Board asking that grant amounts for the sector be equal to those received by students at the four-year private colleges.</p>
				<p>The Board would appreciate learning how other states set the value of their grant awards for students attending private career schools.</p>
				<p><b>New Programs – Foster Care</b> – The Board is proposing to effectively guarantee a state grant for higher education to students who have been in long term foster care. This is part of a larger multi-agency initiative that will be considered by the 2005 legislature.</p>
				<p><b>Aid Program for Low-Income Workers</b> - is being discussed for inclusion in the Board's strategic master plan. The proposed program provides tuition assistance for low-income workers who are employed at least 30 hours per week and who enroll at a less than half-time rate.</p>
				<p><b>Future Teachers</b> – The 2004 Legislature reconstituted an existing program that has not been funded for several years to provide conditional loans to prospective teachers. The loans are forgiven in exchange for teaching service in Washington. There are special incentives for service in designated shortage areas. The legislation also allows the Board to provide the benefit through a loan repayment program as well.</p>
51	No	<b>West Virginia</b>	<b>WV</b>	<p>Based on the pending 2004-05 budget, the state's chief need-based financial aid program, the WV Higher Education Grant, remains at level funding for the third year (\$18, 000,000).</p>
				<p>The state's new merit-based financial aid program, the PROMISE Scholarship, will enter its 4<sup>th</sup> year during 2004-05. State funds will be capped at \$27,000,000 during this academic year.</p>

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				Tuition & fee rate increases at public four year colleges and universities range from 7.71% to 17.12%, while public community college / two year college rates increased between 2% to 4.74%. The Higher Education Grant Program will extend a thousand (plus) fewer awards as a result of the increase.
52		Wisconsin	WI	
53		Wyoming	WY	