Recent legislative and board activity in seven of the 15 WICHE states are summarized in this report. Appropriations to higher education increased in these states, with growth ranging from 2.87 percent in Arizona to 15.4 percent in Washington. However, budget share for higher education declined in Arizona, Idaho, South Dakota, and Wyoming, while Washington reported an increase. Six of the states reported tuition increases at four-year institutions, with resident undergraduates scheduled to pay from 3.5 to 7.4 percent more in fall 2000. Tuition increases ranged from 3.98 to 7.2 percent for two-year students, except in Montana where tuition was reduced by 1.2 percent. Nonresidents will generally see increases as well across the region. Mandatory fee increases hovered between 1 and 2 percent in the West. Major issues were affordability, access, governance, and performance funding. Access concerns in Arizona focused on dual enrollment, while Washington expanded geographic eligibility. Governance and planning issues emerged in Utah and Washington through state master planning activities and in Wyoming through legislation on governance, structure, and role of the community colleges.

Appropriations

Among the seven states in this report, higher education received appropriations increases that ranged from 2.87 percent in Arizona to 15.4 percent in Washington (see Figure 1).

None of these states saw a decline in appropriations between FY 2000 and FY 2001.

Budget Share

While dollar appropriations increased in most WICHE states, higher education’s share of the state budget actually declined in four of the seven states reported here—Arizona, Idaho, South Dakota, and Wyoming.

Montana and Utah saw no change in budget share compared to the past fiscal year.

Only Washington, among these states, reported an increase in higher education’s share of the state budget in FY 2001 over FY 2000.

Tuition & Fees

Six of the seven states report tuition increases for resident undergraduates at four-year institutions; on average, these students will pay from 3.5 to 7.4 percent more next fall; Washington saw no change (see Figure 2).

The range of tuition increases for two-year resident students is narrower, from 3.98 percent to 7.2 percent, with no increase in Washington (see Figure 3).

The only decrease in tuition among these states for 2000-01 is Montana’s 1.2 percent reduction for resident students in two-year programs. This is part of a strategy by the regents to create differential tuition.

Nonresidents at four-year institutions in the region—with the exception of those in Washington and Wyoming—will see tuition increases within a narrow range from 2.8 percent to about 5 percent.

In Idaho, a bill to establish a 3 percent cap annually on increases in student matriculation fees at public four-year institutions died in committee; historically, fees have risen an average of 5 to 11 percent in the last 10 years.

Unsuccessful legislation in South Dakota would have authorized the Board of Regents to reduce tuition of nonresident students with high ACT scores.
Mandatory fees rose between 1 and 2 percent in most states. **South Dakota**’s high mandatory fee increase – 11.1 percent – resulted largely from the final year of a three-year salary competitiveness program for faculty and nonfaculty exempt employees.

**Affordability**

**Idaho**’s legislature created a college savings program, while **South Dakota**’s governor vetoed legislation to establish the Education Savings Plan. **Montana**’s Family Education Savings Program has been very successful, establishing about three times the number of accounts projected during its first two years; over one-third of the accounts are from nonresidents.

**Access**

Legislation in **Washington** expanded geographic eligibility for the Washington-Oregon Border County Higher Education Opportunity Pilot project, which allows residents of certain counties to pay in-state tuition rates at participating community colleges in each state and the WSU-Vancouver branch campus. Also in **Washington**, the legislature increased the number of full-time enrollments to be allocated by the Higher Education Coordinating Board in 2000-01 in high-demand fields such as information technology, health care, and teacher training. Bills on dual enrollment programs at **Arizona** community colleges were introduced, and the governor recommended funding dual enrollment programs at 20 percent of the current state aid formulas. Instead, a joint legislative study committee will evaluate current guidelines for dual enrollment instruction, quality, funding, long-term cost benefit to the state, and effects on high school retention and postsecondary enrollment.

**Financial Aid**

Lawmakers established the **Idaho** Promise Scholarship for high school graduates. While no funding was allocated, the program may provide up to $1,000 per year for two years of postsecondary education at an Idaho institution. Legislation addressing financial aid programs was unsuccessful in **South Dakota** and **Washington**. **South Dakota** funded technology-focused financial aid to establish a continuing program of student fellowships providing technology support for faculty.

**Facilities & Deferred Maintenance**

**Arizona** lawmakers established a joint legislative committee to study the state building renewal formula and the process to evaluate the effectiveness of the formula. **Utah** reported this as a lean year for facilities, with only $11.3 million allocated for capital development projects and $19 million for capital improvements. Nonstate-funded projects authorized included a regents’ office building.

**Governance & Planning**

The **Utah** System of Higher Education finalized its **Master Plan 2000** with recommendations on access, accountability, efficiency, and several other areas. **Washington** policymakers approved the Higher Education Coordinating Board’s **2000 Master Plan for Higher Education** but directed the board to reassess assumptions about future upper division enrollment growth and overall capital needs and to
reexamine the role of the community and technical colleges.

New legislation in Wyoming clarifies governance and structure issues for the community college system and defines the Community College Commission’s role.

Performance Funding & Accountability

Utah’s higher education system now provides four statewide performance indicators and two institution-specific indicators; the performance-based funding plan was not funded.

A new initiative, part of Washington’s long-term higher education accountability system, establishes a work group to develop definitions, standards, strategies, and a financial assessment of requiring bachelor’s graduates to be information and technology literate.

New Wyoming statutes emphasize accountability and allow implementation of community college budget requests and funding allocation models based on external comparators for each college. The legislature fully funded implementation of the model.

Other Issues

Questions in Arizona about the distribution of royalty revenues from university research resulted in a new statute requiring Arizona State University to report the way it distributes revenue from research projects that result in technology transfer.

Idaho adopted statewide high school graduation achievement standards in math, science, social studies, language, and health.

In Montana a Board of Regents’ new policy eliminates private college veto power over state university program delivery in Helena and Great Falls; previously, private schools could prevent university system institutions from offering undergraduate programs that duplicated existing programs at a private college in the same city.

South Dakota’s Board of Education will study streamlining of alternative teacher certification and report on teacher and administrator education at public universities. In Washington, the legislature directed the Higher Education Coordinating Board to develop a demonstration project to provide conditional scholarships to classified K-12 employees who achieve college degrees leading to teaching certificates.

This issue of Policy Insights was prepared by Cheryl Blanco, director of Policy and Information. WICHE gratefully acknowledges assistance from staff in State Higher Education Executive Offices in Arizona, Idaho, Montana, South Dakota, Utah, Washington, and Wyoming.
New legislation in Utah strengthens Board of Regents’ oversight of proprietary schools.

**Issues to Watch**

- **Accountability.** Washington will look at performance accountability through the interim and the 2001 session.
- **Financing.** Arizona’s governor proposed a sales tax increase for education. In Idaho, unsuccessful measures that would have provided property tax relief in certain community college districts may resurface next session. Utah regents were directed to develop a funding formula that balances enrollment growth needs with existing base budget needs. Also in Utah, a new legislative task force will determine governance and funding of Applied Technology Education programs. Efforts in Wyoming to broaden the tax base and stabilize revenues will be indirect issues.
- **Master Planning.** The governor’s task force on higher education in Arizona will make recommendations this fall on access, workforce development, higher education’s role in the new economy, facilities, technology, and funding.
- **Teacher Education.** Bills relating to teacher preparation, recruitment, compensation, and forgivable loans will likely be introduced in South Dakota in 2001; legislation from the 2000 session established interim studies on policy issues related to teacher education.
- **Tuition.** Utah regents will look at nonresident tuition in the state. Washington will debate tuition policies and study the effect of the limited institutional tuition-setting authority granted to public institutions last year.
At a Glance—

Appropriations to Arizona higher education increased 2.87 percent, while budget share dropped slightly, from 14.83 percent in 1999-00 to 14.69 percent in 2000-01. Tuition at two-year colleges will increase on average by 4.63 percent; university students will see increases of 3.8 percent in tuition and 1.4 percent in mandatory fees. A new joint legislative study committee will evaluate current guidelines for dual enrollment in the high schools, looking at quality, funding, cost benefits, and effects on high school retention and postsecondary enrollment. The governor’s Task Force on Higher Education will make recommendations on access, workforce development, and other higher education issues. The governor also proposed a sales tax increase, with revenues going to K-12 and higher education.

In Idaho, higher education funding for 2000-01 increased by 6.8 percent, but budget share dropped slightly, from 16.68 to 16.53 percent. Residents at public institutions pay fees rather than tuition; on average, four-year students will see a 6.8 percent increase in fees while students at two-year institutions will pay 5.1 percent more. A proposed annual 3 percent cap on matriculation fees hiked died in committee, but the legislature created a college-savings program and an unfunded Idaho Promise Scholarship. The legislature ratified the governor’s recommendation on employee salaries, calling for a 3.5 percent merit increase and 5 percent increase in the payline salary structure. Statewide high school graduation achievement standards in math, science, social studies, language, and health were adopted.

Higher education in Montana saw a 3 percent increase in appropriations over the 1999-00 level; budget share remained at last year’s rate of 12 percent. Resident tuition will increase 4.07 percent for four-year students and decline 1.2 percent at community colleges. Mandatory fees will increase by 2.45 percent. A Board of Regents study recommends phasing out most course fees. State matching dollars for federal research grants to Montana University System institutions are in jeopardy since the use of coal trust funds was found unconstitutional. The Board of Regents’ new policy on Montana University System centers eliminates private college veto power over state university program delivery in Helena and Great Falls. Previously, private schools could prevent university system institutions from offering undergraduate programs that duplicated existing programs at a private college in the same city.

South Dakota’s legislature approved a 3.7 percent increase in the general fund base over FY 2000. Higher ed’s budget share declined from 15.5 percent in 1999-00 to 15.2 percent. Resident tuition increased 3.5 percent. Mandatory fees rose by 11.1 percent, 61 percent of which resulted from the final year of a salary competitiveness program. A new bill will reimburse teachers who become nationally certified. New funding established system-level coordination of online courses offered through the state’s Electronic University Consortium, while legislation provides enforcement of electronic contracts and permits greater online purchasing. The governor vetoed legislation creating the South Dakota Education Savings Plan.

Utah’s appropriation from state tax funds to higher education increased 6.6 percent. After a gradual decline in the 1990s, higher ed’s share of appropriated tax funds stabilized at the 1999-00 level of 15.7 percent. Resident tuition increased on average 4 percent and mandatory fees by 1.63 percent. Faculty and staff compensation was the major issue—the tuition increase reflects the regents approval of an additional 1 percent general tuition increase following the legislative session. The regents also finalized their Master Plan 2000 with recommendations in nine areas and established four statewide performance indicators; a performance-based funding plan was developed but not funded. New legislation strengthens regental oversight of proprietary schools.

Washington’s new higher education biennial budget is 15.4 percent higher than the previous biennium, and budget share increased from 11.5 percent to 12.2 percent. Tuition remains unchanged. Lawmakers approved the 2000 Master Plan for Higher Education but directed the higher ed board to reassess future upper division enrollment growth and overall capital needs and reexamine the role of the community and technical colleges. The governor’s Promise Scholarship was considered for statutory permanence but did not survive in the house after senate approval. New studies focus on distance education and the impact of requiring graduates of baccalaureate institutions to be information and technology literate. Legislation expanded geographic eligibility for the Washington-Oregon Border County Higher Education Opportunity Pilot Project, which allows residents of certain counties to pay in-state tuition rates at participating community colleges in each state and the WSU-Vancouver branch campus.

The Wyoming legislature increased appropriations for community colleges by 5.2 percent over the 1999 level and by 12.1 percent for the university. Overall, budget share declined from 24.8 percent in 1999-00 to 24 percent in 2000-01. Tuition will increase 7.4 percent for university students and 7.2 percent for community college students. Mandatory fees will remain unchanged for two-year students but rise by 2.4 percent for university students. The university’s sole issue was the budget; for the community colleges the major issue was passage of new legislation clarifying system governance and structure. New statutes address the Wyoming Community College Commission’s role, budget requests, funding allocation models, and accountability.