

**Expanding College Access:  
State Trends and Simulations**

By  
Edward P. St. John  
Ontario S. Wooden  
Choong-Geun Chung  
Jesse P. Mendez  
Ada B. Simmons  
Glenda D. Musoba  
Indiana University

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## *Overview*

The state reports on financial indicators summarize information on state demographic characteristics, state finance strategies, and access outcomes. The state reports provide tables comparing trends in each state's indicators to the national average for the indicators.

## *Diverse Patterns of State Finance and Access*

While many states changed their patterns of finance during the 1990s, there were also substantial differences in the average pattern across states during the decade. Comparative information for states on tax rates, subsidies to K-12 and higher education, funding for need-based and non-need based grants, access indicators and tuition charges are presented in Table 1. State indicators for tax rates, funding for K-12 and higher education, state need-based grants, high school graduation rates, college enrollment rates, and tuition are ranked as high (half a standard deviation or more above the mean), mid (within half a standard deviation of the mean), and low (more than half a standard deviation below the mean). This method of discerning high, mid, and low range was modified for funding of non-need grants because several states had not made a minimal investment in non-need programs and the variance was large. As a result, those states making an average investment of \$0-\$2 per FTE on non-need grant programs were assigned to the low category.

Policymakers in states can examine Table 1 to see how their states compared to other states on the key indicators. By making comparisons among a few states it is possible to gain an initial perspective on how well these states' strategies work in promoting college access.

**Table 1: Summary Table of Financial Indicators**

		Subsidies		Grants		Access		
	Tax Rate	K-12	Higher Ed.	Need-Based	Non Need	H. S. Grad	College Cont.	Tuition Charges
<b>Alabama</b>	low	low	mid	low	mid	low	high	low
<b>Alaska</b>	high	high	high	low	low	low	low	mid
<b>Arizona</b>	mid	low	mid	low	low	low	low	mid
<b>Arkansas</b>	high	low	mid	mid	mid	mid	low	low
<b>California</b>	mid	mid	high	mid	low	low	mid	low
<b>Colorado</b>	low	mid	low	mid	mid	mid	low	mid
<b>Connecticut</b>	mid	high	high	high	low	high	high	high
<b>Delaware</b>	high	high	mid	low	mid	low	high	high
<b>Florida</b>	low	low	mid	mid	high	low	low	low
<b>Georgia</b>	low	mid	high	low	high	low	mid	low
<b>Hawaii</b>	high	mid	high	low	low	mid	high	low
<b>Idaho</b>	high	low	mid	low	mid	high	low	low
<b>Illinois</b>	low	mid	low	high	mid	mid	high	high
<b>Indiana</b>	mid	mid	mid	high	mid	mid	mid	high
<b>Iowa</b>	mid	mid	high	high	mid	high	high	mid
<b>Kansas</b>	mid	mid	mid	low	mid	high	high	low
<b>Kentucky</b>	high	low	high	mid	mid	mid	mid	low
<b>Louisiana</b>	mid	low	low	low	high	low	mid	low
<b>Maine</b>	high	high	mid	mid	low	high	low	high
<b>Maryland</b>	low	high	mid	mid	mid	mid	mid	high
<b>Massachusetts</b>	mid	high	mid	mid	mid	high	high	high
<b>Michigan</b>	high	high	mid	mid	low	mid	mid	high
<b>Minnesota</b>	high	mid	mid	high	low	high	mid	mid
<b>Mississippi</b>	high	low	mid	low	mid	low	high	low
<b>Missouri</b>	low	mid	mid	low	mid	mid	low	mid
<b>Montana</b>	mid	mid	low	low	mid	high	mid	mid
<b>Nebraska</b>	low	mid	high	low	low	high	high	low
<b>Nevada</b>	mid	low	mid	mid	mid	mid	low	low
<b>New Hampshire</b>	low	mid	low	low	low	mid	mid	high
<b>New Jersey</b>	low	high	mid	high	mid	high	high	high

**Table 1: Summary Table of Financial Indicators (Continued)**

		Subsidies		Grants		Access		
	Tax Rate	K-12	Higher Ed.	Need-Based	Non Need	H. S. Grad	College Cont.	Tuition Charges
<b>New Mexico</b>	high	low	high	mid	high	low	mid	low
<b>New York</b>	mid	high	mid	high	mid	low	high	high
<b>North Carolina</b>	mid	low	high	low	high	low	mid	low
<b>North Dakota</b>	mid	low	low	low	mid	high	high	mid
<b>Ohio</b>	low	mid	mid	mid	high	mid	mid	high
<b>Oklahoma</b>	mid	low	mid	mid	mid	mid	low	low
<b>Oregon</b>	low	mid	mid	mid	low	mid	low	mid
<b>Pennsylvania</b>	mid	high	low	high	low	high	mid	high
<b>Rhode Island</b>	mid	high	low	high	low	mid	high	high
<b>South Carolina</b>	mid	low	mid	mid	mid	low	mid	mid
<b>South Dakota</b>	low	low	low	low	low	high	mid	mid
<b>Tennessee</b>	low	low	mid	mid	mid	low	mid	low
<b>Texas</b>	low	low	mid	low	low	low	low	low
<b>Utah</b>	mid	low	mid	low	mid	high	low	low
<b>Vermont</b>	high	high	low	high	low	high	low	high
<b>Virginia</b>	low	mid	low	mid	high	mid	mid	mid
<b>Washington</b>	mid	mid	low	mid	mid	mid	mid	low
<b>West Virginia</b>	high	mid	mid	mid	mid	mid	low	mid
<b>Wisconsin</b>	high	high	high	mid	mid	high	mid	mid
<b>Wyoming</b>	mid	mid	high	low	low	high	low	low

For most states the indicators make sense, when interpreted with the logic of the regression analyses. State funding strategies in combination usually link in reasonably coherent ways to access outcomes, illustrating the linkage between public funding strategies and college access. There was one notable regional exception that could not easily be explained by the indicators alone. Some of the states in the central and upper Midwest—Kansas, Montana, North Dakota, and South Dakota—had higher high school graduation rates than would be predicted from the indicators alone.

While the demographic and financial indicators provide useful information, indicators alone do not help with policy formulation and development. The analyses included in this report and companion report focus on access. However, the financing of higher education requires a balancing among goals. Four goals merit consideration in states:

- *Access*: Providing sufficient supply of opportunity to improve college enrollment rates for qualified high school graduates (i.e. adequate campus capacity).
- *Equity*: Providing sufficient student grant aid to equalize the opportunity for high- and low-income college-qualified students to enroll.
- *Adequacy*: Ensuring adequate education revenue per FTE (i.e., state subsidies plus tuition) to provide quality higher education.
- *Taxpayer Efficiency*: Maintaining reasonable tax expenditures per student enrolled (i.e., the sum of spending on institutional subsidies and student grants), relative to the other goals.

States can use the state-level indicators reports to inform a collaborative inquiry-based approach to finance reform. Policymakers and analysts representing institutions can work with staff from legislative and executive offices to identify and address critical challenges through the budgeting process. This approach should include:

- *Identify Challenges:* States can review the summary indicator reports in relation to these goals using the summary information in the state reports. The state reports provide information that states can use to identify how they rate on each indicator.
- *Assess Possible Remedies:* The indicators reports provide prima facie evidence about the status of finance and access indicators across the states. Once challenges are identified, policymakers and advocacy groups typically propose solutions, often repackaging proposals they made in the past. Alternatively, based on an informed review of possible strategies, policy makers can identify an approach that best addresses the critical challenges they face.
- *Adjust State Budgets to Address Critical Challenges (Treat new strategies as experiments):* It is important that partners collaborate on budget strategies. Given the limits of tax revenues, adjustments can be made to budget strategies to address critical challenges. Coordination of finance strategies (an issue addressed below) is crucial.
- *Evaluate Routinely:* Using the indicators approach, states can assess whether the remedies they use actually help address the critical challenges. University faculty or other groups can frequently collaborate on evaluative research that

addresses critical challenges. Each year, or every couple years, the planning groups can review the indicators in relation to the challenges and findings from evaluation studies.

While this process approach may seem idealistic, a similar model is currently being used by policy groups in several states. More states should be encouraged to take these steps. The indicators reports provide further information that can be used in collaborative inquiry processes.