March 19, 2020

USHE – Tuition and Fee Process and Affordability Task Force

State statute and Regent Policy R510, *Tuition and Fees* requires the Board of Regents to annually set USHE institutions’ tuition, student fees, and differential tuition. Legislative appropriations in the 2020 General Session provided $95.3 million of new ongoing funds for the System, which helps keep tuition adjustments for FY 2020-21 to a minimum. However, the appropriations include salary and health premium increases for faculty and staff which were funded 75 percent with state funds; thereby requiring the other 25 percent ($10.5m) to be funded by USHE institutional tuition.

**USHE Tuition Adjustments**

In preparation for the tuition-setting process, the Commissioner’s Office provided institutions information regarding budgets, compensation increases, and peer institution comparisons. For FY 2020-21 the Office further required institutions to develop 3 scenarios for tuition and fee increases: 1. keep tuition and fees the same as last year; 2. increase tuition to match the compensation increase; and 3. an institution-specific request. The scenarios are summarized in the table below.

<table>
<thead>
<tr>
<th>Tuition Adjustments</th>
<th>Scenario 1: No Increase</th>
<th>Scenario 2: Compensation Match</th>
<th>Scenario 3: Institution Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission</td>
<td>USHE</td>
<td>2019-20 Tuition/Fees</td>
<td>Tuition $ Increase</td>
</tr>
<tr>
<td>Research</td>
<td>Utah</td>
<td>$9,500</td>
<td>$130</td>
</tr>
<tr>
<td>Research</td>
<td>USU</td>
<td>$7,656</td>
<td>$49</td>
</tr>
<tr>
<td>Community</td>
<td>USU-E</td>
<td>$4,060</td>
<td>$54</td>
</tr>
<tr>
<td>Community</td>
<td>Snow</td>
<td>$3,835</td>
<td>$59</td>
</tr>
<tr>
<td>Community</td>
<td>SLCC</td>
<td>$3,928</td>
<td>$54</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>WSU</td>
<td>$6,022</td>
<td>$53</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>DSU</td>
<td>$5,497</td>
<td>$53</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>UVU</td>
<td>$5,820</td>
<td>$94</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>SUU</td>
<td>$6,770</td>
<td>$56</td>
</tr>
</tbody>
</table>
USHE Mandatory Student Fee Adjustments

In addition to tuition increases, several institutions are also proposing adjustments to mandatory student fees. The following table summarizes the institutional requests.

<table>
<thead>
<tr>
<th>USHE</th>
<th>2019-20 Student Fees</th>
<th>2020-21 Proposed Fees</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utah</td>
<td>$1,247</td>
<td>$1,247</td>
<td>Elimination of 1 fee to fund 2 new fees; net zero</td>
</tr>
<tr>
<td>USU</td>
<td>$1,110</td>
<td>$1,128</td>
<td>Reduction of 1 fee, increase in 14</td>
</tr>
<tr>
<td>USU-E</td>
<td>$520</td>
<td>$726</td>
<td>Consolidation of fees and increase</td>
</tr>
<tr>
<td>Snow</td>
<td>$426</td>
<td>$426</td>
<td>No adjustment to fees</td>
</tr>
<tr>
<td>SLCC</td>
<td>$492</td>
<td>$501</td>
<td>Reduction of 5 fees; increase in 5</td>
</tr>
<tr>
<td>WSU</td>
<td>$996</td>
<td>$1,016</td>
<td>Reduction of 4 fees; increase in 7</td>
</tr>
<tr>
<td>DSU</td>
<td>$816</td>
<td>$840</td>
<td>Increase in 6 fees</td>
</tr>
<tr>
<td>UVU</td>
<td>$698</td>
<td>$714</td>
<td>Increase in 3 fees</td>
</tr>
<tr>
<td>SUU</td>
<td>$763</td>
<td>$763</td>
<td>No adjustment to fees</td>
</tr>
</tbody>
</table>

USHE Differential Tuition Requests

The University of Utah also requests the adoption of two new differential tuition schedules for the Master of Athletic Training and the Master of Cardiovascular Perfusion degrees. No additional differential tuition requests were requested by other USHE institutions.

USHE Definition of Affordability

Prior to adjusting tuition for USHE institutions, the Governor requested that the Board of Regents adopt a definition of “affordability.” The Board appointed a Task Force comprised of Regents, institutions, and others to review and define affordability for USHE. The Task Force met several times over the last three months and developed a model for USHE affordability based on work done by the Lumina Foundation and the Kem C. Gardner Institute. The Task Force proposes the following definition of affordability:

“Affordability is the ability of a traditional full-time Utah student from a family of four to cover the cost of attendance at a USHE institution while living at home with financial aid, reasonable family savings, and the student contributing ten hours of weekly work earnings.”

Additional Information

Information regarding the FY2020-21 tuition-setting process, institutional requests, and the work of the affordability Task Force is included in the attached presentation handout. Additionally, for each institution, the following information is linked to the agenda for that specific institution’s presentation:

1. Budget, compensation increase, and peer institution comparison information provided by the Commissioner’s Office to the institutions
2. Institutional proposed tuition adjustment requests and scenarios
3. Institutional proposed student fee adjustment requests
4. Institutional differential tuition requests (University of Utah only)
5. Student body letter of support
6. Board of Trustee letter of support

Commissioner’s Recommendations
The Commissioner recommends the Board adopt the proposed definition of affordability and further recommends that after careful consideration and review of USHE institutional requests and presentations the Board approve tuition, student fee, and differential tuition requests for FY 2020-21.

Attachments
“USHE Institutions shall submit institutional needs to be funded with performance funding and tuition increases.”

“To continue to support student affordability efforts, tuition increases approved in the spring of 2020 will be kept at a minimum and will only be considered for institutional priorities and compensation matches not funded by the state legislature and deemed necessary for institutional operation.”
Changes made in March 2019

• Discontinued uniform first-tier + institution second-tier tuition structure
• Institution-specific tuition rate approach
• Required additional detail from institutions including:
  • A detailed list of uses for tuition revenue
  • Documented support from students and Trustees
  • Anticipated impact on student access, retention, and completion rates
  • Dollar and percentage adjustment being requested
• Institutions’ use of tuition dollars will be subject to spot audits
• Board tuition approval includes student fees (not specific course fees)
USHE Tuition and Fee Setting Process

**Step 1** (Jul)
- **Board of Regents** adopt budget guidelines

**Step 2** (Aug)
- **Institutions** submit budget priorities
  - Performance
  - Tuition

**Step 3** (Sept)
- **Board of Regents** adopt budget request

**Step 4** (Jan-Feb)
- **OCHE** sends out budget, revenue, cost, and tuition data to institutions
  - Sets requirements for tuition scenarios

**Step 5** (Mar)
- **Legislature** appropriates budget funding
  - Tuition match for compensation

**Step 6** (Mar)
- Institution holds a Truth-in-Tuition hearing

**Step 7** (Mar)
- **Institution Board of Trustees** review tuition request

**Step 8** (Mar)
- Institutions present requests to **Board of Regents**

**Step 9** (Mar)
- **Board of Regents** reviews institutional requests and sets tuition and fees
National Tuition and Fees

*Excludes differential tuition and course fees
Historical USHE Tuition and Fee Increases

The last 5 years have seen tuition increases of less than 4% per year.
State Tax Funds, Tuition, and Enrollment
FY 2020-21 USHE Funding from Legislature

USHE Received $95.3 million in new ongoing 2020-21 funding

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation and ISF (75%/25%)</td>
<td>$33.7 million</td>
</tr>
<tr>
<td>Performance Funding</td>
<td>$29.5 million</td>
</tr>
<tr>
<td>Other Legislative Funding</td>
<td>$32.1 million</td>
</tr>
</tbody>
</table>
75% 2.5% salary, 4.5% health, and ISF

25% $10.5 million 1.2% Tuition Increase
# USHE FY 2020-21 Tuition Requests

<table>
<thead>
<tr>
<th>Mission</th>
<th>USHE</th>
<th>2019-20 Tuition &amp; Fees</th>
<th>Tuition $ Increase</th>
<th>Tuition % Increase</th>
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<th>Tuition % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>Utah</td>
<td>$9,500</td>
<td>$114</td>
<td>1.20%</td>
<td>$190</td>
<td>2.00%</td>
</tr>
<tr>
<td>Research</td>
<td>USU</td>
<td>$7,656</td>
<td>$115</td>
<td>1.50%</td>
<td>$214</td>
<td>2.80%</td>
</tr>
<tr>
<td>Community</td>
<td>USU-SE</td>
<td>$4,038</td>
<td>$125</td>
<td>3.10%</td>
<td>$141</td>
<td>3.50%</td>
</tr>
<tr>
<td>Community</td>
<td>Snow</td>
<td>$3,836</td>
<td>$74</td>
<td>1.93%</td>
<td>$86</td>
<td>2.25%</td>
</tr>
<tr>
<td>Community</td>
<td>SLCC</td>
<td>$3,929</td>
<td>$61</td>
<td>1.56%</td>
<td>$59</td>
<td>1.50%</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>WSU</td>
<td>$5,986</td>
<td>$74</td>
<td>1.24%</td>
<td>$120</td>
<td>2.00%</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>DSU</td>
<td>$5,497</td>
<td>$73</td>
<td>1.33%</td>
<td>$165</td>
<td>3.00%</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>UVU</td>
<td>$5,820</td>
<td>$61</td>
<td>1.05%</td>
<td>$80</td>
<td>1.38%</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>SUU</td>
<td>$6,770</td>
<td>$69</td>
<td>1.02%</td>
<td>$0</td>
<td>0.0%</td>
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**Scenario 1: No Increase**

**Scenario 2: Comp. Match**

**Scenario 3: Institution**

**Overall Main Campus USHE Request**: 2.05%
# USHE FY 2020-21 Student Fee Requests

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<td>Adjustment for uniformity</td>
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Truth-in-Tuition Hearings & Public Review

USHE institutions must hold public “Truth-in-Tuition” meetings with students to explain the institution’s tuition proposal and rationale (*UCA53B-7-101.5*)

<table>
<thead>
<tr>
<th>Institution</th>
<th>Truth-in-Tuition Hearing</th>
<th>Board of Trustee Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utah</td>
<td>March 17</td>
<td>March 20</td>
</tr>
<tr>
<td>USU</td>
<td>March 11</td>
<td>March 13</td>
</tr>
<tr>
<td>WSU</td>
<td>February 24</td>
<td>March 18</td>
</tr>
<tr>
<td>SUU</td>
<td>March 10</td>
<td>March 25</td>
</tr>
<tr>
<td>DSU</td>
<td>March 13</td>
<td>March 13</td>
</tr>
<tr>
<td>UVU</td>
<td>March 5</td>
<td>March 12</td>
</tr>
<tr>
<td>Snow</td>
<td>March 11</td>
<td>March 18</td>
</tr>
<tr>
<td>SLCC</td>
<td>March 2</td>
<td>March 4</td>
</tr>
</tbody>
</table>
Institutional Tuition Presentations

1. A 5-year history of institutional tuition and fee adjustments in both dollars and percent
2. Current (2019-20) institutional tuition and fee comparison with peer institutions
3. Tuition and fee requests for 2020-21 shown in both dollars and percentage
4. The date and outcome of Truth-in-Tuition hearings and Board of Trustee action
5. Detail of how the institution plans to use the additional tuition and fee revenue including:
   a. How much (in dollars and %) is needed to meet Legislative funding matches (i.e. compensation and ISF)
   b. How much (in dollars and %) is requested for faculty promotion and tenure adjustments
   c. How much (in dollars and %) is requested for other operating needs including specific detail of those needs
6. The anticipated impact of the proposed tuition and fee adjustments on student access
7. The anticipated impact of the proposed tuition and fee adjustments on retention
8. The anticipated impact of the proposed tuition and fee adjustments on completion rates
9. Rationale and justification for why the tuition and fee adjustments are necessary
10. Detailed description of the institution’s efforts to fund the proposed uses within existing resources or institutional efficiencies
Affordability Task Force
What is Affordability?

- Question asked of the Task Force
- A very INDIVIDUAL answer for students
- Lumina “Rule of Ten”
- Kem C. Gardner Institute Work commissioned by Regents (presented January 2020)
Broader Question of Educational Value

- Educational Outcomes
- Mission, Role, and Performance
- Quality of Education
- State Support
- Cost of Delivery

- Ability to Pay
- College Affordability
- Expected Value of Degree

- Broader Question of Educational Value
- State Support
- Cost of Delivery
- Educational Outcomes
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- Broader Question of Educational Value
- State Support
- Cost of Delivery
- Educational Outcomes
- Mission, Role, and Performance
- Quality of Education
“Rule of 10” – Lumina Foundation

• Alternative to Federal Estimated Family Contribution (EFC)

• Students should pay no more for college than:
  • Saving 10% of discretionary income for 10 years
    • Discretionary income = income at 200% of Poverty
      • Household of 1: Poverty = $12,490; 200% = $24,980
      • Household of 2: Poverty = $16,910; 200% = $33,820
      • Household of 4: Poverty = $25,750; 200% = $51,500
      • Household of 6: Poverty = $34,590; 200% = $69,180
  • Working 10 hours per week
  • Available financial aid (federal, state, institution)
Gardner “Unmet Need” Calculation – Modified “Rule of 10”

- Single Family Member (1 Student): $42,897
- Two Family Members (1 Student): $67,340
- Three Family Members (1 Student): $68,597
- Four Family Members (2 Student): $50,978

Financial Aid | Earnings While in School | Savings

Total Price, Living Off Campus Not with Family: $77,509
Total Price, Living On Campus: $66,526
Total Price, Living Off Campus With Family: $44,803
Proposed Task Force Definition of Affordability

Affordability is the ability of a traditional full-time Utah student from a family of four to cover the cost of attendance at a USHE institution while living at home with financial aid, reasonable family savings, and the student contributing ten hours of weekly work earnings.
Affordability Model Factors
Based on Gardner/Lumina

1. **Cost of attendance**
   - Tuition and fees, books, supplies, transportation
   - Living with family or off-campus

2. **Student ability to pay**
   - Student aid (federal, state, institution)
   - Family savings or contribution
     - Family circumstances, income level, and size
     - Work contribution

Other factors
- Non-traditional, part-time, or head of household
- Traditional 4-year timeframe versus 6+ years
- Concurrent Enrollment and transfer credit
Broader Question of Educational Value

• Continue work on the Affordability Model
  • Incorporate non-traditional students
  • Include UTECH
  • Compare with peer institutions
  • Use data to explore individual situations

• Explore Educational Value
  • Educational quality and outcomes
  • Cost efficiency and service delivery
  • Performance goals and attainment
Recommendation

1. Adopt a working definition of affordability for 2020-21 tuition:

   “Affordability is the ability of a traditional full-time Utah student from a family of four to cover the cost of attendance at a USHE institution while living at home with financial aid, reasonable family savings, and the student contributing ten hours of weekly work earnings”

1. Continue the work of the Task Force with the new Board