



UTAH SYSTEM OF
HIGHER EDUCATION

Building a Stronger State of MindsSM

Tuition Structure and How It is Set
Regent & Trustee Training

Dr. Gregory L. Stauffer, Associate Commissioner for Planning, Finance & Facilities
Office of the Commissioner

July 18, 2013

This Page Intentionally Left Blank

Regent and Trustee Roles in the Tuition and Fee Process

Welcome to the tuition and general student fee setting and approval process. As a Regent or Trustee, you play an important role in the process, providing “outside eyes” and valuable guidance to those depending on appropriate, accurate, and timely tuition and fee schedules.

The following narrative and presentation will introduce you to the tuition rate setting process, different types of tuition, general student fees, and how all these sources of funds impact campus services. While there will be a brief overview of Regent policies, we invite you to become familiar with all Regent tuition and fee policies (R510 – R513) located at higheredutah.org/policies. Trustees will also want to review individual campus policies located on their respective campus websites.

Where Does My Tuition Go?

Tuition is pooled with other revenue sources such as state tax appropriations, federal appropriations, grants, scholarships, and financial aid in covering the costs of operating an institution. As it relates to tuition specifically, about half (49%) goes to direct instructional costs (salaries and benefits), 14% to institutional support for administration, business operations, IT, development, and 12% to operations and maintenance of facilities, management, and public safety. The remaining 25% supports other activities such as academic support, student services, libraries, public service, research, and athletics.

First Tier Tuition

First tier tuition rate increases are uniform for all institutions, implemented at the same time, and are based on evaluations of inflation data (CPI, HEI), regional and peer comparisons (WUE, WICHE), and justified by specific needs. [R510-3.1.] First tier increases are set by the Board of Regents.

Tier one increases cover the legislatively mandated portion of compensation as well as other statewide needs. In addition to compensation, they also have been used to address student financial aid, student support, student enrollment, reductions in state tax funding, and other institutional needs. The actual funding amount institutions receive depends on their level of tuition dependency, tuition discounting, and waivers.

In FY14, the first tier increase rate was 5% with two-thirds going to compensation and one-third to student support and enrollment declines. Rate increases for the last ten years have averaged 3.5%, with a high of 5% and low of 1%.

Second Tier Tuition

Each institutional President, with the approval of the institutional Board of Trustees, is also provided the flexibility to propose a second tier of tuition rate increase to meet specific institutional needs. These rate increases may apply to all programs equally or they may be different for specific programs. [R510-3.2] The Board of Regents must ultimately approve the recommendations emanating from institutional Boards of Trustees.

Second tier tuition was first available to institutions as a funding source during the 2001-02 fiscal year. Rates may vary by institution as individual priorities and funding needs differ. Historically, uses have been for compensation, libraries, information technology, student services, and student enrollment.

In FY14, most institutions (6 of 8) decided not to propose a second rate increase due to funding needs being met with the first tier increase. The other two institutions proposed a modest 1% for estimated student enrollment declines. Rate increases for the last ten years have averaged 4.2% with a high of 27.1% and low of 0.0%

Resident Tuition

Individuals who can prove by substantial evidence, that prior to the first day of classes for the term the students seeks to attend as a resident student, he or she has established domicile in Utah and satisfies relevant waiting periods; or meets one or more of the other criteria defining a “resident student” as set forth in policy R512-3.3.

Non-resident Tuition

Individuals not able to meet the requirements for residency status will ordinarily be deemed a non-resident student for tuition payment purposes. Generally, non-residents will pay at least 3 times resident tuition.

Graduate Tuition

Education beyond a bachelor's degree involves more directed study from specialized faculty, research equipment, libraries, specialized laboratories, and clinical facilities not normally found in the undergraduate programs.

Students who have been formally admitted to a graduate program at the institution will pay tuition set at no less than one hundred ten percent (110%) of tuition for undergraduate students. This applies for both resident and non-resident students, and may include programmatic differential tuition. [R510-3.6]

Differential Tuition

Different tuition schedules for undergraduate and graduate programs may be authorized by the Board on a case by case basis. Increased revenues from student differential tuition rates are used by the institution to benefit the impacted program and to support related campus services. Institutions requesting differential tuition schedules should consult with students in the program, and consider how increases will affect market demand, access and retention, graduates earning capacity, and how they compare with similar institutions. [R510-4.2]

In FY14, there are 48 graduate and 4 undergraduate programs with approved differential tuition schedules.

Tuition Discounting

Financial aid and scholarships offered by the institution to students that reduces the amount students pay for tuition in effect offsets "full sticker price" and is considered tuition discounting. The net tuition after discounting and waivers is considerably less than published rates.

Tuition Waivers

Full or reduced tuition waivers for students continue to impact published tuition rates. Waivers are either mandated or given institutional discretion by statute. There are over a dozen specific waivers for military and their dependents, senior citizens, faculty & staff, police & firefighter survivors, public school teachers, merit non-residents, border, alumni, athletics, or inter-state reciprocal agreements. The largest waiver

category allowed is for meritorious resident students; institutions may waive up to 10% of the total amount of tuition collections under this category. [R513]

In FY12, the average waiver amount was 13.4% of total tuition, with a high of 19.1% and low of 5.2%. All tuition waivers and discounting is factored in when estimating additional revenue to be generated from tuition increases and thereby available to cover institutional costs of operation.

Tuition Setting Process

During a normal tuition setting process, the following sequence of events is followed.

- 1) On campus meetings with President, Executives, Budget Offices, & others to determine institutional needs for the coming year
- 2) Counsel of Presidents and Commissioner discuss 1st tier tuition rate proposals
- 3) Legislative session ends and new year state appropriations are determined
- 4) Proposed 1st tier tuition rates are taken to State Board of Regents for approval
- 5) Institutions propose 2nd tier tuition rates and informally notify Trustees
- 6) Public Truth-in-Tuition hearings are held at each institution
- 7) Institutional 2nd tier tuition rates are formally approved by Boards of Trustees
- 8) System-wide 1st tier and institutional specific 2nd tier tuition rates presented to Board of Regents for approval

Truth-in-Tuition

Campus administrators advertise and hold public hearings on campus during the Legislative session (prior to final tuition decisions), to propose tier 1 and tier 2 undergraduate tuition rate increases and specific funding needs of the institution. [Utah Code 53B-7-101.5]

Linear and Plateau Tuition

Institutions may use either a linear tuition model, in which the incremental tuition charge per student credit hour generally is the same without regard to the number of hours for which a student is enrolled, or a plateau model, in which student charges within a credit hour range remain constant.

Plateau or constant tuition can range between 10 and 20 hours, with institutions deciding the appropriate range. Most institutions consider full-time status of Financial Aid (12 undergraduate credit hours) or full-time equivalency (15 undergraduate credit hours), when determining plateau range. Alternative tuition schedules for on-line courses, contract courses, and specific programs are outlined in policy R510-4.

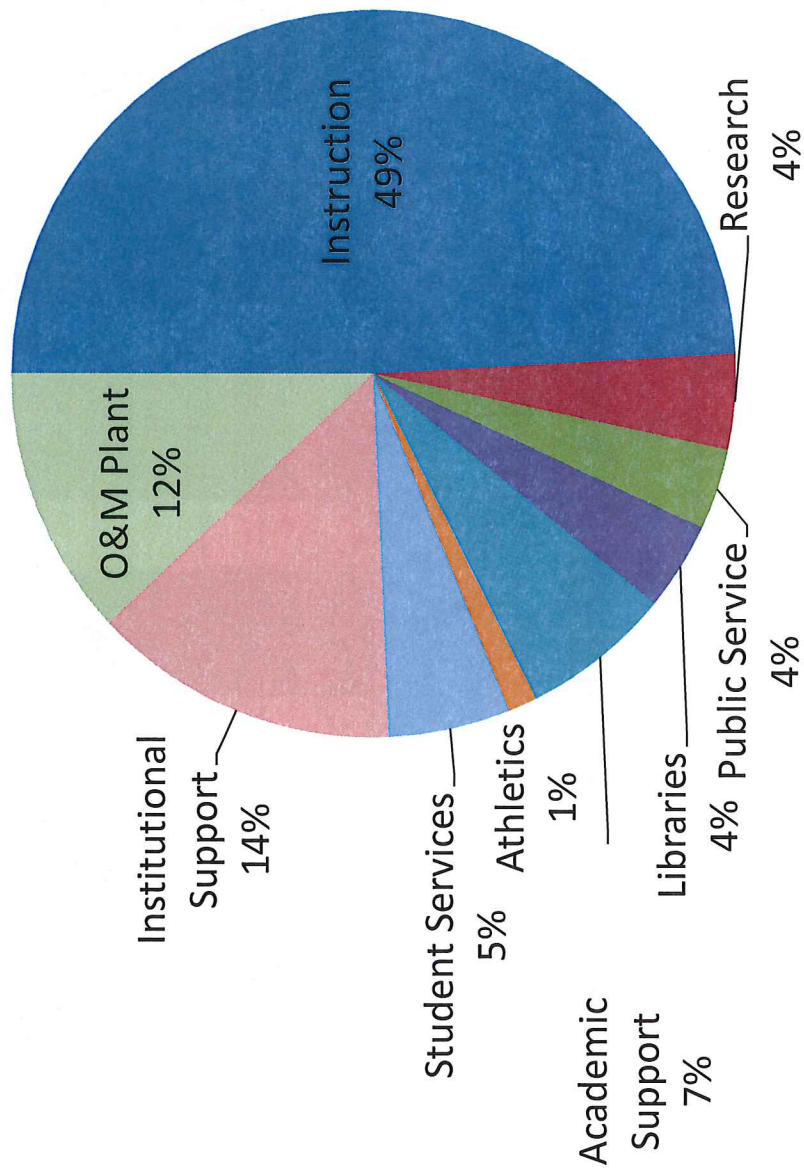
General Student Fees

All general fees (as differentiated from course-specific fees) are subject to Board of Regents approval, normally in conjunction with annual determination of tuition rates. Fees may vary according to specific institutional needs and must adhere to institutional policy. Each institution has an established advisory board to oversee creation, review and maintenance of required student fees and student input is a critical component of this process. [R510-5]



Where Does My Tuition Go?

Appropriated Fund Expenditures by Activity 2011-12

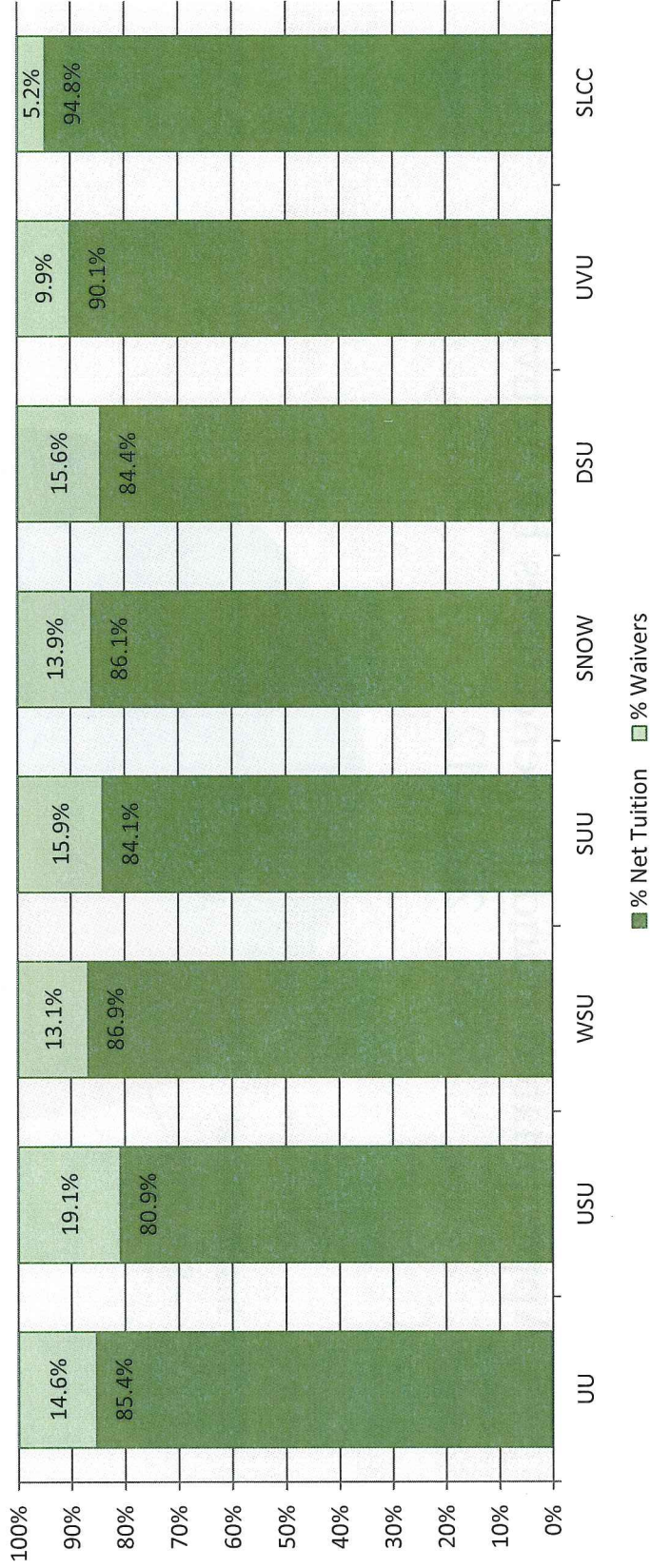


Source: A-1 Actual



Tuition Waivers

Actual Percent of Waivers Used by Institution 2011-2012



Source: R-1 Actual



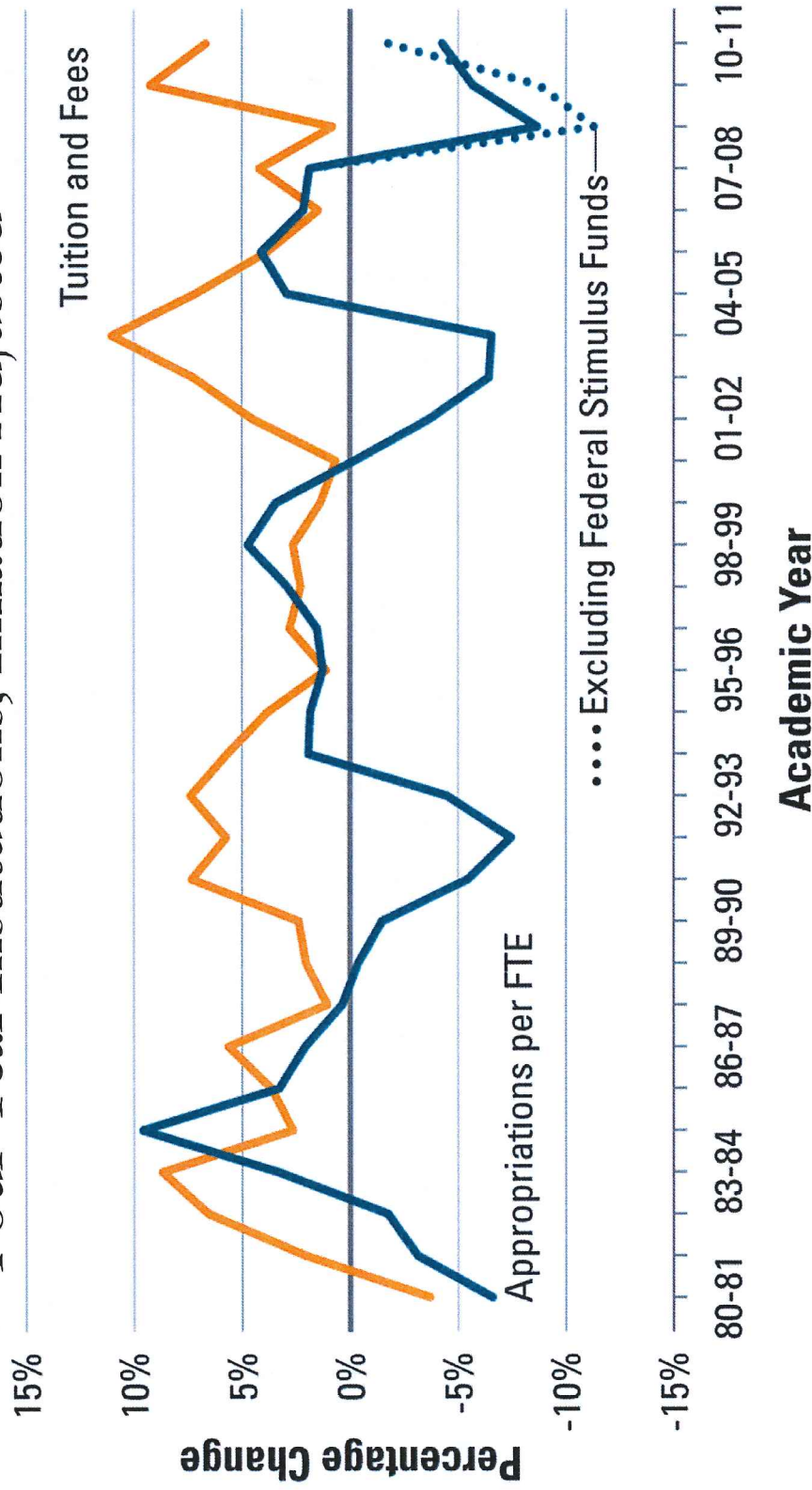
Tuition History

USHE Undergraduate Resident Tuition Increases

Institution	2009-10	2010-11	2011-12	2012-13	2013-14
UU	9.5%	9.5%	7.8%	6.0%	5.0%
USU	5.5%	7.5%	9.0%	6.0%	5.0%
WSU	6.5%	6.0%	6.0%	5.0%	5.0%
SUU	6.5%	12.5%	11.0%	6.5%	5.0%
Snow	9.5%	9.5%	7.0%	7.0%	5.0%
DSU	8.1%	11.4%	11.8%	5.5%	5.0%
UVU	8.7%	6.0%	7.4%	4.5%	6.0%
SLCC	4.0%	6.0%	5.0%	4.5%	6.0%
USHE Average	7.5%	8.7%	8.1%	5.6%	5.3%
USHE First-tier only	1.0%	1.5%	5.0%	4.5%	5.0%



Annual Percentage Changes in State Appropriations per Full-Time Equivalent (FTE) and in Tuition and Fees at Public Four-Year Institutions, Inflation Adjusted

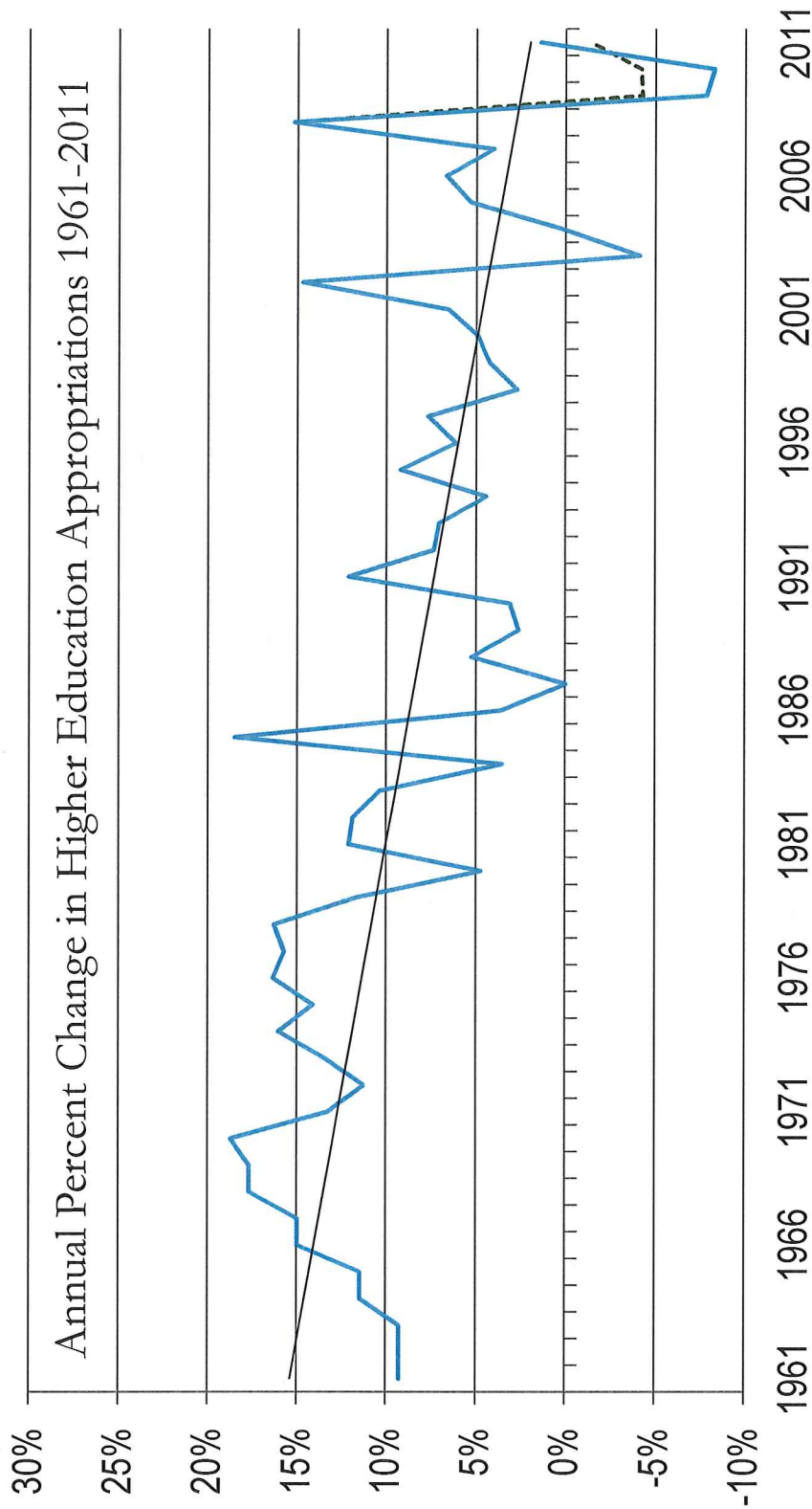


Sources: The College Board, *Annual Survey of Colleges*; Illinois State University, *Grapevine* reports; NCES, *Digest of Education Statistics 2008*, Table 219.



State Investment is Critical to Affordability

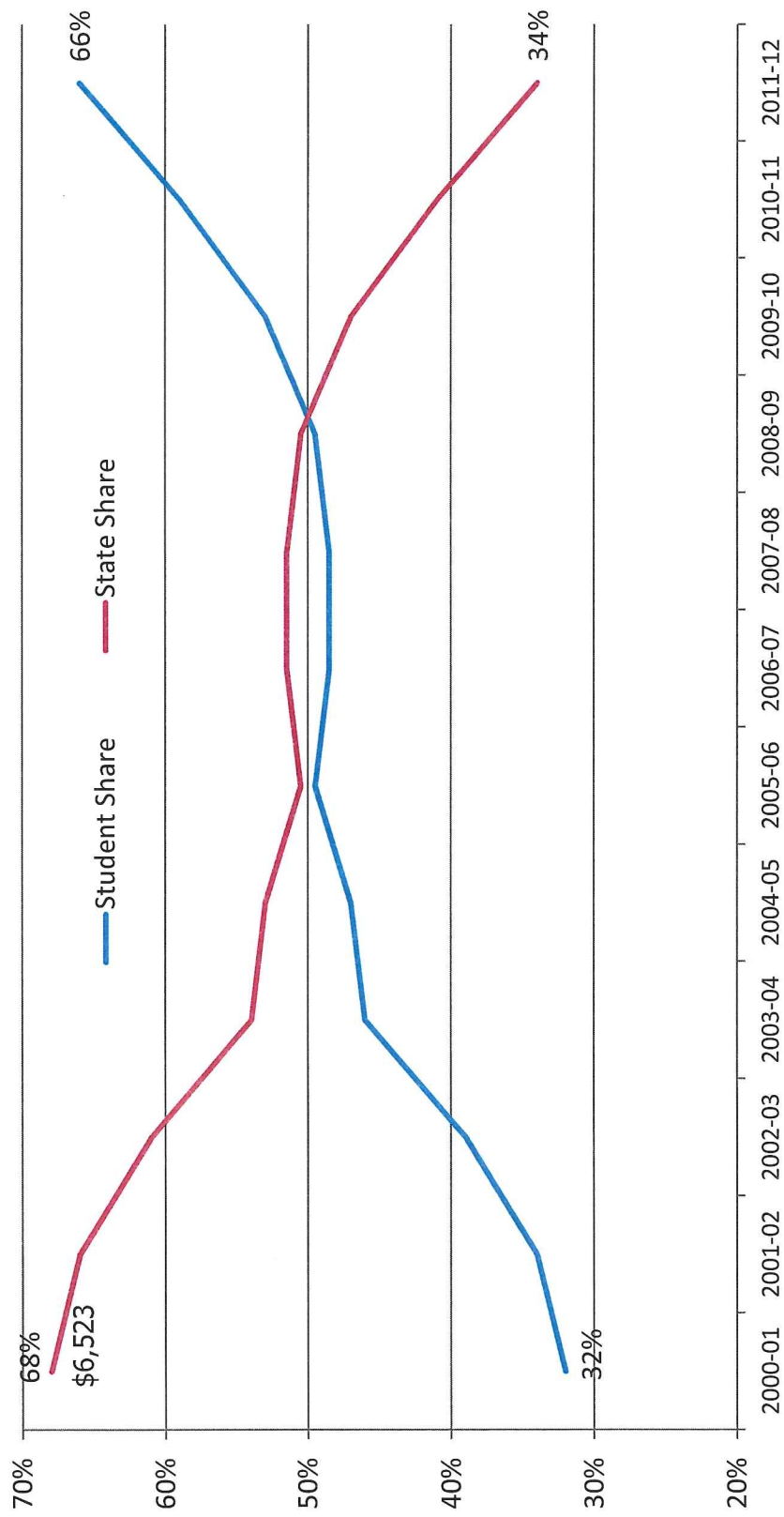
We won't get there by maintaining the status quo



Source: NASBO "Improving Postsecondary Education Through the Budget Process: Challenges & Opportunities, Spring 2013



Resident Student's Share of College Cost National Trend

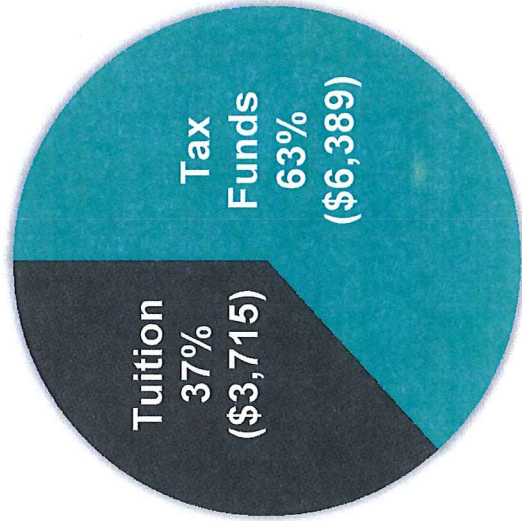


Source: NCHEMS, Colorado Commission on Higher Education, "Some Basic Facts about Colorado Higher Education"

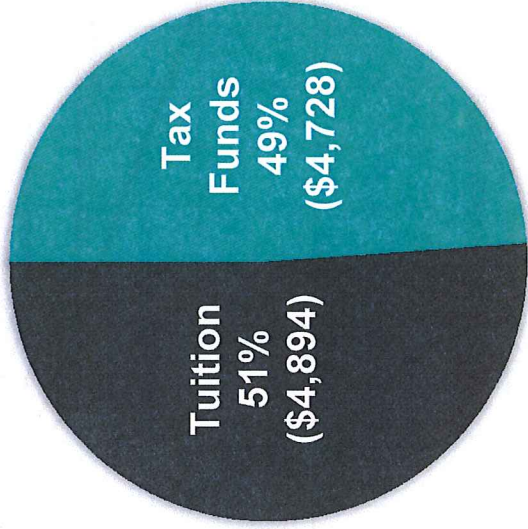


Affordability Depends on Partnership between Legislature and Higher Education Funding per Student FTE

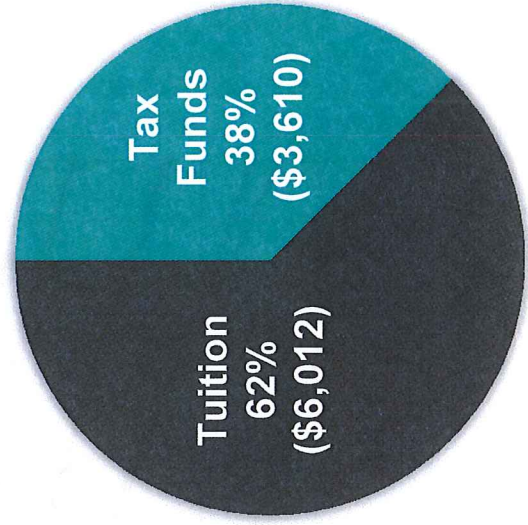
FY 2008



FY 2013



FY 2023

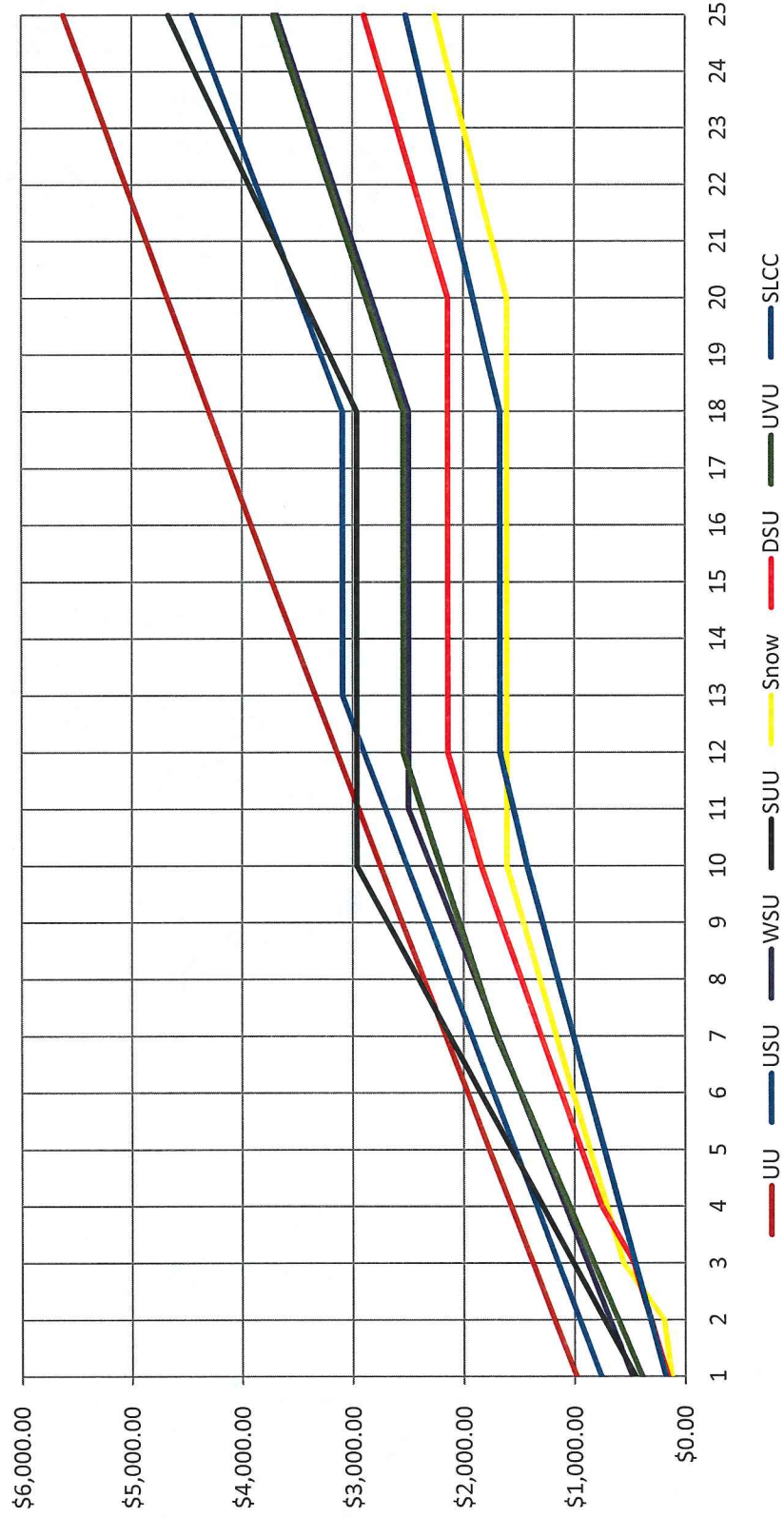


- Since FY 2008, tax funding per full-time students has decreased \$1,661
- Including tuition, total funding per full-time student has decreased \$482
- Projected FY 2023 with flat tax funds and tuition covering 100% of increases



Linear and Plateau Tuition

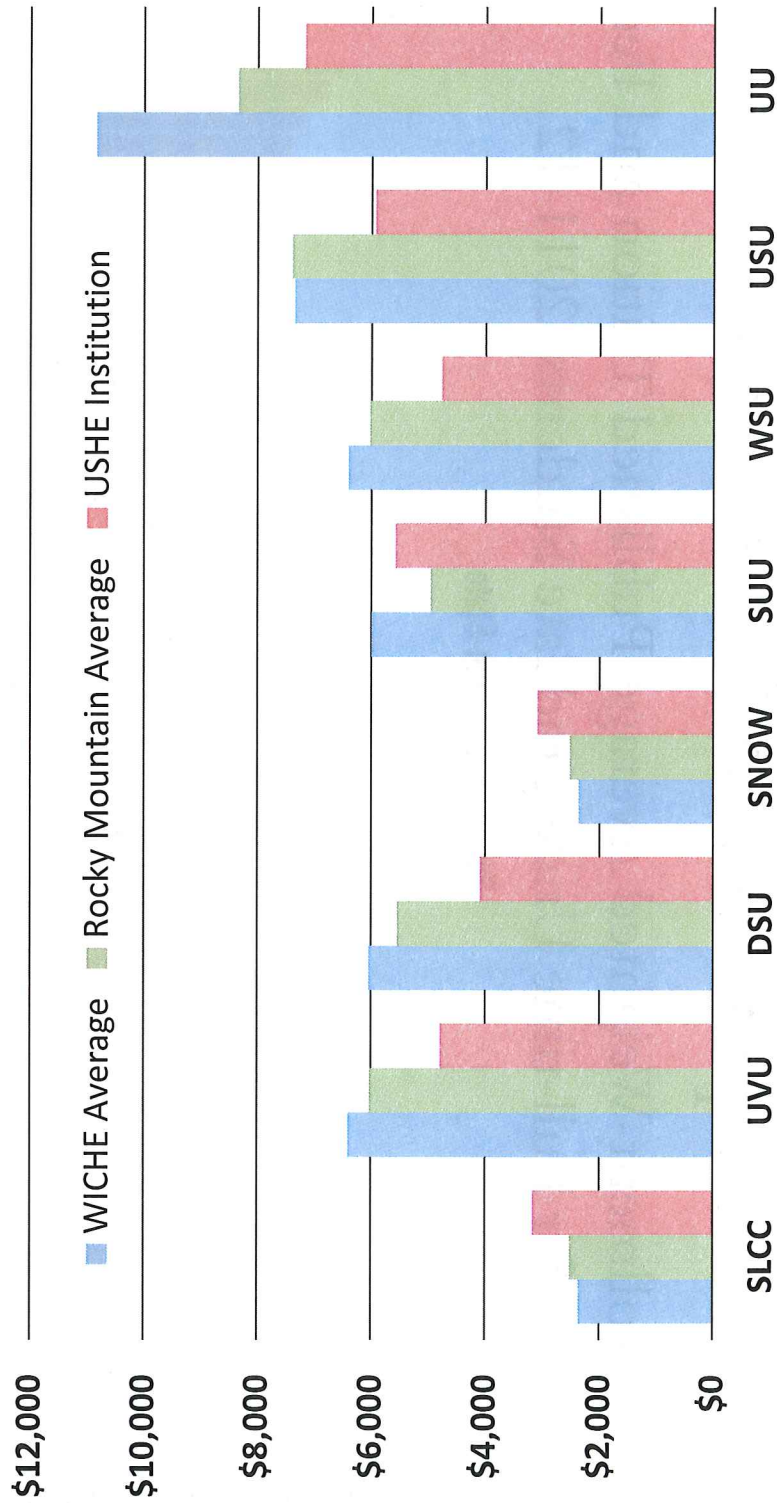
Utah System of Higher Education
2013-14 Tuition and Fees by Credit Hour
Resident Undergraduate Students





Comparison to Regional Institutions

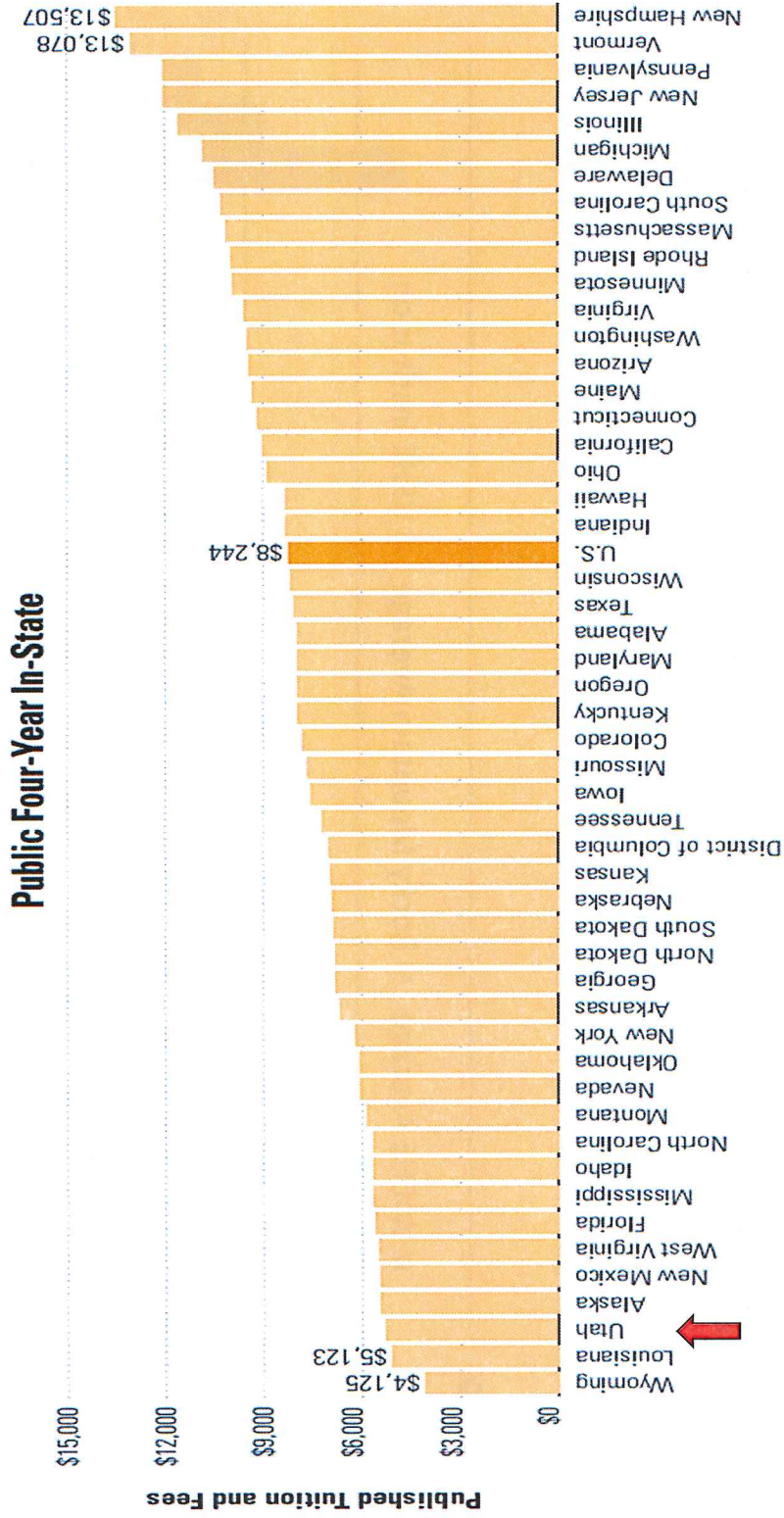
Utah Resident Undergraduate 2012-13





Comparison to Other States

Enrollment-Weighted Average Published Tuition and Fees for Full-time Undergraduate Students, 2011-12



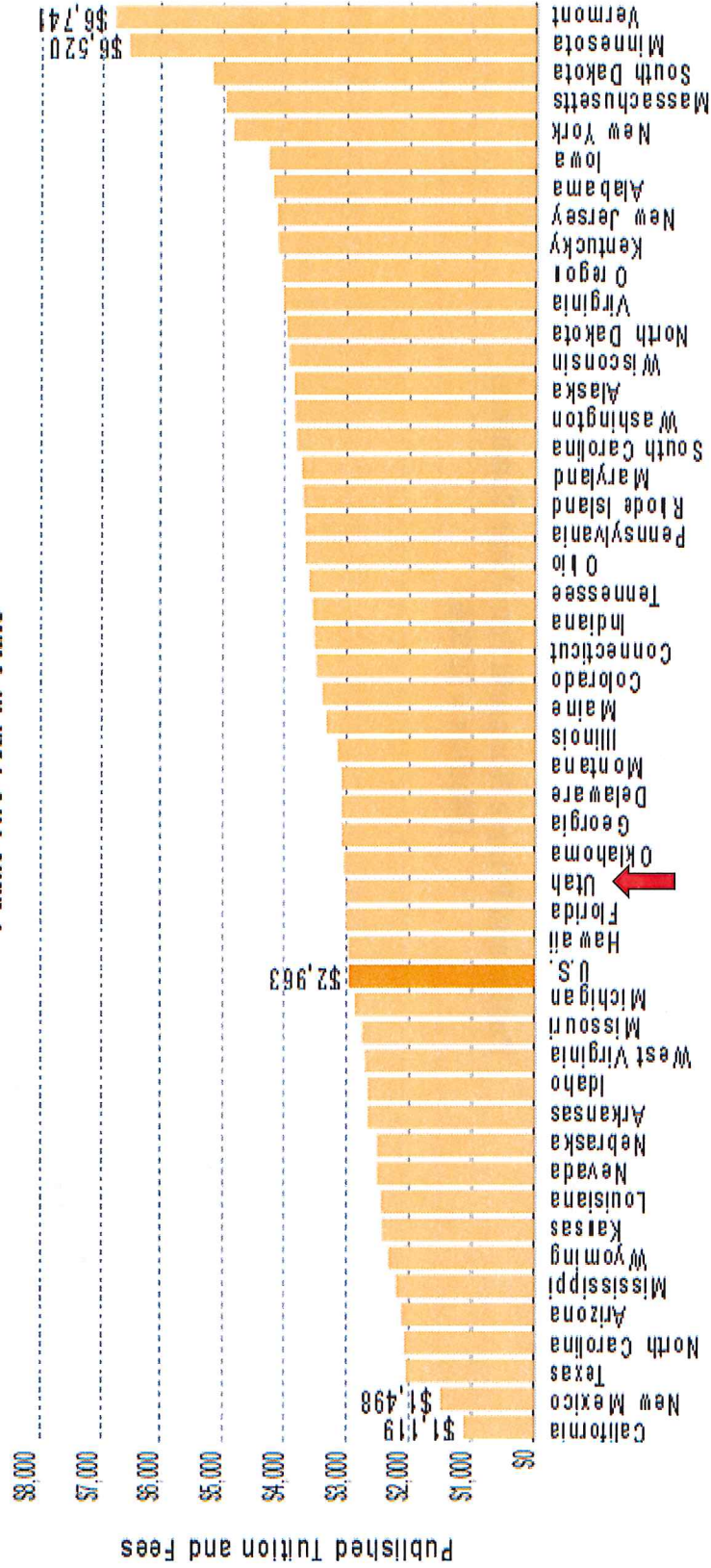
Source: College Board, Trends in Higher Education Series, July 2012



Comparison to Other States

Enrollment-Weighted Average Published Tuition and Fees for Full-time Undergraduate Students, 2011-12

Public Two-Year In-State

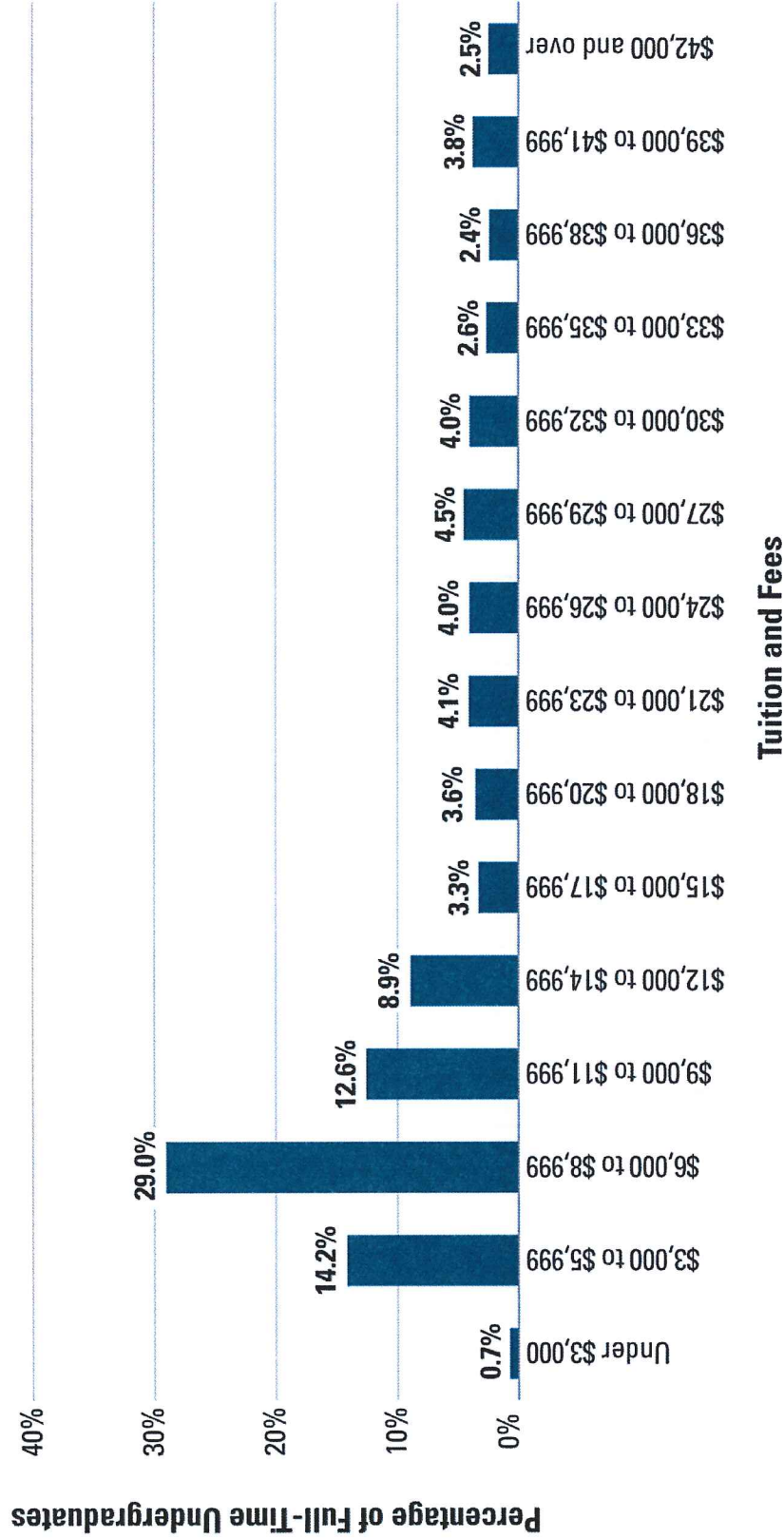


Source: College Board, Trends in Higher Education Series, July 2012



% Distribution of Full-time Undergraduates at Four Year Institutions by Tuition and Fees, 2011-12

Public and Private Nonprofit Four-Year Combined
(Median = \$9,936)



Source: The College Board, Annual Survey of Colleges.



General Student Fees

2013-14 UNDERGRADUATE STUDENT FEES

Annual Fee Rate for a Full-Time Student (Fifteen Credit Hours for 2 Consecutive Semesters)

	UU	USU	WSU	SUU	Snow	Dixie	UVU	SLCC
Student Activity/ Support Fees	\$140.82	\$208.16	\$257.72	\$118.00	\$63.90	\$290.10	\$119.72	\$123.50
Building Bond Fees	0.00	177.60	241.72	212.00	0.00	0.00	226.68	118.00
Building Support Fees	258.48	17.50	57.68	110.00	234.60	131.30	94.44	57.00
Athletic Fees	168.02	258.76	121.00	204.00	42.00	130.00	213.52	60.00
Health Fees	40.96	82.36	50.70	8.00	9.60	14.50	21.20	29.00
Technology Fees	227.04	127.72	91.64	64.00	31.90	77.10	28.68	20.50
Other Fees	111.00	40.00	10.44	0.00	8.00	0.00	13.76	10.00
Total Fees	\$946.32	\$912.10	\$830.90	\$716.00	\$390.00	\$643.00	\$718.00	\$418.00

Note: Distributions refer to Main Campuses only. Branch campuses and centers may have different fee schedules (typically lower)



General Student Fees

Annual Full-time Undergraduate Student Fees by Activity 2013-14

