Economic Intelligence:
Tuition and State Aid Review
Value of Nonresident Students
Measuring College Affordability

Presentation to the Utah State Board of Regents
January 24, 2020
Baseline analysis for further policy discussion of state aid
Commissioned by Utah System of Higher Education, December 2018

Tuition and State Aid
- Published tuition and fees
- Share of students awarded aid
- Average net price for aid recipients
- Policy, definition, tuition model observations

Value of Nonresident Students
- Nonresident share of students over time
- Nonresident students by institution
- Economic and fiscal impacts of students
- Nonresident students in Utah’s economy

Insights for Measuring Affordability
- Alternatives for measuring unmet need
- Return on investment
- Framing affordability

Highlights for today:
Tuition and State Aid

The Gardner Institute summarizes the current state of tuition and fees, net price, and share of students receiving aid at Utah schools, and provides a comparison to the WICHE region. Based on additional research, provides insights on policies, definitions, and tuition models.
Comparisons with WICHE schools

Western Interstate Commission for Higher Education
WICHE Region

Note: The WICHE Region also includes the Northern Mariana Islands and Guam, which are not included in this analysis.
Utah published rates essentially average

Published Tuition and Fees at Public Four-Year Institutions
(inflation adjusted)

Source: U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS) and the Bureau of Labor Statistics

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Utah net prices have declined, are below average

Average Annual Net Price for Students Awarded Aid
(inflation adjusted)

- Utah, Four-Year: $12,592 (2008-09)
- Other WICHE States, Four-Year: $12,143 (2016-17)

2008–09 to 2016–17 Change:
- Utah: −13.7%
- Other WICHE: States: +6.2%

Note: Y-axis does not begin at zero.
Source: U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS) and the Bureau of Labor Statistics
Increasing aid for Utah students, still below average

Share of Undergraduate Students Awarded Grant Aid

Note: Y-axis does not begin at zero.
Source: U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS)

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Some additional findings/observations

Policy, Definitions, and Tuition Models

- There is variation in the existence of formal, written policies on state aid at USHE institutions
- There are gaps, overlaps, and inconsistencies in terminology and definitions related to tuition and aid
- The categorization and definition of fees varies across USHE institutions
- Peer-reviewed research comparing plateau and linear plateau tuition models is lacking
Value of Nonresident Students

The Gardner Institute assesses the benefit of nonresident students in Utah, including estimated economic and fiscal impacts, and a brief analysis of graduates working in Utah.
Increasing nonresident enrollments

Nonresident Share of Total Enrollment at USHE Institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>Nonresident Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010–11</td>
<td>11.1%</td>
</tr>
<tr>
<td>2011–12</td>
<td>11.4%</td>
</tr>
<tr>
<td>2012–13</td>
<td>12.2%</td>
</tr>
<tr>
<td>2013–14</td>
<td>13.9%</td>
</tr>
<tr>
<td>2014–15</td>
<td>15.1%</td>
</tr>
<tr>
<td>2015–16</td>
<td>15.6%</td>
</tr>
<tr>
<td>2016–17</td>
<td>16.0%</td>
</tr>
<tr>
<td>2017–18</td>
<td>16.0%</td>
</tr>
</tbody>
</table>

Source: Kem C. Gardner Policy Institute analysis of Utah System of Higher Education data
Increasing nonresident enrollments

Nonresident Student Enrollment at USHE Institutions
Count and share of total enrollment, 2017-2018

Source: Kem C. Gardner Policy Institute analysis of Utah System of Higher Education data
Nonresident students impact through spending

USHE Nonresident Student Spending, 2017–18 (Millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Student Spending</td>
<td>$549.1</td>
</tr>
<tr>
<td>Less In-State Wages</td>
<td>–$157.5</td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>–$37.9</td>
</tr>
<tr>
<td>Net Student Spending</td>
<td>$353.7</td>
</tr>
</tbody>
</table>

Total Economic Impact

- Jobs: 7,694
- Personal Income: $327.4
- GDP: $549.8

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model
Nonresident students generate state and local revenue

Fiscal Impacts of Nonresident USHE Students, 2017–18

$17.2 Million Net Revenue

Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model
Nonresident students support the economy

USHE Graduates Employed in Utah
One and six years after graduation, 2012 Cohort

Resident
One Year Out: 66%
Six Years Out: 58%

Nonresident
One Year Out: 26%
Six Years Out: 21%

Total
One Year Out: 62%
Six Years Out: 54%

Source: Kem C. Gardner Policy Institute analysis of data from Utah Data Research Center
Increase in nonresidents working in Utah

USHE Graduate Cohorts Employed in Utah
One year after graduation, 2012 and 2017

Resident
- 2012 Cohort: 66%
- 2017 Cohort: 74%

Nonresident
- 2012 Cohort: 26%
- 2017 Cohort: 39%

Total
- 2012 Cohort: 62%
- 2017 Cohort: 67%

*Only includes students graduating in the first seven months of 2017
Source: Kem C. Gardner Policy Institute analysis of data from Utah Data Research Center
Measuring Affordability

The Gardner Institute outlines and applies existing methods for determining unmet need and return on investment to several hypothetical examples. We frame affordability in terms of cost, ability to pay, and lifetime value of a degree.
Unmet need: pre-college resources

FASFA and Rule of 10 Results for Hypothetical Utah Student
Family of four with two college students (per student), 2016-2017

Source: Kem C. Gardner Policy Institute analysis of the U.S. Census Bureau and the U.S. Department of Education’s Integrated Postsecondary Education Data System data
Return on investment: post-college resources

Net Present Value of a College Degree
Hypothetical Utah Student, 2016-2017
3.76% discount rate, 14-year scenario

- Living off campus, with family: $87,884
- Living on campus: $68,059
- Living off campus, not with family: $58,035

Source: Kem C. Gardner Policy Institute analysis of the U.S. Census Bureau and the U.S. Department of Education’s Integrated Postsecondary Education Data System data.
Table 3.1: Estimated Returns on a College Degree in Utah, Based on Net Present Value, 2016

<table>
<thead>
<tr>
<th>Living Situation While Enrolled</th>
<th>Scenario 1: 10 Year Timeline, Total Initial Cost</th>
<th>Scenario 2: 10 Year Timeline, Cost Spent During First Four Years</th>
<th>Scenario 3: 14 Year Timeline, Cost Spent During First Four Years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Discount Rate: 1.81% (Low Bound)</strong></td>
<td></td>
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</tr>
<tr>
<td>Living On Campus</td>
<td>$95,038</td>
<td>$37,426</td>
<td>$87,270</td>
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<tr>
<td>Living Off Campus Not With Family</td>
<td>$84,055</td>
<td>$26,923</td>
<td>$76,767</td>
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<tr>
<td>Living Off Campus With Family</td>
<td>$116,760</td>
<td>$58,201</td>
<td>$108,045</td>
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<tr>
<td><strong>Discount Rate: 3.76% (Medium Bound)</strong></td>
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</tr>
<tr>
<td>Living On Campus</td>
<td>$81,570</td>
<td>$28,713</td>
<td>$68,059</td>
</tr>
<tr>
<td>Living Off Campus Not With Family</td>
<td>$70,587</td>
<td>$18,689</td>
<td>$58,035</td>
</tr>
<tr>
<td>Living Off Campus With Family</td>
<td>$103,293</td>
<td>$48,537</td>
<td>$87,884</td>
</tr>
<tr>
<td><strong>Discount Rate: 11.42% (High Bound)</strong></td>
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<td></td>
</tr>
<tr>
<td>Living On Campus</td>
<td>$43,815</td>
<td>$6,611</td>
<td>$22,868</td>
</tr>
<tr>
<td>Living Off Campus Not With Family</td>
<td>$32,832</td>
<td>-$1,831</td>
<td>$14,426</td>
</tr>
<tr>
<td>Living Off Campus With Family</td>
<td>$65,538</td>
<td>$23,310</td>
<td>$39,567</td>
</tr>
</tbody>
</table>

Source: Kem C. Gardner Policy Institute Analysis of U.S. Census Bureau and IPEDS data.
Framing College Affordability