

Form 990

Return of Organization Exempt from Income Tax

OMB No 1545-0047

2004

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2004 calendar year, or tax year beginning 7/01, 2004, and ending 6/30, 2005

B Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use
IRS label
or print
or type.
See
specific
instruc-
tionsHIGHER EDUCATION POLICY INSTITUTE
152 NORTH 3RD STREET, SUITE 705
SAN JOSE, CA 95112

D Employer Identification Number

77-0313194

E Telephone number

(408) 271-2699

F Accounting
method:☐ Cash ☒ Accrual☐ Other (specify) ▶Section 501(c)(3) organizations and 4947(a)(1) nonexempt
charitable trusts must attach a completed Schedule A
(Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? ☐ Yes ☒ No

H (b) If 'Yes,' enter number of affiliates ▶

H (c) Are all affiliates included? ☐ Yes ☐ No

(If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an
organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶

M Check ☐ if the organization is not required
to attach Schedule B (Form 990, 990-EZ, or 990-PF).

G Web site: WWW.HIGHEREDUCATION.ORG

J Organization type
(check only one)☒ 501(c) 3 (insert no) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization's gross receipts are normally not more than
\$25,000. The organization need not file a return with the IRS, but if the organization
received a Form 990 Package in the mail, it should file a return without financial data.
Some states require a complete return.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 660,358.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

1 Contributions, gifts, grants, and similar amounts received.		1a 612,124.		1d 612,124.	
a Direct public support		1b		2	
b Indirect public support		1c		3	
c Government contributions (grants)				4 21,373.	
d Total (add lines 1a through 1c) (cash \$ 612,124. noncash \$)				5	
2 Program service revenue including government fees and contracts (from Part VII, line 93)				6a	
3 Membership dues and assessments				6b	
4 Interest on savings and temporary cash investments				6c	
5 Dividends and interest from securities				7	
6a Gross rents					
b Less. rental expenses					
c Net rental income or (loss) (subtract line 6b from line 6a)					
7 Other investment income (describe)					
8a Gross amount from sales of assets other than inventory		(A) Securities	(B) Other		
b Less. cost or other basis and sales expenses		8a			
c Gain or (loss) (attach schedule)		8b			
d Net gain or (loss) (combine line 8c, columns (A) and (B))		8c		8d	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ of contributions reported on line 1a)		9a			
b Less. direct expenses other than fundraising expenses		9b			
c Net income or (loss) from special events (subtract line 9b from line 9a)		9c			
10a Gross sales of inventory, less returns and allowances		10a			
b Less. cost of goods sold		10b			
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)		10c			
11 Other revenue (from Part VII, line 103)		11		26,861.	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)		12		660,358.	
13 Program services (from line 44, column (B))		13		3,231,544.	
14 Management and general (from line 44, column (C))		14		518,299.	
15 Fundraising (from line 44, column (D))		15			
16 Payments to affiliates (attach schedule)		16			
17 Total expenses (add lines 16 and 44, column (A))		17		3,749,843.	
18 Excess or (deficit) for the year (subtract line 17 from line 12)		18		-3,089,485.	
19 Net assets or fund balances at beginning of year (from line 73, column (A))		19		9,097,179.	
20 Other changes in net assets or fund balances (attach explanation)		20			
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21		6,007,694.	

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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Form 990 (2004)

SCANNED JUN 14 2006

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22			
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25	252,073.	231,907.	20,166.
26 Other salaries and wages	26	904,090.	707,830.	196,260.
27 Pension plan contributions	27	142,013.	115,335.	26,678.
28 Other employee benefits	28	99,402.	82,039.	17,363.
29 Payroll taxes	29	74,679.	58,487.	16,192.
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33	39,642.	37,022.	2,620.
34 Telephone	34	30,012.	27,696.	2,316.
35 Postage and shipping	35	192,120.	182,077.	10,043.
36 Occupancy	36	163,288.	143,785.	19,503.
37 Equipment rental and maintenance	37	98,967.	91,050.	7,917.
38 Printing and publications	38	184,166.	181,241.	2,925.
39 Travel	39	325,039.	306,537.	18,502.
40 Conferences, conventions, and meetings	40	119,408.	112,569.	6,839.
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42	23,609.	21,956.	1,653.
43 Other expenses not covered above (itemize)				
a SEE STATEMENT 1	43a	1,101,335.	932,013.	169,322.
b	43b			
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	3,749,843.	3,231,544.	518,299.

Joint Costs. Check ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?

☐ Yes ☒ No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service AccomplishmentsWhat is the organization's primary exempt purpose? **SEE STATEMENT 2**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and
(4) organizations and
4947(a)(1) trusts, but
optional for others)

a SEE STATEMENT 3		
(Grants and allocations \$ _____)		3,231,544.
b		
(Grants and allocations \$ _____)		
c		
(Grants and allocations \$ _____)		
d		
(Grants and allocations \$ _____)		
e Other program services	(Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		3,231,544.

Part IV Balance Sheets (See Instructions)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
ASSETS	45 Cash — non-interest-bearing	250.	45	273.	
	46 Savings and temporary cash investments	180,483.	46	407,638.	
	47a Accounts receivable	47a 13,297.			
	b Less. allowance for doubtful accounts	47b	955.	47c 13,297.	
	48a Pledges receivable	48a			
	b Less. allowance for doubtful accounts	48b		48c	
	49 Grants receivable	8,700,923.	49	5,063,463.	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
	51a Other notes & loans receivable (attach sch)	51a			
	b Less. allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use		52		
	53 Prepaid expenses and deferred charges	59,506.	53	50,201.	
	54 Investments — securities (attach schedule) SEE ST 4 <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV	340,897.	54	646,548.	
	55a Investments — land, buildings, & equipment. basis	55a			
	b Less. accumulated depreciation (attach schedule)	55b		55c	
56 Investments — other (attach schedule)		56			
57a Land, buildings, and equipment. basis	57a 259,350.				
b Less. accumulated depreciation (attach schedule) STATEMENT 5	57b 224,664.	50,667.	57c	34,686.	
58 Other assets (describe ► SEE STATEMENT 6)	14,043.	58	14,043.		
59 Total assets (add lines 45 through 58) (must equal line 74)	9,347,724.	59	6,230,149.		
LIABILITIES	60 Accounts payable and accrued expenses	250,545.	60	222,455.	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)		64b		
	65 Other liabilities (describe ►)		65		
	66 Total liabilities (add lines 60 through 65)	250,545.	66	222,455.	
	NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
		67 Unrestricted	492,111.	67	514,116.
68 Temporarily restricted		8,605,068.	68	5,493,578.	
69 Permanently restricted			69		
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
70 Capital stock, trust principal, or current funds			70		
71 Paid-in or capital surplus, or land, building, and equipment fund			71		
72 Retained earnings, endowment, accumulated income, or other funds			72		
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)		9,097,179.	73	6,007,694.	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)		9,347,724.	74	6,230,149.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	660,358.
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	660,358.
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	660,358.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	3,749,843.
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	3,749,843.
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	3,749,843.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
SEE STATEMENT 7				
		252,073.	57,443.	36,332.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?

Yes ☐

No ☒

If 'Yes,' attach schedule — see instructions

Part VI Other Information (See instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.	77	X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	78b	N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	79	X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter. a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter. a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88	X
89a	501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89b	X
c	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter. Amount of tax on line 89c, above, reimbursed by the organization		0.
90a	List the states with which a copy of this return is filed <u>CALIFORNIA</u>		
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	13
91	The books are in care of <u>HOLLY EARLYWINE</u> Telephone number <u>(408) 271-2699</u> Located at <u>152 N. 3RD ST., SUITE 705, SAN JOSE, CA</u> ZIP + 4 <u>95112</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	21,373.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b HONORARIUM					26,300.
c OTHER REVENUE					561.
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				21,373.	26,861.
105 Total (add line 104, columns (B), (D), and (E))					48,234.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
103B,C	INCOME GENERATED BY PROVIDING SERVICES RELATED TO EXEMPT PURPOSE

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions.)

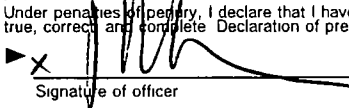
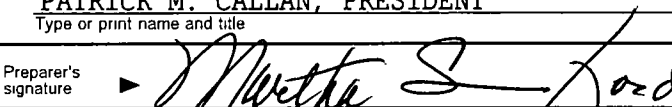
a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

☐ Yes ☒ No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	Signature of officer  Date 4/19/06	Type or print name and title PATRICK M. CALLAN, PRESIDENT
Paid Preparer's Use Only	Preparer's signature  Date 3/16/06	Check if self employed <input type="checkbox"/> Preparer's SSN or PTIN (See General Instruction W) N/A
	Firm's name (or yours if self employed), address, and ZIP + 4 BERGER/LEWIS ACCOUNTANCY CORP. 99 ALMADEN BLVD, SUITE 600 SAN JOSE, CA 95113	EIN N/A Phone no (408) 494-1200

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Organization Exempt Under
Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No 1545-0047

2004

Name of the organization

Employer identification number

HIGHER EDUCATION POLICY INSTITUTE**77-0313194****Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See instructions. List each one. If there are none, enter 'None'.)

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
JONI FINNEY 152 N. 3RD ST., SUITE 705, SAN JOSE	VICE PRESIDENT 40	168,000.	26,549.	0.
WILLIAM TROMBLEY 152 N. 3RD ST., SUITE 705, SAN JOSE	SENIOR EDITOR 40	113,949.	14,075.	3,600.
HOLLY EARLYWINE 152 N. 3RD ST., SUITE 705, SAN JOSE	ACTG MANAGER 40	69,325.	8,668.	0.
GAIL E. MOORE 152 N. 3RD ST., SUITE 705, SAN JOSE	DIR. ADMIN 40	75,243.	11,198.	5,000.
JILL DEMARIA 152 N. 3RD ST., SUITE 705, SAN JOSE	PRODUCTION MGR 40	75,246.	15,166.	0.
Total number of other employees paid over \$50,000 ▶	3			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None'.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
INSTITUTE FOR EDUCATIONAL LEADERSHIP 1001 CONNECTICUT AVE, WASHINGTON DC 20036	POLICY RESEARCH	57,000.
WOMBLE, CARLYLE, SANDRIDGE & RICE P.O. BOX 831 RALEIGH, NC 27602	MGMT CONSULTING	50,000.
Total number of others receiving over \$50,000 for professional services ▶	0	

Part III Statements About Activities (See instructions)

Yes No

- 1** During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ N/A
- (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

- 2** During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

SEE FORM 990, PART V

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d X

e Transfer of any part of its income or assets?

2e X

- 3a** Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)

3a X

b Do you have a section 403(b) annuity plan for your employees?

3b X

- 4a** Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

4a X

b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

4b X

Part IV Reason for Non-Private Foundation Status (See instructions.)

The organization is not a private foundation because it is. (Please check only **ONE** applicable box.)

- 5** ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6** ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7** ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8** ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ _____
- 10** ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a** ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b** ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12** ☐ An organization that normally receives **(1) more than 33-1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions — subject to certain exceptions, and **(2) no more than 33-1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13** ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in. **(1)** lines 5 through 12 above, or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	3,216,100.	2,224,220.	6,483,370.	7,052,408.	18,976,098.
16 Membership fees received.					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose.					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975.	19,682.	51,830.	88,232.	51,728.	211,472.
19 Net income from unrelated business activities not included in line 18.					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. SEE STMT 8	6,687.	67,176.	25,717.	54,190.	153,770.
23 Total of lines 15 through 22	3,242,469.	2,343,226.	6,597,319.	7,158,326.	19,341,340.
24 Line 23 minus line 17	3,242,469.	2,343,226.	6,597,319.	7,158,326.	19,341,340.
25 Enter 1% of line 23	32,425.	23,432.	65,973.	71,583.	

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	26a	386,827.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.		26b	12,152,692.
c Total support for section 509(a)(1) test. Enter line 24, column (e)		26c	19,341,340.
d Add. Amounts from column (e) for lines.	18 211,472. 19	26d	12,517,934.
	22 153,770. 26b 12,152,692.	26e	6,823,406.
e Public support (line 26c minus line 26d total)		26f	35.28 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))			

27 Organizations described on line 12:	N/A
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year. (2003) _____ (2002) _____ (2001) _____ (2000) _____	
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year. (2003) _____ (2002) _____ (2001) _____ (2000) _____	
c Add. Amounts from column (e) for lines.	15 _____ 16 _____ 17 _____ 20 _____ 21 _____
d Add. Line 27a total _____ and line 27b total _____	27c _____
e Public support (line 27c total minus line 27d total)	27d _____
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)	27e _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27f _____
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27g _____ % 27h _____ %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32 Does the organization maintain the following.		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33 Does the organization discriminate by race in any way with respect to.		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See instructions.)

(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check a	if the organization belongs to an affiliated group.	Check b	if you checked 'a' and 'limited control' provisions apply.
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Limits on Lobbying Expenditures

(The term 'expenditures' means amounts paid or incurred.)

36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36													
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37													
38	Total lobbying expenditures (add lines 36 and 37)	38													
39	Other exempt purpose expenditures	39													
40	Total exempt purpose expenditures (add lines 38 and 39)	40													
41	Lobbying nontaxable amount. Enter the amount from the following table —														
	<table><tr><td>If the amount on line 40 is —</td><td>The lobbying nontaxable amount is —</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 40</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000 . .</td></tr></table>	If the amount on line 40 is —	The lobbying nontaxable amount is —	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000 . .	41	
If the amount on line 40 is —	The lobbying nontaxable amount is —														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000 . .														
42	Grassroots nontaxable amount (enter 25% of line 41)	42													
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43													
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44													
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.															

4 -Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50.)

	Lobbying Expenditures During 4 -Year Averaging Period				
Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

Lobbying Activity by Nonexempting Public Charities
(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

[illegible]

i Total lobbying expenditures (add lines **c** through **h**.)

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities

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2004 FEDERAL BOOK DEPRECIATION SCHEDULE

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HIGHER EDUCATION POLICY INSTITUTE

77-0313194 |

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179 BONUS	SPECIAL DEPR ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 990/990-PF																
AUTO / TRANSPORT EQUIPMENT																
31	LEXUS	9/17/00		39,304							39,304	29,478	S/L	5		7,861
TOTAL AUTO / TRANSPORT EQUIP				39,304		0	0	0	0	0	39,304	29,478				7,861
COMPUTER EQUIPMENT																
4	TOSHIBA LAPTOP	5/01/00		2,379							2,379	2,379	S/L	3		0
5	2 COMPUTERS	6/12/00		3,506							3,506	3,507	S/L	3		0
6	PORTABLE PRINTERS,BATTERY	2/20/01		7,187							7,187	7,187	S/L	3		0
7	2 PENTIUMS,3 MONITORS	5/21/01		5,384							5,384	5,384	S/L	3		0
8	2 PENTIUMS, 2 MONITORS	5/23/01		5,087							5,087	5,087	S/L	3		0
9	2 PENTIUM III, VIEWSONICS	6/25/01		4,919							4,919	4,919	S/L	3		0
10	COMPUTER SUPPLIES	6/19/01		23,825							23,825	23,825	S/L	3		0
11	SERVER SYSTEM	8/13/01		7,279							7,279	6,874	S/L	3		404
12	SERVER SYSTEM	10/03/02		11,198							11,198	7,466	S/L	3		3,732
13	23" MONITOR	3/17/04		3,168							3,168	264	S/L	3		1,056
36	LAPTOP	6/10/05		3,012							3,012		S/L	3		84
38	DELL PC	6/15/99	6/30/05	1,875							1,875	1,876	S/L	3		0
39	HP LASER JET	6/15/99	6/30/05	3,298							3,298	3,298	S/L	3		0
40	LAPTOP	10/15/99	6/30/05	2,200							2,200	2,200	S/L	3		0
TOTAL COMPUTER EQUIPMENT				84,317		0	0	0	0	0	84,317	74,266				5,276
FURNITURE AND FIXTURES																

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179 BONUS	SPECIAL DEPR ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
14	ARC PHONE EQUIPMENT	9/04/97		10,420							10,420	10,420	S/L	5		0
15	ARC PHONE EQUIPMENT	10/01/97		2,420							2,420	2,420	S/L	5		0
16	FULLER-DESK, TABLE, CHAIR	12/01/97		5,728							5,728	5,728	S/L	5		0
17	COPIER	12/07/97		11,231							11,231	11,231	S/L	5		0
18	DESK, FILES, AND CHAIRS	12/10/97		5,130							5,130	5,130	S/L	4		0
19	ORIENTAL RUG	3/07/98		2,436							2,436	2,436	S/L	4		0
20	VARIOUS ITEMS	8/29/98		3,746							3,746	3,746	S/L	4		0
21	VARIOUS ITEMS	8/29/98		4,051							4,051	4,051	S/L	4		0
22	COFFEE TABLE	9/29/98		1,151							1,151	1,151	S/L	4		0
23	CHERRY LATERAL FILES	12/05/98		1,290							1,290	1,290	S/L	4		0
24	BARASS COFFEE TABLE	12/05/98		1,117							1,117	1,117	S/L	3		0
25	PAINTING	2/02/99		1,624							1,624	1,624	S/L	3		0
26	LATERAL FILES	5/01/99		1,593							1,593	1,593	S/L	3		0
27	CONSOLE TABLE	8/01/99		1,040							1,040	1,040	S/L	3		0
28	CABINET	7/15/99		4,871							4,871	4,871	S/L	3		0
29	UPGRADE PHONE SYSTEMS	5/08/03		8,781							8,781	2,049	S/L	5		1,756
30	LOGO SIGN	8/29/03		5,022							5,022	837	S/L	5		1,004
37	CUBICLES	8/05/04		4,617							4,617		S/L	5		846
TOTAL FURNITURE AND FIXTURE				76,268		0	0	0	0	0	76,268	60,734				3,606
LEASEHOLD IMPROVEMENTS																
32	CABLING SUITE 701&705	5/30/03		4,517							4,517	1,171	S/L	5		1,004
33	CASEWORK WORKROOM, KITCHEN	5/30/03		11,666							11,666	3,024	S/L	5		2,592
34	LEASEHOLD IMPROVEMENTS	10/31/97		35,941							35,941	35,941	S/L	5		0
35	LIGHTING, DRILLING	5/31/03		14,710							14,710	3,814	S/L	5		3,269
TOTAL LEASEHOLD IMPROVEMENT				66,834		0	0	0	0	0	66,834	43,950				6,865

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2004 FEDERAL BOOK DEPRECIATION SCHEDULE

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NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
	TOTAL DEPRECIATION			<u>266,723</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>266,723</u>	<u>208,428</u>				<u>23,608</u>
	GRAND TOTAL DEPRECIATION			<u>266,723</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>266,723</u>	<u>208,428</u>				<u>23,608</u>
	DEPRECIATION ASSETS SOLD			<u>7,373</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,373</u>	<u>7,374</u>				<u>0</u>
	DEPR REMAINING ASSETS			<u>259,350</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>259,350</u>	<u>201,054</u>				<u>23,608</u>

STATEMENT 1
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A)	(B)	(C)	(D)
	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING
BOARD EXPENSE	96,671.		96,671.	
CONSULTANTS	579,985.	548,001.	31,984.	
INSURANCE	22,149.	20,377.	1,772.	
INTERNET EXPENSE	46,979.	46,979.		
MAILING LIST	23,930.	23,930.		
MEMBERSHIP FEES	9,434.	8,801.	633.	
MISCELLANEOUS	5,757.	4,938.	819.	
OFFICE OPERATION	3,423.	3,149.	274.	
OFFICE PARKING	16,040.	14,757.	1,283.	
PROFESSIONAL SERVICE	14,300.		14,300.	
RETRIEVAL SERVICES	37,694.	37,694.		
TEMPORARY SERVICES	239,879.	220,942.	18,937.	
TRAINING	5,094.	2,445.	2,649.	
TOTAL	\$ 1,101,335.	\$ 932,013.	\$ 169,322.	\$ 0.

STATEMENT 2
FORM 990, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

THE NATIONAL CENTER FOR PUBLIC POLICY AND HIGHER EDUCATION PROMOTES PUBLIC POLICIES THAT ENHANCE AMERICANS' OPPORTUNITIES TO PURSUE AND ACHIEVE HIGH-QUALITY EDUCATION AND TRAINING BEYOND HIGH SCHOOL. AS AN INDEPENDENT, NONPROFIT, NONPARTISAN ORGANIZATION, THE NATIONAL CENTER PREPARES ACTION-ORIENTED ANALYSES OF PRESSING POLICY ISSUES FACING THE STATES AND THE NATION REGARDING OPPORTUNITY AND ACHIEVEMENT IN HIGHER EDUCATION INCLUDING TWO AND FOUR YEAR, PUBLIC AND PRIVATE, FOR-PROFIT AND NONPROFIT INSTITUTIONS. THE NATIONAL CENTER COMMUNICATES PERFORMANCE RESULTS AND KEY FINDINGS TO THE PUBLIC, TO CIVIC, BUSINESS AND HIGHER EDUCATION LEADERS, AND TO STATE AND FEDERAL LEADERS WHO ARE POISED TO IMPROVE HIGHER EDUCATION POLICY.

ESTABLISHED IN 1998, THE NATIONAL CENTER IS NOT AFFILIATED WITH ANY INSTITUTION OF HIGHER EDUCATION, WITH ANY POLITICAL PARTY, OR WITH ANY GOVERNMENT AGENCY; IT RECEIVES CONTINUING, CORE FINANCIAL SUPPORT FROM A CONSORTIUM OF NATIONAL FOUNDATIONS THAT INCLUDES THE PEW CHARITABLE TRUSTS, THE ATLANTIC PHILANTHROPIES, AND THE FORD FOUNDATION.

STATEMENT 3
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
POLICY ANALYSIS - AS A RESOURCE FOR POLICY DEVELOPMENT THE INSTITUTE CONDUCTS INDEPENDENT RESEARCH AND ANALYSES OF PRESSING POLICY ISSUES FACING THE STATES AND THE NATION REGARDING OPPORTUNITY AND ACHIEVEMENT IN HIGHER EDUCATION. IT PROVIDES RESULTS OF RESEARCH, ANALYSIS AND STUDIES OF CURRENT POLICES OF HIGHER EDUCATION TO THE GENERAL PUBLIC		

STATEMENT 3 (CONTINUED)
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
IDENTIFYING KEY ISSUES.		2,181,558.
COMMUNICATIONS - AS A CATALYST FOR IMPROVING PUBLIC POLICY THE INSTITUTE COMMUNICATES PERFORMANCE RESULTS AND KEY FINDINGS TO THE PUBLIC, TO CIVIC, BUSINESS, AND HIGHER EDUCATION LEADERS, AND TO PUBLIC OFFICIALS WHO ARE POISED TO IMPROVE PUBLIC POLICIES REGARDING HIGHER EDUCATION. THESE COMMUNICATIONS PROMOTE DISCUSSION AND PROVIDE ALTERNATIVES FOR ACHIEVING OPTIMAL ORGANIZATION AND OPERATION OF HIGHER EDUCATION.		
DURING THE YEAR ENDED JUNE 30, 2005 THE ORGANIZATION RELEASED VARIOUS REPORTS AND POLICY ALERTS INCLUDING ITS BIENNIAL REPORT TITLED MEASURING UP 2004: THE NATIONAL REPORT CARD ON HIGHER EDUCATION. MEASURING UP 2004, IS ALSO AVAILABLE ON THE INSTITUTE'S WEB SITE AND PROVIDES STATE LEADERS, POLICYMAKERS, RESEARCHERS AND OTHERS WITH ACCESS TO THE NATIONAL REPORT CARD AS WELL AS ACCESS TO ALL FIFTY STATE REPORT CARDS. IN ADDITION, THE SITE CAN COMPARE ANY STATE WITH THE BEST-PERFORMING STATES IN EACH PERFORMANCE CATEGORY, COMPARE INDICATOR SCORES AND STATE GRADES FOR ANY PERFORMANCE CATEGORY, OBTAIN SOURCE AND TECHNICAL INFORMATION FOR INDICATORS AND WEIGHTS, AND DOWNLOAD THE REPORTS. ALSO, THE MEASURING UP WEB SITE HAS THE CAPACITY TO VIEW PREVIOUS REPORT CARDS FROM 2000 AND 2002.		1,049,986.
	\$ 0.	\$ 3,231,544.

STATEMENT 4
FORM 990, PART IV, LINE 54
INVESTMENTS - SECURITIES

CORPORATE BONDS	VALUATION METHOD	AMOUNT
MUNICIPAL BONDS	COST	\$ 300,000.
	TOTAL	\$ 300,000.
OTHER SECURITIES	VALUATION METHOD	AMOUNT
MUTUAL FUNDS	COST	199,800.
ANNUITY CONTRACTS	COST	146,748.
	TOTAL	\$ 346,548.
TOTAL INVESTMENTS - SECURITIES		\$ 646,548.

HIGHER EDUCATION POLICY INSTITUTE

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STATEMENT 5
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIPMENT	\$ 39,304.	\$ 37,338.	\$ 1,966.
FURNITURE AND FIXTURES	76,267.	64,341.	11,926.
MACHINERY AND EQUIPMENT	76,945.	72,170.	4,775.
IMPROVEMENTS	66,834.	50,815.	16,019.
TOTAL	\$ 259,350.	\$ 224,664.	\$ 34,686.

STATEMENT 6
FORM 990, PART IV, LINE 58
OTHER ASSETS

DEPOSITS & OTHER ASSETS	
	TOTAL \$ 14,043.
	\$ 14,043.

STATEMENT 7
FORM 990, PART V
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JAMES B. HUNT JR 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	CHAIRMAN LESS THAN 1 HR	\$ 0.	\$ 0.	\$ 0.
GARREY CARRUTHERS 152 N.3RD STREET, SUITE 705 SAN JOSE, CA 95112	VICE CHAIRMAN LESS THAN 1 HR	0.	0.	0.
PATRICK M. CALLAN 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	PRESIDENT 40	252,073.	57,443.	36,332.
RAMON C. CORTINES 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
DOLORES E. CROSS 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
ALFREDO G. DE LOS SANTOS JR 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.

STATEMENT 7 (CONTINUED)
FORM 990, PART V
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
VIRGINIA B. EDWARDS 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	\$ 0.	\$ 0.	\$ 0.
CHARLES E.M. KOLB 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
JAMES M. FURMAN 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
ROBERT H. MCCABE 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
JOANNE CORDAY KOZBER 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
ROBERT H. ATWELL 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
THOMAS J. TIERNEY 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
URI TREISMAN 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
HAROLD M. WILLIAMS 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
JACK SCOTT 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	LESS THAN 1 HR	0.	0.	0.
VIRGINIA B. SMITH 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	FOUNDING DIR LESS THAN 1 HR	0.	0.	0.
ARTURO MADRID 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	FOUNDING DIR. LESS THAN 1 HR	0.	0.	0.

STATEMENT 7 (CONTINUED)

FORM 990, PART V

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
MATTHEW H. KISBER 152 N. 3RD STREET, SUITE. 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	\$ 0.	\$ 0.	\$ 0.
DENNIS A. COLLINS 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
DEBORAH WADSWORTH 152 N. 3RD STREET, SUITE 705 SAN JOSE, CA 95112	DIRECTOR LESS THAN 1 HR	0.	0.	0.
TOTAL		\$ 252,073.	\$ 57,443.	\$ 36,332.

STATEMENT 8

SCHEDULE A, PART IV-A, LINE 22

OTHER INCOME

DESCRIPTION	(A) 2003	(B) 2002	(C) 2001	(D) 2000	(E) TOTAL
CONSULTING, HONORARIUM, PUBLICATION SALE	\$ 6,687.	\$ 67,176.	\$ 25,717.	\$ 54,190.	\$ 153,770.
TOTAL	\$ 6,687.	\$ 67,176.	\$ 25,717.	\$ 54,190.	\$ 153,770.

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box ☐ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time – Must File Original and One Copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization HIGHER EDUCATION POLICY INSTITUTE	Employer identification number 77-0313194 For IRS use only
	Number, street, and room or suite number. If a P.O. box, see instructions. 152 NORTH 3RD STREET, SUITE 705	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SAN JOSE, CA 95112	

Check type of return to be filed (File a separate application for each return):

- | | | |
|----------------------------------------------|----------------------------------------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 4720 | |

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of **HOLLY EARLYWINE**
Telephone No. **(408) 271-2699** FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organizations four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until 5/15, 20 06.
- 5 For calendar year _____, or other tax year beginning 7/01, 20 04, and ending 6/30, 20 05.
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension: TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO GATHER INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN.

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ _____
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature [Signature] Title CPA Date 2-14-06**Notice to Applicant – To be Completed by the IRS**

- ☐ We have approved this application. Please attach this form to the organization's return.
- ☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely filed return. Please attach this form to the organization's return.
- ☐ We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We cannot consider this application because it was filed after the extended due date of the return for which an extension was requested.
- ☐ Other: _____

Director _____ By _____ Date _____

Alternate Mailing Address – Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name BERGER/LEWIS ACCOUNTANCY CORP.
	Number and street (include suite, room, or apartment number) or a P.O. box number 99 ALMADEN BLVD, SUITE 600
	City or town, province or state, and country (including postal or ZIP code) SAN JOSE, CA 95113