

State	Issue
Alabama	
Alaska	
Arizona	
Arkansas	<p>As reported in June, due to revenue shortfalls, we did not award Academic Challenge Scholarships or Governor's Distinguished Scholarships to 2002 high school graduates. Some of the colleges chose to fund part or the entire \$2500 annual Academic Challenge Scholarship award for those eligible students attending their schools. It was only for their freshman year, in the hopes that the legislature would start funding those students for fall 2003. What happens if the state doesn't pick up the tab remains to be seen.</p> <p>The legislature starts its biennial session in January 2003 and will have to address whether to fund new scholarships for 2003 HS grads and whether to pick up the 2002 HS grads starting with Fall 2003. On the horizon, however, is two funding issues that will cause significant problems for the legislature and make the scholarship funding problems seem almost trivial.</p> <p>A constitutional amendment is on the November ballot that will remove the sales tax from food. The amendment, however, does not specify a replacement source of funds; it leaves it to the legislature to shift the tax burden. The constitutionality of the proposal is being challenged in court and if it is pulled from the ballot the problem goes away. If not, there's a good chance it will pass and the legislature with a major headache.</p> <p>One of the states smallest school districts has sued the state over the inequity in the state's funding formula and won. (This is the second time the school district has won such a lawsuit.) The state has appealed the ruling to the supreme court. If the courts rule against the state, which is quite possible considering that this is the second such suit in 10 years, the estimated cost to fix the problem is \$500 million to \$1 billion. (Which is substantial for a state with a budget of \$4.5 billion.)</p> <p>The monkey wrench in the works is the constitutional restriction on raising taxes. While it only takes a simple majority to raise the sales tax, it takes a 75% majority for all other taxes. If either of the above comes to pass, the legislators may have their ingenuity and courage sorely tested.</p>
California	<p>- Budget Problems</p> <p>In June, California was dealing with a \$23-25 billion hole in its budget. The Budget, signed in September, closed the gap using a combination of budget cuts and borrowing, but reductions to the overall budget are expected to continue for fiscal year (FY) 2003-04. The CSAC administrative budget was reduced and a hiring freeze is in place. All agencies were asked to submit plans for a 20 % reduction in both program</p>

	<p>and administrative costs in addition to the 5% reduction in personnel for the 2003-04 FY budget.</p> <p>As compared to the proposed budget in June;</p> <ul style="list-style-type: none"> • The Administration’s proposal to reduce Cal Grant C (voc ed grants) from 7,761 new awards to 4,796 was rejected. The final budget included funding for 7,761 new awards. • Cal Grant T (teacher credential grant with Teaching Service Agreement required) was proposed for reduction from 2,495 to 1,746. This reduction was included in the Budget Act. • Zero funding proposed for the State Work Study Program (originally budgeted at \$5.26 million for FY 2002-03). This proposal was rejected. Full funding was included in the Budget Act. <p>- Cal Grant Program Changes Proposed</p> <ul style="list-style-type: none"> • The Legislature required the California Postsecondary Education Commission to convene a task force to study Alternative Delivery models for Cal Grants. The task force has been established and plans to report to the Legislature in February 2003. The Legislature will continue to consider the following issues that were discussed, but not enacted in the 2001-2002 legislative session. • Increasing the number of authorized competitive grants (currently 22,500) • Mandating high schools to submit all GPAs to the Commission • FAFSA and financial aid study in HS economics class <p>- Other Student Aid Legislation that became law;</p> <ul style="list-style-type: none"> • 9/11 Memorial license plates – scholarships • Tuition and fee waivers at CSU and UC for dependents of victims of the 9/11/01 terrorist attacks
Colorado	
Connecticut	<p>CT will probably have to call for a special session of the Legislature AFTER ELECTION DAY to deal with revenue shortfalls. The Governor and the Legislature were unable to agree upon a realistic State Budget and because of this, the Legislature gave the Governor the authority to rescind up to ten percent of certain line items in the Budget approved by the</p>

	<p>Legislature. This may impact our student aid programs.</p> <p>The issue of establishing a policy for public college tuitions (and for some rationale to link student aid appropriations to this) will be on the agenda for the Legislature, as will proposals to address the State's shortage of nurses.</p>
Delaware	<p>Budget forecast for current fiscal year fell by \$95 million (September estimates). The Governor has announced a four-part plan for coping with the deficit.</p> <ol style="list-style-type: none"> 1. 3% cut in discretionary spending in state agencies 2. Intensive hiring review before filling vacancies (as of 10.9.02 - only one employee has been hired, a 911 dispatcher because it cost less than paying overtime to other employees) 3. Reviewing all purchase orders & halting or delaying those that are not necessary 4. Continuing to find opportunities to reengineer government operations <p>There will most likely be another round of cuts after the Delaware Economic Financial Advisory Council's next meeting (December).</p> <p>Legislation passed this past FY to fund \$100.0 to create a National Board Certification Loan Program. Loans will be made to teachers seeking national board certification, to cover costs associated with the application fee and assessment process. Loans will be interest-free as long as funds are repaid within two years of achieving NBC or within 3 years from the start of the program whether the borrower is successful or not. If repayment is not fulfilled as stated, the borrower must repay all funds received with interest.</p>
District of Columbia	

Florida	<p>Florida, as many states, is watching budget activities for the upcoming year of financial aid funding. Due to a governance re-organization of the Florida Department of Education to become a governor's agency with a new secretary, many structures and processes are currently under review and restructuring.</p> <p>In addition, the upcoming election has several amendments on the November ballot. Florida voters will consider 1) universal pre-kindergarten at public schools for four-year olds, 2) re-creating a university governance as opposed to the newly created K-20 education</p>
----------------	--

	<p>governance system, and 3) class size for primary and secondary public schools. Although each amendment has its pros and cons, the cost for each will reach into the pockets of other programs.</p> <p>Our merit program, Bright Futures, continues to grow and be supported by the legislators. Our need programs also continue to benefit from increased funding each year. Our budget for the current year (\$400 million) is a 13% overall increase in funding; next year's budget request represents another 19% increase.</p>
Georgia	<p>Georgia's economy is requiring budgetary reductions throughout state government. As a result, the Georgia Tuition Equalization Grant award for students attending private colleges has been reduced from \$1,100 to \$1,045 per academic year. Fortunately, it has not been necessary to reduce Georgia's LEAP Grant funds at this time. Paradoxically, the revenue from Georgia's Lottery continues to increase and the budget for Georgia's HOPE Scholarship Program increased from \$361 million for FY 2002 to \$379 million for FY 2003.</p>
Hawaii	
Idaho	<p>The FY03 General Fund Appropriation for Scholarships and Grants included a 7.5% base reduction from FY02. Despite that reduction, Idaho has been successful so far in protecting its LEAP and SLEAP state appropriations, but has had to do so at the expense of some of its other programs, that had to absorb greater cuts. In addition, legislative action on the Idaho Promise Category B Scholarship, Idaho's major state scholarship program, has been mixed in FY03. Now in its second year of operation, the program received enhanced funding of \$1.6 M to provide the continuing students with their second-year award, in addition to providing scholarships for new incoming freshmen. However, the legislature reduced the amount of the award from \$500/year to \$400/year in order to accomplish that.</p> <p>In order to deal with an estimated \$168 million shortfall for FY03, the Governor ordered in August an immediate 3.5 percent holdback for general fund agencies (in addition to other actions), excluding public schools and higher education. While he exempted education from the holdbacks, special programs including state student aid was not originally exempted. This would have represented a loss of approximately \$260,000 to the Scholarships and Grants budget, most of which was already awarded to students. However, after some discussions with the Governor's office, the Division of Financial Management agreed to exempt the Scholarships and Grants programs because of the direct negative impact the action would have had on students.</p>

<p>Illinois</p>	<p>FY2003 presented a difficult legislative session for Illinois in which the Governor and General Assembly had to resolve a projected \$1.3 billion revenue shortfall. The initial budget bill, which passed at the end of May 2002, provided for level funding of the state's need-based Monetary Award Program at \$372 million. But faced with new reduced revenue projections, the Governor utilized his line-item veto option and called the legislation into session in early June to review his cuts. As a result, the MAP appropriation was reduced by \$38 million. Included in this reduction was the elimination of \$20 million for awards to students who had already used the equivalent of 8 semesters/12 quarters of MAP payments for full-time enrollment, i.e., fifth-year students. As a result of this reduction students' FY2003 awards were calculated based on FY2002 tuition and fees and further reduced by 5 percent, effectively resulting in grants equal to awards received in FY 2001.</p> <p>Well before the MAP funding reductions, several public universities had already announced double-digit tuition increases for FY2003; some institutions had the highest increases in the nation. Because of affordability concerns resulting from these cost increases combined with the loss of need-based aid, the Illinois Board of Higher Education established a special Committee on Affordability in September to conduct a comprehensive analysis of these issues with the goals of assessing what changes have taken place in the affordability of Illinois higher education over time, who those changes have affected, and what actions can reasonably be taken at the state and institutional levels, as well as by students and their families to enhance affordability. The Committee's work is to be concluded by next summer in time for the FY2005 budget process.</p>
<p>Indiana</p>	<p>All eyes are on the state budget. Indiana's largest needs-based program has always been linked to tuition and fee costs but the state's most expensive "flagship" public schools (Indiana U, Purdue U) but they recently announced \$1,000 increases. As a result, for the 2003-04 academic year we will need a \$70 million increase to keep awards at current levels. Odds of getting this amount are slim. Thus the agency is now exploring alternative award methodologies one of which would be to place a cap on the most expensive publics, leaving awards for the less expensive regional and community college system alone - in other words under one scenario, awards to the low and mid-cost publics would remain linked to actual tuition and fees. Nothing specifically has been decided in this regard but changes of some sort are inevitable.</p> <p>Our awards to our private colleges has been capped for years, but we will likely have to lower the private cap and change the methodology since it is based on the highest cost public T&F & the lowest FTE appropriation to a public. In summary, we expect that our award</p>

	<p>methodology will undergo big changes for the 2003-04 academic year. We won't know what will happen until the legislative session is over in May of 2003 or later, but we will have alternative plans in place to deal with what we believe will be the inevitable - level to very modest increases.</p>
Iowa	<p>State budget cuts and an increase in eligible applicants will require reductions to student awards in Iowa's major need-based grant program. Awards are expected to be reduced by as much as \$500.</p> <p>We continue to lobby the Legislature for funding that will ensure that LEAP funding remains available for Iowa students. SLEAP funding is currently unavailable, and we continue to seek a means through which we can access this funding.</p>
Kansas	
Kentucky	
Louisiana	<p>State fiscal year began July 1, 2002. Governor has declared a budget cut of \$75 million and most will come from Division of Health Services. Higher Education has been exempted from the budget axe at this time. Funding for our Merit based (TOPS) and need based (LEAP) programs have not been subject to budget cuts at this time.</p> <p>We have three major projects on the table for this fiscal year:</p> <ol style="list-style-type: none"> 1. New file format for post secondary institutions to use when submitting academic information on TOPS students. Instead of accepting the college GPA from the school, we will be computing a TOPS GPA for consistent results, especially for transfer students. 2. New file format for determining the High School GPA for eligibility purposes for TOPS. Instead of a cumulative GPA, the state Dept of Education will collect all course data and compute the GPA only from the required core curriculum courses (16.5 credits). 3. In the next calendar year, our 529-college savings program, START, will offer investment opportunities to account owners. Currently, all funds are invested by our State Treasurer in secure bonds (6.19% return). This will entail major programming efforts as well.
Maine	<p>In Maine we were able to protect the Maine State Grant in the latest round of the Governor's Budget Cuts due to carry over funds, although the Governor has called a special session before elections and we are unsure of the legislature's plan to deal with the latest budget deficit. We are in Year 2 of our MSGP Website and schools are processing rosters at a record rate.</p>

Maryland	
Massachusetts	
Michigan	<p>Our current Governor cannot run for re-election due to term limits, therefore we will have a new person in office after the November elections. One of the first issues the new Governor will deal with is the budget problem.</p> <p>Like other states the budget is not good. Revenue shortfall estimates vary widely. There is some talk of a five percent across-the-board reduction to all agencies and programs.</p> <p>Funding for our major merit based program is in jeopardy. The merit program is funded through the state's tobacco money. A measure on the November ballot redirects tobacco money from scholarships and education to areas more directly related to health care and anti-smoking efforts. If passed it will result in a loss of about \$125 million for the merit program.</p>
Minnesota	<p>Although we received an additional \$5 million from the state legislature for our main need based grant program and transferred funds from other programs into the State Grant Program, it was not enough to cover the full needs of students. Therefore, this year, about \$16 million has been transferred from the state work-study program and the childcare program to fill the need.</p> <p>In the upcoming legislative session MHESO will request sufficient funds, in the next biennia, to fully meet the grant program need and concurrently allow funds to be restored to the work-study and childcare programs. The request is for about \$145 million in 2003-04 and \$160 million in 2004-05. The current 2002-03 base is \$120.5 million.</p> <p>A new scholarship was implemented this year. It is the Advanced Placement International Baccalaureate Award. The current size of the program is \$75,000 so we anticipate scholarships of about \$300 each will be made to qualifying students this fall.</p>
Mississippi	
Missouri	
Montana	<p>Montana is doing business as usual with hopes for a steady funding for our state grant programs. It will be a tough legislative session for us. The Board of Regents has approved our Honors Scholarship to be a 4-year renewable scholarship starting with FY04. We will reduce the number of recipients from approximately 460 each year to 300 to absorb the cost of making the scholarship renewable. The yearly dollar amount will also be reduced from approximately \$3,000 per year to \$2,500. About 30% of our scholarship recipients are Pell eligible.</p>

Nebraska	<p>Nebraska has had a very disturbing year due to substantial revenue shortfalls for the state, budget cuts to offset revenue shortfalls, and 4-year institutions increasing tuition 10%. Most disturbing was the cut in need-based financial of almost 16% while tuition increased. Our financially needy students received a double blow.</p> <p>Our regular legislative session starts in January, 2003 and Legislators are looking at a revenue shortfall of another \$350 to \$400 million. Most Senators are saying state funded agencies should be preparing for another round of cuts. We presume this also means another cut in need-based aid while the institutions will be forced to again raise tuition by double digits.</p> <p>Nebraska finances are not looking well for the near future and financial aid for needy students will suffer.</p>
Nevada	
New Hampshire	
New Jersey	<p>Budget issues - Despite the significant budgetary challenges facing the State of New Jersey, the FY 2003 Tuition Aid Grant appropriation provides the funding necessary to assist up to 2,000 additional students, while maintaining TAG awards at AY 2001-02 levels. Budget footnote language provides for supplemental appropriations if more than 2,000 TAG-eligible students enroll at NJ colleges and universities.</p> <p>Unfortunately, we anticipate that the FY 2004 budget process also will be challenging, but are confident that Governor McGreevey and the legislature will continue their commitment to making college accessible by providing sufficient funding for the TAG program.</p> <p>In New Jersey, there has been a great deal of discussion recently about the potential merger of Rutgers, the State University, the University of Medicine and Dentistry of New Jersey, and New Jersey Institute of Technology. While this discussion is on going and not likely to be resolved in the near future, the impact of such a merger on the delivery of financial aid is unknown.</p> <p>World Trade Center Scholarships - The World Trade Center Board has met a number of times and is working out implementation issues. HESAA staff has spent a significant amount of time acquainting Board members with various aspects of student financial aid. This background information is</p>

	critical as the Board defines eligibility criteria for this program.
New Mexico	<p>For New Mexico, our FY04 budget request included a 10% increase in our financial aid budget to compensate for the increase in tuition costs, with a larger increase in our Teachers and Nursing Loan-for-Service Programs. Both gubernatorial candidates for New Mexico have voiced a commitment to education, teachers, and nurses so we are hopeful that we will have a small increase in financial aid. We had a cut in funding last, so we are hoping that we do not get another cut this year.</p> <p>New Mexico's largest merit-based financial aid program, Lottery Success Scholarship, will continue to cover 100% tuition, since the program is funded from lottery revenues and not a General Fund Appropriation.</p>
New York	

North Carolina	<p>NC General Assembly finally passed an appropriations bill at the end of September for the fiscal year that began July 1.</p> <p>Higher education highlights include:</p> <ul style="list-style-type: none"> • Raised tuition in the University system by 8% for in-state and 12% for out-of-state residents, effective for current academic year. • With increases, tuition is approximately \$2,850, in-state and \$14,000, out-of-state, at the flagship institutions of UNC-Chapel Hill and NC State University and less at the other 14 campuses. • Raised tuition in the community college by 10% for in-state and out-of-state residents • Increased need-based grant funding for the University system by 30% • Increased need-based grant funding for community college sector by 16% • Increased funding for the private college programs in response to projected enrollment growth <p>The increases in need-based aid more than offset the increases in tuition for families with incomes under the median household income.</p> <p>Due to redistricting, many new faces are expected in the legislative houses as the biennial budget for 2003-05 is drafted amid continued budget difficulties. The next session of the General Assembly will begin in January.</p>
North Dakota	North Dakota was successful in regaining its federal LEAP dollars for 2002-03.

	We are preparing for our biennial legislative session that starts in January.
Ohio	<ul style="list-style-type: none"> • Projected budget deficits notwithstanding, the Board of Regents will request increased funding for need-based state financial aid programs in the 2004/2005 biennium. • On recommendation from a statewide Financial Aid Consultation, incremental changes will be made in the State's largest need-based grant program (OIG) to improve grant assistance awarded to independent students with dependents. • Also on recommendation from the Financial Aid Consultation, plans will be developed for implementation of an EFC system to determine eligibility in the OIG Program. Since its creation in 1970, the OIG Program has determined eligibility on the basis of a unique state system. The revamp is planned for FY06.
Oklahoma	<p>Oklahoma state agencies have been forced to take a 4.75% reduction in annual allocations due to revenue shortfalls. Our agency is fortunate that we have been able to spare our financial aid programs from the cuts.</p> <p>We anticipate tuition increases at our public institutions, currently authorized up to 7% annually. Some institutions are calling for greater increases, and we expect this to be an issue during the upcoming legislative session.</p>
Oregon	<p>* Funding Reductions: Since this spring, Oregon has held 5 special legislative sessions and had one legislative-referred ballot, with an additional ballot scheduled for late January, all the result of Oregon's declining economic picture. Our state grant program has suffered reductions as a result of this activity, plus the program has been impacted by declining earnings on lottery funds that are held in our Education Endowment Fund. By the end of January, we expect that will have lost 15% of our funding for the current biennium. We are preparing to reduce all awards by at least this percentage for winter and spring terms.</p> <p>* Legislative Report: In a budget note from the 2001 Legislature, the Commission was directed to prepare a "report on the impact of student financial aid on student attendance rates and academic persistence. The report shall include recommendations about, and an identification of, the level of financial aid that is sufficient to affect access to and persistence in undergraduate postsecondary education. The report shall also include an analysis of the impact of the Oregon Opportunity Grant program on the attendance of lower-income Oregonians in postsecondary education programs, and include recommendations for reasonable and equitable criteria to be used to award merit-based student financial aid."</p>

<p>Oregon (continued)</p>	<p>Among the findings:</p> <ol style="list-style-type: none"> 1. Access and persistence are related to income. 2. Unmet need varies by income quartile. 3. The receipt of the Oregon Opportunity Grant makes a difference in enrollment rates (57.3% of awarded students attended college vs. 45.6% of equally low-income students who were not offered awards). 4. Graduation rates of awarded students exceeded those who did not receive awards (39% vs. 30%). <p>The report recommended that state need-based aid be increased from 11% to 20% of the cost of education and that the Opportunity Grant program should be fully funded before a merit-based program is considered.</p> <p>The report was just released two weeks ago and has met with very favorable reviews. In fact, the legislator most responsible for developing the budget note has publicly said that he is very satisfied with the report, that clearly the Opportunity Grant does make a difference, and that from his perspective, the issue of merit-based aid is off the table.</p> <p>The report is available on our web site at http://www.osac.or.us.</p>
<p>Pennsylvania</p>	<p>The ongoing state budget issues and anticipated restricted resources for all facets of Commonwealth spending have the potential to impact funding provided to postsecondary institutions as well as for financial aid for students.</p> <p>Workforce development ideas continue to be discussed, most recently related to a shortage of nurses in direct patient care as well as nurses with the ability to teach at the college level that is needed to continue to have nurses.</p>
<p>Puerto Rico</p>	
<p>Rhode Island</p>	<p>The Rhode Island State Grant Program faced a \$1.4 million cut in funding in FY 2003. In response to this cut, the CollegeBoundfund Grant Program was established. This program will supplement the State Grant Program to make up the deficit and is funded through profits from our CollegeBoundfund Tuition Savings Program. Those profits are also funding a new Academic Promise Scholarship Program which awards \$2500 per year for four years to 100 high school seniors who evidence high financial need based on EFCs of \$4000 or less and academic promise based on SAT/ACT scores. While in college, minimum grade point averages of 2.50 the first year, 2.75 the second year and 3.0 the third year or a 3.0 cumulative average any year must be maintained.</p> <p>The Rhode Island CollegeBoundfund Tuition Savings Program is one of</p>

	<p>the largest in the country with over \$2.2 billion in assets and over 310,000 accounts.</p> <p>We are currently developing a web-based grant system that will allow students to respond to notifications and check the status of their awards via the web. Institutions will also use the web to verify student enrollment and financial need and request payment of awards. The system is being developed by Gary Bouchard Programming, Inc and will be launched in January for the 2003-04 academic year.</p>
<p style="text-align: center;">South Carolina</p>	<ul style="list-style-type: none"> • Severe economic times, state budget reductions, and the new state education lottery have been the hot issues in South Carolina over the last 2 years. Additional budget cuts for 2002-03 fiscal year – anticipate a 9% cut • Act 59 passed during 2002 legislative session (outlines how revenues from SC Education Lottery will be spent): <p style="text-align: center;">SC Commission on Higher Education</p> <ul style="list-style-type: none"> ○ Expanded LIFE Scholarship Program allocation to \$106 million for approximately 24,000 eligible students at four-year institutions. Students must now meet two of three academic criteria with an increased maximum award amount of \$4700 (plus a \$300 book allowance); for two-year institutions - full cost of tuition plus a \$300 book allowance. ○ Created SC HOPE Scholarship in the amount of \$5.8 million (merit-based program -"B" average, first year at four-year institution, \$2650 per year) ○ Created Lottery Tuition Assistance Program in the amount of \$35 million (Fall 2002 and Spring 2003, full-time students may receive up to \$792 per term and part-time students may receive up to \$66 per credit hour at technical and two-year colleges) Approximately 38,000 students will be eligible for this program. ○ Created Teacher Scholarship Program (\$2 million). ○ Fully funded Palmetto Fellows Scholarship program at increased award amount of \$6700 per academic year. Approximate cost of this merit- based program is \$21 million. ○ One-time additional funding (\$3 million) for S.C. Need-based Grants Program for a total amount of \$15.8 million for 2000-03. It is estimated that there will be 25,000 eligible need-based grant recipients. ○ Provided additional funding for S.C. National Guard Student Loan Repayment Program (\$1.5 million). 100

	<p>awards will be offered during 2002-03.</p> <p style="text-align: center;">SC Tuition Grants Commission</p> <ul style="list-style-type: none"> ○ Reduced SC Tuition Grants Program allocations by almost \$2 million, coupled with an increase of nearly 700 students in the eligibility pool, necessitated a 10% mid-year reduction to the 10,870 grants made by the commission. The average grant dropped to \$2,113 in 2001-2002. ○ Provided \$3.5 million of one-time lottery funds to the SC Tuition Grants Commission in the 2002-2003 fiscal year, most of which was used to restore the funds lost in prior-year state reductions and to cover another increase of 640 in the number of eligible students funded. ○ The increase in the number of students receiving SC Tuition Grants during the last two fiscal years (695 in 2001-2002 and estimated 640 in 2002-2003) has brought the total of eligible students being funded to an all-time high of 11,600 students.
South Dakota	
Tennessee	<p>After a partial shutdown of State government, a 2002-2003 budget was passed with an increase in the state sales tax of 1%. The Tennessee Student Assistance Corporation received improvement funding of \$7.1 million. The majority of the money was allocated to the Tennessee Student Assistance Award for need-based grant assistance. TSAC was still unable to serve 8,400 needy students. The maximum awards increased from \$2,130 to \$2,322 for all students. The students at independent colleges will receive a supplement that increases their maximum to \$5,538.</p> <p>Some improvement money was used to increase the Tennessee Teaching Scholars award from \$3,900 to \$4,200 per year. There are approximately 180 students receiving the award.</p> <p>New monies for state merit-based scholarships were not funded. There was actually a decrease in the number of merit awards for the Ned McWherter scholarship.</p> <p>Tuitions at public institutions increased by 7.5%, which is half of last year's increase. However, many colleges did not like the limit imposed by the legislature.</p>
Texas	<p>Let's start with a positive note - regarding our "Student College and Financial Aid Web Site". August 2002 marked the first time that</p>

	<p>CollegeForTexans.com got a million hits in a single month. The total number of hits for the month was 1,080,740 with an average of 51,463 per day.</p> <p>Dealing with budget woes may consume the legislature to the exclusion of any other issue.</p> <p>Issues studied by the "Interim Committee" along Higher Ed Issues Include:</p> <ul style="list-style-type: none"> • Higher education excellence funding • Teacher shortage • Access to higher education <ul style="list-style-type: none"> ○ Top 10 percent law ○ Residency laws ○ Recruitment and retention of economically and educationally disadvantaged students ○ Implementation of HB 400 (College workshops for students attending high schools with low-college going rates) • Transfer of credit between institutions of higher education • P-16 education • Differences in quality, admissions policies, resources and mission between rural and urban institutions of higher education and between community colleges and four-year institutions • Transfer of a private chiropractic institution to a state university system • Effects on higher education of the South Texas/Border Initiative • Post-tenure review for faculty
Utah	
Vermont	<p>In Vermont we have seen a significant increase in applications in all of our need based Grant programs. We received more Full-time applications by the middle of August then we had anticipated receiving by the end of December. This caused us to cutoff applications at the earliest point in over 10 years. This unexpected cutoff caught a number of our institutions that serve non-traditional students, such as our community college, off guard.</p> <p>Despite the large increase in applications, the state of Vermont is facing some very difficult budget issues and VSAC is being asked to prepare for possible cuts in our funding requests for next year.</p>
Virginia	<p>Virginia's budget deficit has made it necessary to cut state spending across the board with many state agencies receiving up to a 15 percent reduction in current year funds (on top of the 7 percent imposed last</p>

	<p>spring). Reductions have also made to the Tuition Assistance Grant program (tuition equalization for private colleges) and programs for students attending out-of-state colleges. So far the need-based programs have been kept off the table but many colleges are seriously considering a mid-year tuition hike.</p>
--	---

<p>Washington</p>	<p>Washington is facing an estimated \$2.5 billion dollar shortfall for the 2003-05 biennium. This represents about 10% of the General Fund State. Since the caseload increases in K-12 and Social and Health services must be funded under the law, the outlook is grim for programs such as higher education, which are funded through the discretionary part of the general fund.</p> <p>Despite the grim numbers, the Washington legislature has a history of commitment to protecting aided students against devastating cuts. We hope they are able to maintain this position.</p> <p>Like many states, Washington has been shifting the burden of paying for public higher education from the state to tuition over the past several years. For 2002 tuition increases at our public institutions increased between 12% and 16%. The legislature provided additional funds for low-income students, but only enough to cover about 80% of the increased student costs.</p> <p>Given the state's budget situation it is unlikely that this trend could reverse and very likely will worsen. The looming question will be to what degree will the legislature protect at least the very neediest students.</p> <p>Despite all this, our governor continues to show interest in both expanding eligibility and increasing grant amounts for our merit based Washington Promise Scholarship program.</p>
<p>West Virginia</p>	<p>The state of West Virginia is projected to experience a major revenue shortage and thus budget cuts have been implemented. This picture seems to be the norm for many states. The governor has imposed a 10 percent reduction for state agencies including higher education. Tuition and fees at 4-year public colleges and universities increased well above the norm of 4 to 5 percent for 2002-2003. For the first time since 1993-1994 the major need-based program failed to secure a funding increase (experienced a 14.4 million growth during the time frame). While the agency is expected to request a major increase for the program for next fiscal year the pessimistic economic forecast makes the likelihood of its success</p>

	<p>problematic. Finally the state's merit based program (Promise) was implemented. Approximately 3500 students will be assisted during this first year.</p>
<p>Wisconsin</p>	<p>The Budget Reform Act was passed and signed in August of 2002. The bill was designed to address the budget deficit for 2001-03 that developed after the budget was originally passed in August of 2001. No HEAB programs were eliminated nor was funding decreased. \$2 million was added to the state's largest grant program. There was also a component included that ties future funding increases in the University of Wisconsin Higher Education Grant to increases in tuition.</p> <p>We are in the middle of the budget process for 2003-05. Due to projected deficits, budget instructions for the upcoming budget cycle directed 0% increases in program funding. HEAB did offer suggested alternatives in funding.</p>