

Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

2007

Open to Public Inspection

Department 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 2007 calendar year, or tax year beginning 07-01-2007 and ending 06-30-2008

- 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 Instructions.

C Name of organization: HIGHER EDUCATION POLICY INSTITUTE. Number and street: 152 NORTH 3RD STREET SUITE 705. City or town: SAN JOSE, CA 95112

D Employer identification number: 77-0313194. E Telephone number: (408) 271-2699. F Accounting method: Accrual

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? H(b) If "Yes" enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling? I Group Exemption Number. M Check if the organization is not required to attach Sch B

G Web site: WWW.HIGHEREDUCATION.ORG

J Organization type: 501(c)(3)

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than 25,000

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 8,026,950

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

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Other investment income, Gross amount from sales of assets, Special events, Gross sales of inventory, Other revenue, Total revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit) for the year, Net assets at beginning of year, Other changes in net assets, Net assets at end of year.

Part III 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 (See the instructions.)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach Schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees etc Listed in Part V-A (attach schedule)	300,485	270,437	30,048	
b	Compensation of former officers, directors, key employees etc listed in Part V-B (attach schedule)				
c	Compensation and other distributions not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
26	Salaries and wages of employees not included on lines 25a, b and c	371,481	197,154	174,327	
27	Pension plan contributions not included on lines 25a, b and c	35,115	16,538	18,577	
28	Employee benefits not included on lines 25a - 27	53,084	42,284	10,800	
29	Payroll taxes	37,887	22,485	15,402	
30	Professional fundraising fees				
31	Accounting fees	18,000		18,000	
32	Legal fees				
33	Supplies	17,950	16,549	1,401	
34	Telephone	24,734	22,861	1,873	
35	Postage and shipping	47,703	36,850	10,853	
36	Occupancy	61,824	56,878	4,946	
37	Equipment rental and maintenance	80,696	74,332	6,364	
38	Printing and publications	49,691	42,247	7,444	
39	Travel	186,308	159,548	26,760	
40	Conferences, conventions, and meetings	18,812	18,432	380	
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	9,327	8,581	746	
43	Other expenses not covered above (itemize)				
a	See Additional Data Table				
b					
c					
d					
e					
f					
g					
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,187,943	1,768,455	419,488	0

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 Accomplishments (See the instructions.)

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.

What is the organization's primary exempt purpose? ▶ THE PRIMARY PURPOSES OF HIGHER EDUCATION POLICY INSTITUTE (THE "INSTITUTE") ARE 1 CONDUCT NON-PARTISAN ANALYSES AND POLICY STUDIES EVALUATING THE FUNCTIONING OF HIGHER EDUCATION AND ALTERNATIVES FOR ACHIEVING OPTIMAL ORGANIZATION AND OPERATION OF HIGHER EDUCATION, 2 DISSEMINATE THE RESULTS OF SUCH ANALYSES AND POLICY STUDIES THROUGH PUBLICATION AND PUBLIC PROGRAMS IN ORDER TO IDENTIFY KEY HIGHER EDUCATION ISSUES AND PROMOTE INFORMED PUBLIC DISCUSSION OF SUCH ISSUES, 3 CONDUCT ITS ACTIVITIES KEEPING THE PUBLIC INTEREST AT THE CORE OF ALL SUCH ANALYSES, EVALUATION AND DISCUSSION	<p style="text-align: center;">Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)</p>
---	--

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) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

a 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 policies of higher education to the general public identifying key issues. (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	1,289,421
--	-----------

b 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, 2008 the Institute released various reports including Partnerships for Public Purposes, Engaging Higher Education in Societal Challenges of the 21st Century, Policy Alert: Mixed Signals in California, A Mismatch Between High Schools and Community Colleges, Good Policy, Good Practice - Improving Outcomes and Reducing Costs in Higher Education: A Guide for Policymakers, and Investigating the Alignment of High School and Community College Assessments in California. (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	479,034
---	---------

c (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
d (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	

e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
---	--

f Total of Program Service Expenses (should equal line 44, column (B), Program services) (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	1,768,455
---	-----------

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A)		(B)		
		Beginning of year		End of year		
Assets	45 Cash—non-interest-bearing		250	45	318	
	46 Savings and temporary cash investments		188,326	46	481,385	
	47a Accounts receivable	47a	15,761			
	b Less allowance for doubtful accounts	47b		260,479	47c	15,761
	48a Pledges receivable	48a				
	b Less allowance for doubtful accounts	48b			48c	
	49 Grants receivable		850,000	49	6,670,241	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a		
	b Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule)			50b		
	51a Other notes and loans receivable (attach schedule)	51a				
	b Less allowance for doubtful accounts	51b			51c	
	52 Inventories for sale or use			52		
	53 Prepaid expenses and deferred charges		26,462	53	23,049	
	54a Investments—publicly-traded securities <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV		355,649	54a		
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b		
55a Investments—land, buildings, and equipment basis	55a					
b Less accumulated depreciation (attach schedule)	55b			55c		
56 Investments—other (attach schedule)			56			
57a Land, buildings, and equipment basis	57a	216,812				
b Less accumulated depreciation (attach schedule)	57b	208,825	17,315	57c	7,987	
58 Other assets, including program-related investments (describe <input checked="" type="checkbox"/> _____)			14,043	58	14,043	
59 Total assets (must equal line 74) Add lines 45 through 58		1,712,524	59	7,212,784		
Liabilities	60 Accounts payable and accrued expenses		133,455	60	152,179	
	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 <input checked="" type="checkbox"/> _____)			65		
66 Total liabilities Add lines 60 through 65		133,455	66	152,179		
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		678,024	67	350,364	
	68 Temporarily restricted		901,045	68	6,710,241	
	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 and column (B) must equal line 21)		1,579,069	73	7,060,605	
	74 Total liabilities and net assets / fund balances Add lines 66 and 73		1,712,524	74	7,212,784	

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

a	Total revenue, gains, and other support per audited financial statements	a	7,669,479
b	Amounts included on line a but not on Part I, line 12		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify) _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	7,669,479
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12) Add lines c and d	e	7,669,479

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

a	Total expenses and losses per audited financial statements	a	2,187,943
b	Amounts included on line a but not on Part I, line 17		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify) _____	b4	
	Add lines b1 through b4	b	
c	Subtract line b from line a	c	2,187,943
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17) Add lines c and d	e	2,187,943

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the 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 & deferred compensation plans	(E) Expense account and other allowances
See Additional Data Table				

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued) **Yes** **No**

<p>75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings <u>16</u></p> <p>b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) .</p> <p>c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization"</p> <p>If "Yes," attach a statement that includes the information described in the instructions</p> <p>d Does the organization have a written conflict of interest policy?</p>	75b		No
<p>75c</p>	75c		No
<p>75d</p>	75d	Yes	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (If not paid enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances

Part VI Other Information (See the instructions.) **Yes** **No**

<p>76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change</p> <p>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</p> <p>78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?</p> <p>b If "Yes," has it filed a tax return on Form 990-T for this year?</p> <p>79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement</p> <p>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?</p> <p>b If "Yes," enter the name of the organization ▶ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt</p> <p>81a Enter direct or indirect political expenditures (See line 81 instructions) <u>81a</u></p> <p>b Did the organization file Form 1120-POL for this year?</p>	76		No
<p>77</p>	77		No
<p>78a</p>	78a		No
<p>78b</p>	78b		
<p>79</p>	79		No
<p>80a</p>	80a		No
<p>81a</p>	81a		
<p>81b</p>	81b		No

Part VI Other Information (continued)

Yes No

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?
82b If "Yes," you may indicate the value of these items here
83a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84a Did the organization solicit any contributions or gifts that were not tax deductible?
84b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85c Dues assessments, and similar amounts from members
85d Section 162(e) lobbying and political expenditures
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85h 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?
86 501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12
86b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) orgs. Enter a Gross income from members or shareholders
87b Gross income from other sources
88a 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?
88b At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)?
89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911, section 4912, and section 4955
89b 501(c)(3) and 501(c)(4) orgs. 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?
89c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89d Enter Amount of tax on line 89c, above, reimbursed by the organization
89e All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter transaction?
89f All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?
89g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?
90a List the states with which a copy of this return is filed
90b Number of employees employed in the pay period that includes March 12, 2007
91a The books are in care of
91b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country?

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No

If "Yes," enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year **92**

Part VII Analysis of Income-Producing Activities (See the 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 Contract service fee					155,102
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	42,979	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b non debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-1,082	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a HONORARIUM					9,800
b OTHER REVENUE					2,439
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				41,897	167,341
105 Total (add line 104, columns (B), (D), and (E))					209,238

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the 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)
93a	Contract fee received for research and consulting services with "Jobs for the future" They paid for staff time and reimbursed expenses for production of a publication This activity is related to the organization's exempt purpose
103A	Honoraria received for presentations and speeches on topics of higher education for various organizations
103B	Refund received from IRS for prior year telephone excise tax credit

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the 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
	%			
	%			
	%			
	%			

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

Part XI Information Regarding Transfers To and From Controlled Entities Complete only if the organization is a controlling organization as defined in section 512(b)(13)

				Yes	No
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity					
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	
a					
b					
c					
Totals					

				Yes	No
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity					
	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	
a					
b					
c					
Totals					

		Yes	No
108 Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?			

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	2009-03-13 Date
	PATRICK M CALLAN President Type or print name and title	

Paid Preparer's Use Only	Preparer's signature	LAWRENCE S KUECHLER	Date	2009-03-13	Check if self-employed	<input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See Gen Inst W)
	Firm's name (or yours if self-employed), address, and ZIP + 4	BERGERLEWIS ACCOUNTANCY CORP 55 ALMADEN BLVD STE 600 SAN JOSE, CA 95113			EIN		
					Phone no	(408) 494-1200	

SCHEDULE A
(Form 990 or 990EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information—(See separate instructions.)

OMB No 1545-0047

2007

Department of the Treasury
Internal Revenue Service

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

Name of the organization
HIGHER EDUCATION POLICY INSTITUTE

Employer identification number

77-0313194

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the 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 & deferred compensation	(e) Expense account and other allowances
GAIL E MOORE 152 N 3RD ST SUITE 705 SAN JOSE, CA 95112	dir admin 40 00	94,043	15,965	0
HOLLY EARLYWINE 152 N 3RD ST SUITE 705 SAN JOSE, CA 95112	ACTG MANAGER 40 00	75,237	10,129	0
Daphne Borroneo 152 N 3RD ST SUITE 705 SAN JOSE, CA 95112	dir comm 40 00	52,000	11,015	0
Total number of other employees paid over \$50,000	0			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individual 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
NCHEMS 3035 center green drive 150 boulder, CO 80301	Research Data for MU 2008	212,282
Joni Finney 102 Captains way philadelphia, PA 19146	Consulting	69,547
Total number of others receiving over \$50,000 for professional services		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services		

Part III **Statements About Activities** (See page 2 of the instructions.)

Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, include 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 ▶\$ _____(Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)</p> <p>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</p>	1		No
<p>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.) 🗨</p>	2a		No
<p>a Sale, exchange, or leasing property?</p>	2b		No
<p>b Lending of money or other extension of credit?</p>	2c	Yes	
<p>c Furnishing of goods, services, or facilities?</p>	2d	Yes	
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	2e		No
<p>e Transfer of any part of its income or assets?</p>	3a		No
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)</p>	3b	Yes	
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3c		No
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement</p>	3d		No
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	4a		No
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g</p>	4b		
<p>b Did the organization make any taxable distributions under section 4966?</p>	4c		
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>			
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 0 _____</p>			
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ 0 _____</p>			

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)I certify that 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 otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
- Type I Type II Type III - Functionally Integrated Type III - Other

Provide the following information about the supported organizations. (see page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support?
			Yes	No	
Total					<input type="checkbox"/>

- 14** An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the 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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	1,772,000	4,654,000	4,249,584	3,216,100	13,891,684
16 Membership fees received					0
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	172,943				172,943
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	86,515	47,486	21,373	19,682	175,056
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets	25,128	17,725	26,861	6,687	76,401
23 Total of lines 15 through 22	2,056,586	4,719,211	4,297,818	3,242,469	14,316,084
24 Line 23 minus line 17	1,883,643	4,719,211	4,297,818	3,242,469	14,143,141
25 Enter 1% of line 23	20,566	47,192	42,978	32,425	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a 282,863
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 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					26b 7,320,548
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 14,143,141
d Add Amounts from column (e) for lines	18 175,056	19 0			
	22	26b	7,320,548		
e Public support (line 26c minus line 26d total)					26e 6,571,136
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 46.46 16 %
27 Organizations described on line 12:					
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 (2006) _____ (2005) _____ (2004) _____ (2003) _____					
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 11b, 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 (2006) _____ (2005) _____ (2004) _____ (2003) _____					
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 _____
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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					27h _____

Part V Private School Questionnaire (See page 7 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	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?	29	
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?	30	
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)	31	
<hr/>		
<hr/>		
<hr/>		
32 Does the organization maintain the following	32a	
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)		
<hr/>		
<hr/>		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
<hr/>		
<hr/>		
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
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	34b	
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	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768)Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

(a)
Affiliated group
totals**(b)**
To be completed
for all electing
organizations

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— 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	
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 on page 11 of the instructions)**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

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

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (Add lines **c** through **h**.)

Yes	No	Amount

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
(ii) Other assets

b Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Table with columns: Question, Yes, No. Rows for 51a(i), 51a(ii), 51b(i), 51b(ii), 51b(iii), 51b(iv), 51b(v), 51b(vi), 51c.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If "Yes," complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Additional Data

Software ID:
Software Version:
EIN: 77-0313194
Name: HIGHER EDUCATION POLICY INSTITUTE

Form 990, Part II, Line 43 - Other expenses not covered above (itemize):

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a MEMBERSHIP FEES	43a	6,212	5,814	398	
b TRAINING	43b	3,282	1,686	1,596	
c INSURANCE	43c	12,934	11,899	1,035	
d MISCELLANEOUS	43d	4,201	3,865	336	
e office parking	43e	8,176	7,522	654	
f office operation	43f	13,008	11,967	1,041	
g CONSULTANTS	43g	688,970	651,782	37,188	
h TEMPORARY SERVICES	43h	48,884	30,207	18,677	
i BOARD EXPENSE	43i	30,642		30,642	
j INTERNET EXPENSE	43j	16,351	16,351		
k MAILING LIST	43k	12,620	12,620		
l RETRIEVAL SERVICES	43l	29,566	29,566		

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(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 & deferred compensation plans	(E) Expense account and other allowances
JAMES B HUNT JR 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Chairman 0 50	0	0	0
GARREY CARRUTHERS 152 N3RD STREET SUITE 705 SAN JOSE, CA 95112	Vice Chairman 0 50	0	0	0
PATRICK M CALLAN 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	President 40 00	239,122	60,844	519
RAMON C CORTINES 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
VIRGINIA B EDWARDS 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
CHARLES EM KOLB 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
JAMES M FURMAN 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
ROBERT H MCCABE 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
JOANNE CORDAY KOZBER 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
ROBERT H ATWELL 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0

Form 990, Part V-A - Current Officers, Directors, Trustees, and Key Employees:

(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 & deferred compensation plans	(E) Expense account and other allowances
THOMAS J TIERNEY 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
HAROLD M WILLIAMS 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
VIRGINIA B SMITH 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Founding Dir 0 50	0	0	0
ARTURO MADRID 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	director 0 50	0	0	0
MATTHEW H KISBER 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
DEBORAH WADSWORTH 152 N 3RD STREET SUITE 705 SAN JOSE, CA 95112	Director 0 50	0	0	0
jack scott 152 N 3RD STREET SUITE 705 sAN JOSE, CA 95112	director 0 50	0	0	0

TY 2007 Depreciation and Depletion Schedule

Name: HIGHER EDUCATION POLICY INSTITUTE

EIN: 77-0313194

Asset	Amount
upgrade phone systems	1,464
logo sign	1,005
Cabling suite 701&705	334
Casework workroomkitchen	864
lighting drilling	1,089
LAPTOP	920
cubicles	923
Xerox Copier	2,728

TY 2007 Gain/Loss from Sale of Public Securities Schedule**Name:** HIGHER EDUCATION POLICY INSTITUTE**EIN:** 77-0313194**Gross Sales Price:** 356,389**Basis:** 357,471**Sales Expenses:** 0**Total (net):** -1,082

TY 2007 Land etc. Schedule

Name: HIGHER EDUCATION POLICY INSTITUTE

EIN: 77-0313194

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
Toshiba Laptop	2,379	2,379	0
2 computers	3,506	3,506	0
2 pentiums3 monitors	5,384	5,384	0
2 pentiums 2 monitors	5,087	5,087	0
2 pentium iii viewsonics	4,919	4,919	0
Server System	7,279	7,279	0
Server System	11,198	11,198	0
23" monitor	3,167	3,167	0
ARC Phone equipment	10,420	10,420	0
ARC Phone equipment	2,420	2,420	0
Fuller-desk table chair	5,728	5,728	0
copier	11,231	11,231	0
Cherry lateral files	1,290	1,290	0
lateral files	1,593	1,593	0
upgrade phone systems	8,781	8,781	0
logo sign	5,022	4,855	167
lexus	39,304	39,304	0
Cabling suite 701&705	4,518	4,518	0
Casework workroomkitchen	11,666	11,666	0
leasehold improvements	35,941	35,941	0
lighting drilling	14,710	14,710	0
LAPTOP	3,012	3,012	0
cubicles	4,617	3,617	1,000
Xerox Copier	13,640	6,820	6,820

TY 2007 Other Assets Schedule

Name: HIGHER EDUCATION POLICY INSTITUTE

EIN: 77-0313194

Description	Beginning of Year Amount	End of Year Amount
DEPOSITS & OTHER ASSETS	14,043	14,043

TY 2007 Other Income Schedule

Name: HIGHER EDUCATION POLICY INSTITUTE

EIN: 77-0313194

Description	2006	2005	2004	2003	Total
CONSULTING HONORARIUM PUBLICATION SALE	25,128	17,725	26,861	6,687	76,401

TY 2007 Self Dealing Statement

Name: HIGHER EDUCATION POLICY INSTITUTE

EIN: 77-0313194

Line Number	Explanation
2c	See line 2d explanation.
2d	See Form 990, Part VThe law firm of the Chairman of the Board received stipend payments totaling \$50,000 for management services during the year ended June 30, 2008.Dolores Dowdle, an officer of the Institute, serves in the capacity of corporate counsel and was paid \$37,188 for management and legal services for 2007-08.