



MEMORANDUM

TAB B

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 \$96.2 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 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.

Tuition Adjustments		Scenario 1: No Increase	Scenario 2: Compensation Match		Scenario 3: Institution Request	
Mission	USHE	2019-20 Tuition	Tuition \$ Increase	Tuition % Increase	Tuition \$ Increase	Tuition % Increase
Research	Utah	\$8,253	\$99	1.20%	\$165	2.00%
Research	USU	\$6,548	\$98	1.50%	\$183	2.80%
Community	USU-E	\$3,518	\$109	3.10%	\$123	3.50%
Community	Snow	\$3,410	\$66	1.93%	\$77	2.25%
Community	SLCC	\$3,437	\$54	1.56%	\$51	1.50%
Regional/Dual	WSU	\$4,990	\$62	1.24%	\$100	2.00%
Regional/Dual	DSU	\$4,680	\$62	1.33%	\$140	3.00%
Regional/Dual	UVU	\$5,122	\$54	1.05%	\$70	1.38%
Regional/ Dual	SUU	\$6,006	\$61	1.02%	\$0	0.0%

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.

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

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

The background of the slide features a photograph of graduates in black academic regalia, including caps and gowns. Some graduates are holding up their caps, and one is holding a rolled-up diploma. The image is partially obscured by a large blue rectangular overlay on the right side.

USHE Tuition and Fees Adjustment Hearings and Affordability Task Force

Utah State Board of Regents
March 2020



FY 2021 Regent Budget Guidelines – August 2019

“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.”

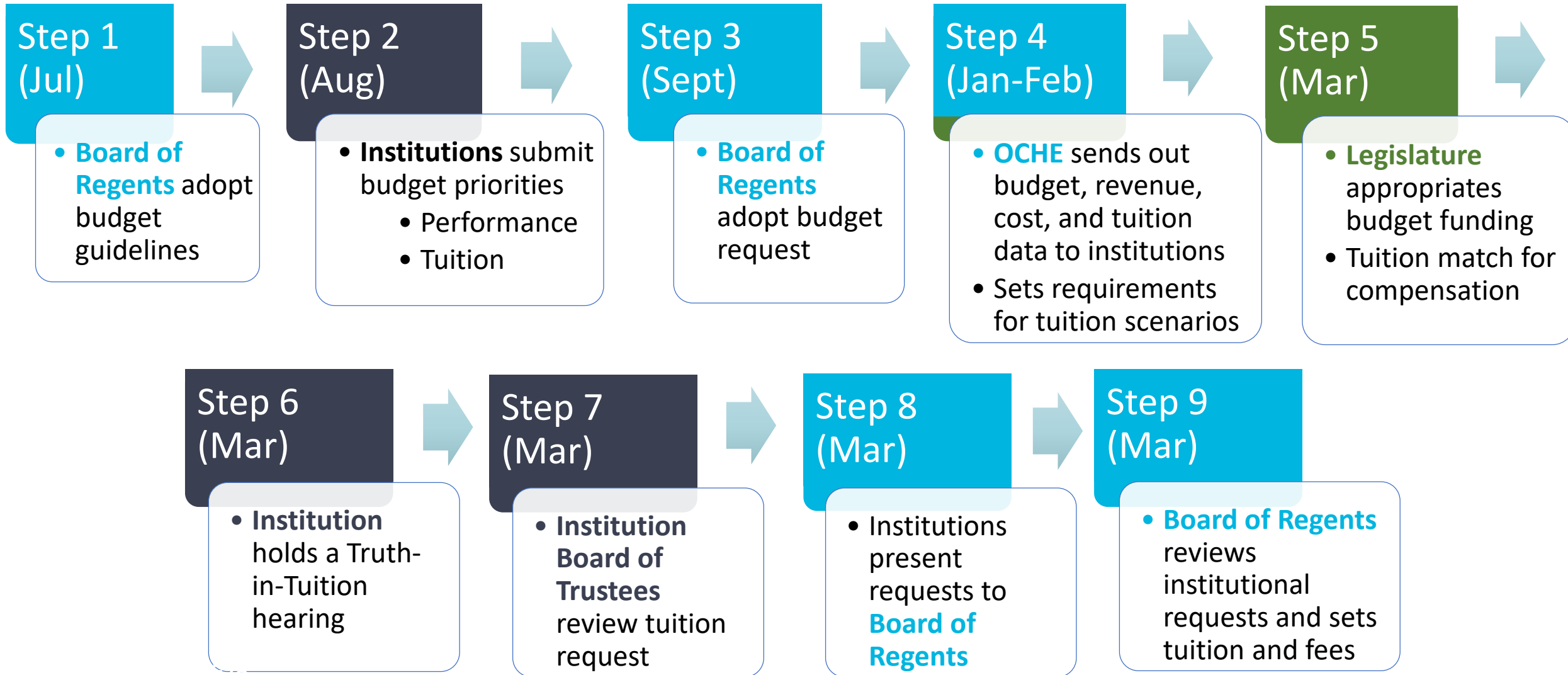


Changes made in March 2019

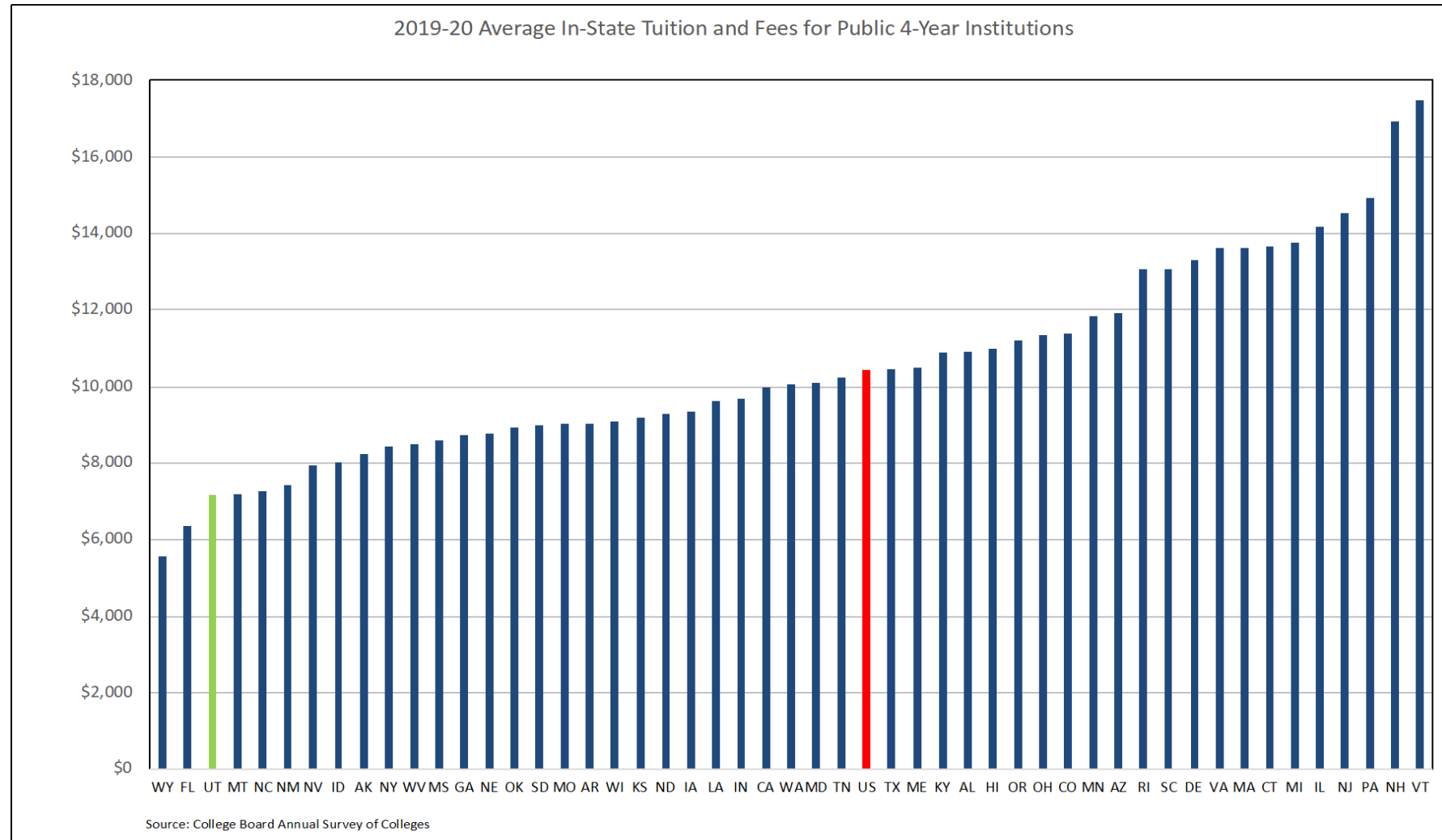
- Discontinued uniform first-tier + institution second-tier tuition structure
- Institution-specific tuition rate approach
- Required additional detail from institutions including:
 - A detailed list of uses for tuition revenue
 - Documented support from students and Trustees
 - Anticipated impact on 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

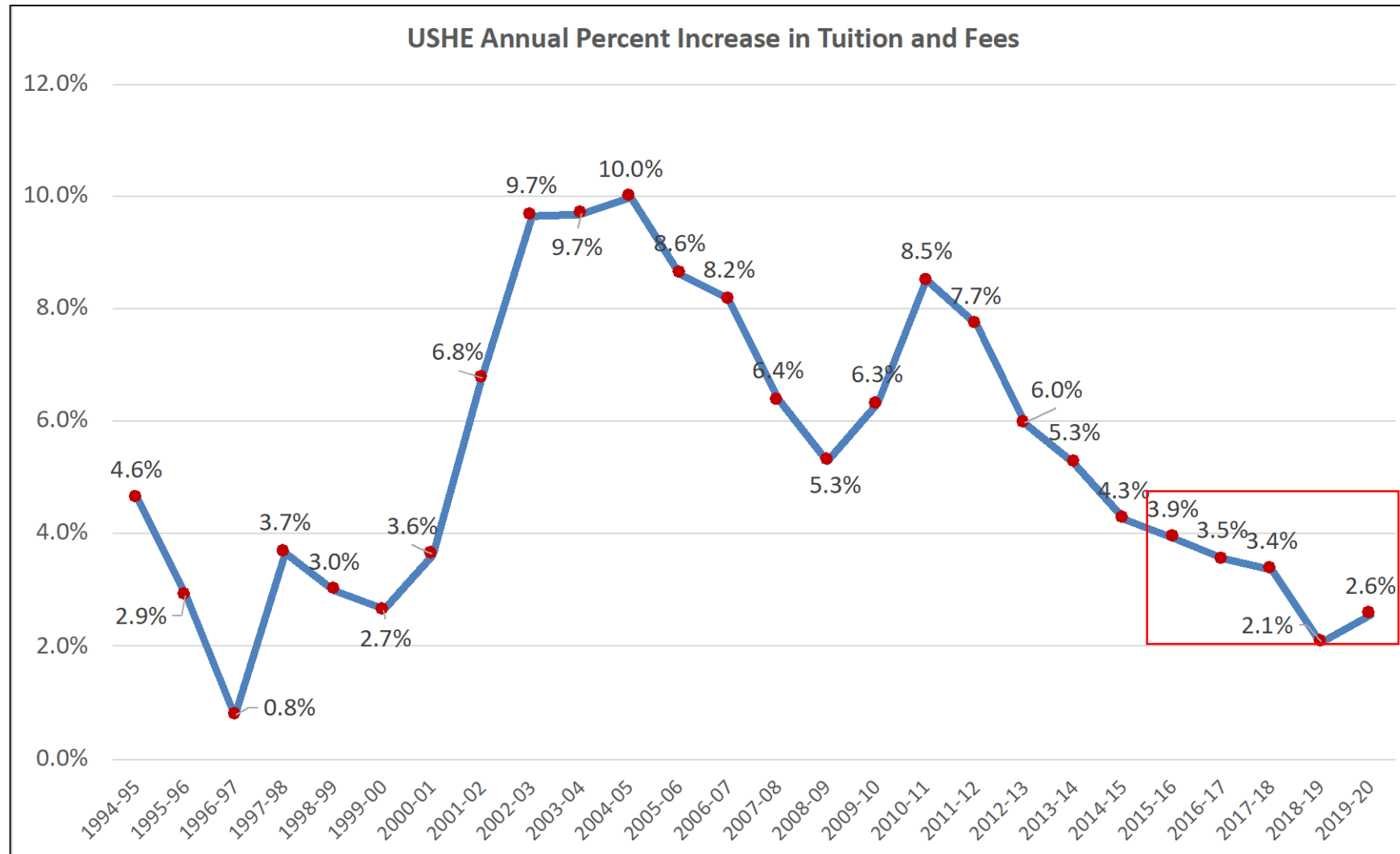


National Tuition and Fees



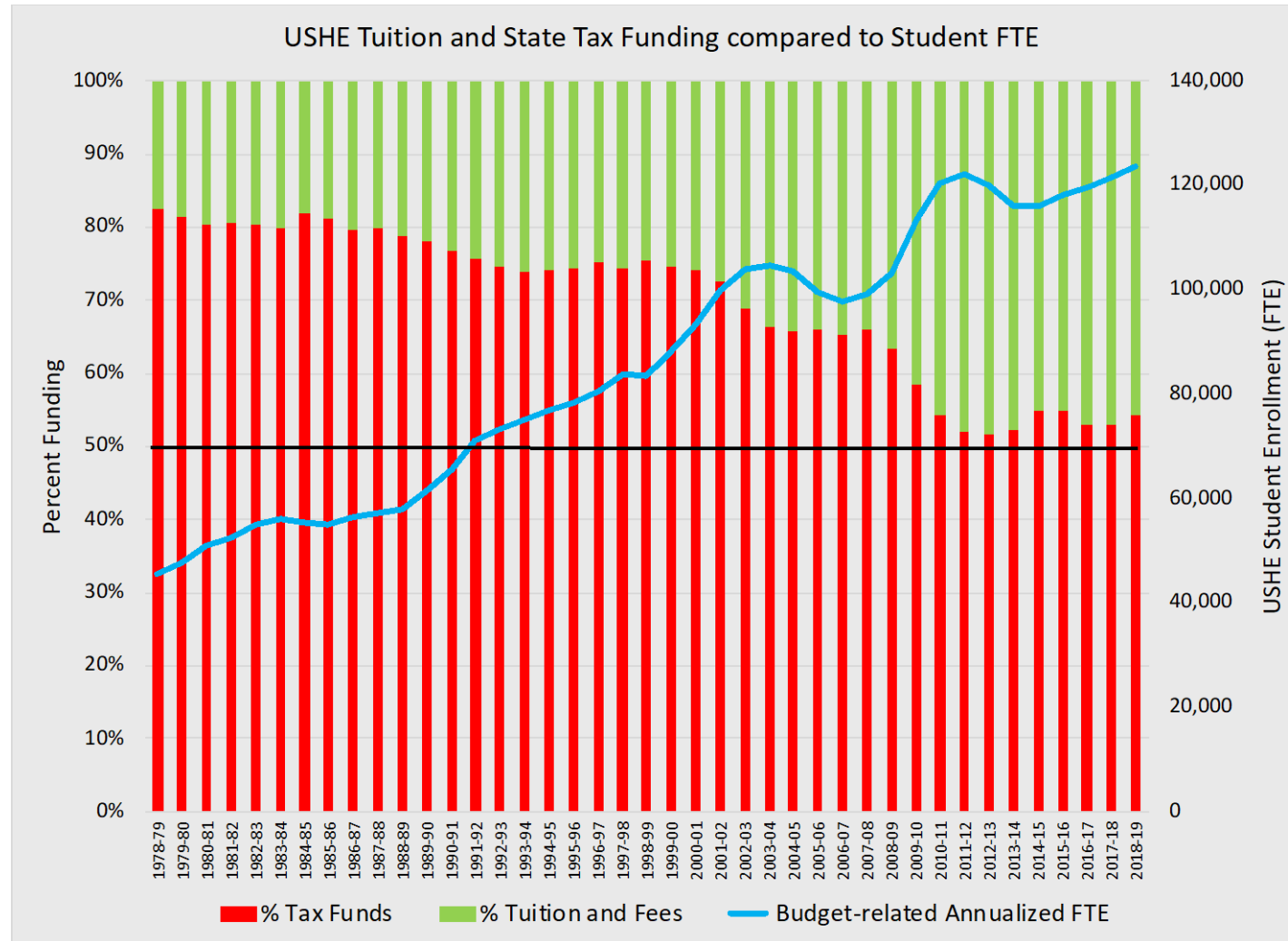
*Excludes differential tuition and course fees

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 \$96.2 million in new ongoing 2020-21 funding

Compensation and ISF (75%/25%)	\$33.7 million
Performance Funding	\$29.5 million
Other Legislative Funding	\$33.0 million

75%

2.5% salary, 4.5%
health, and ISF

25%

\$10.5 million
1.2% Tuition Increase

USHE FY 2020-21 Tuition Requests

Scenario 1: No Increase

Scenario 2: Comp. Match

Scenario 3: Institution

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Overall
Main
Campus
USHE
Request
2.05%

USHE FY 2020-21 Student Fee Requests

USHE	2019-20 Student Fees	2020-21 Proposed Fees	Note
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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)

	Truth-in-Tuition Hearing	Board of Trustee Review
Utah	March 17	March 20
USU	March 11	March 13
WSU	February 24	March 18
SUU	March 10	March 25
DSU	March 13	March 13
UVU	March 5	March 12
Snow	March 11	March 18
SLCC	March 2	March 4

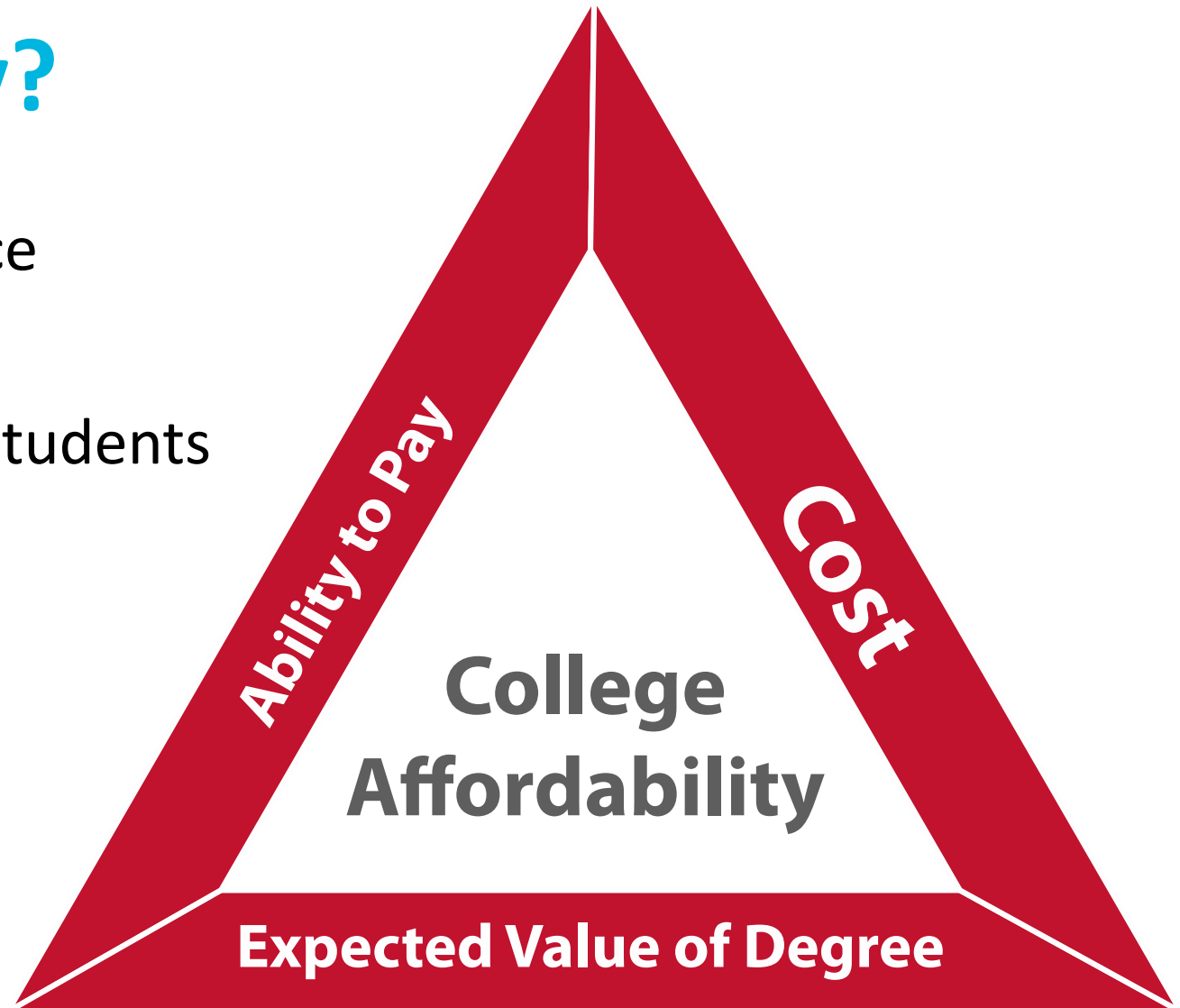
Institutional Tuition Presentations

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

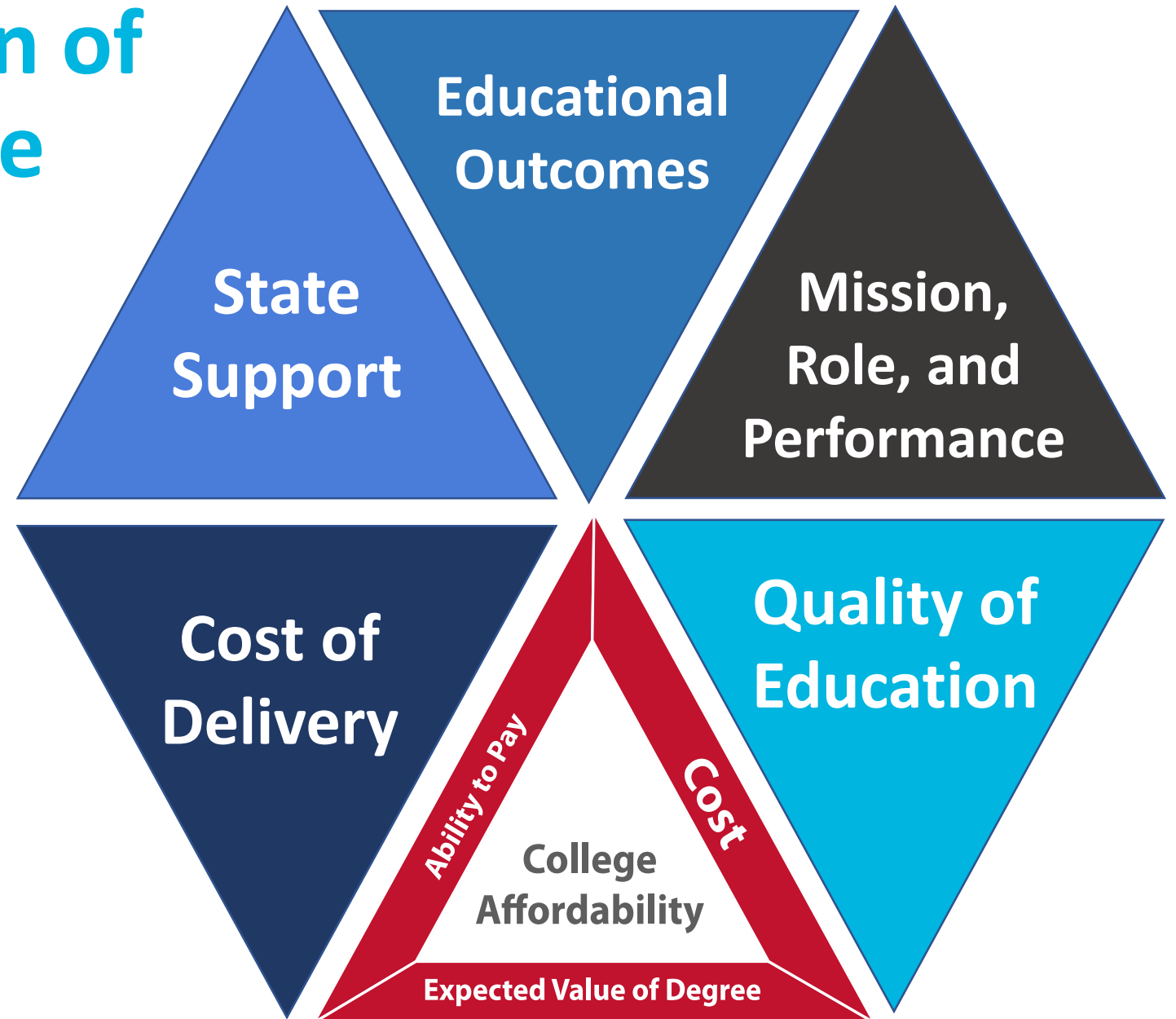
Affordability Task Force

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

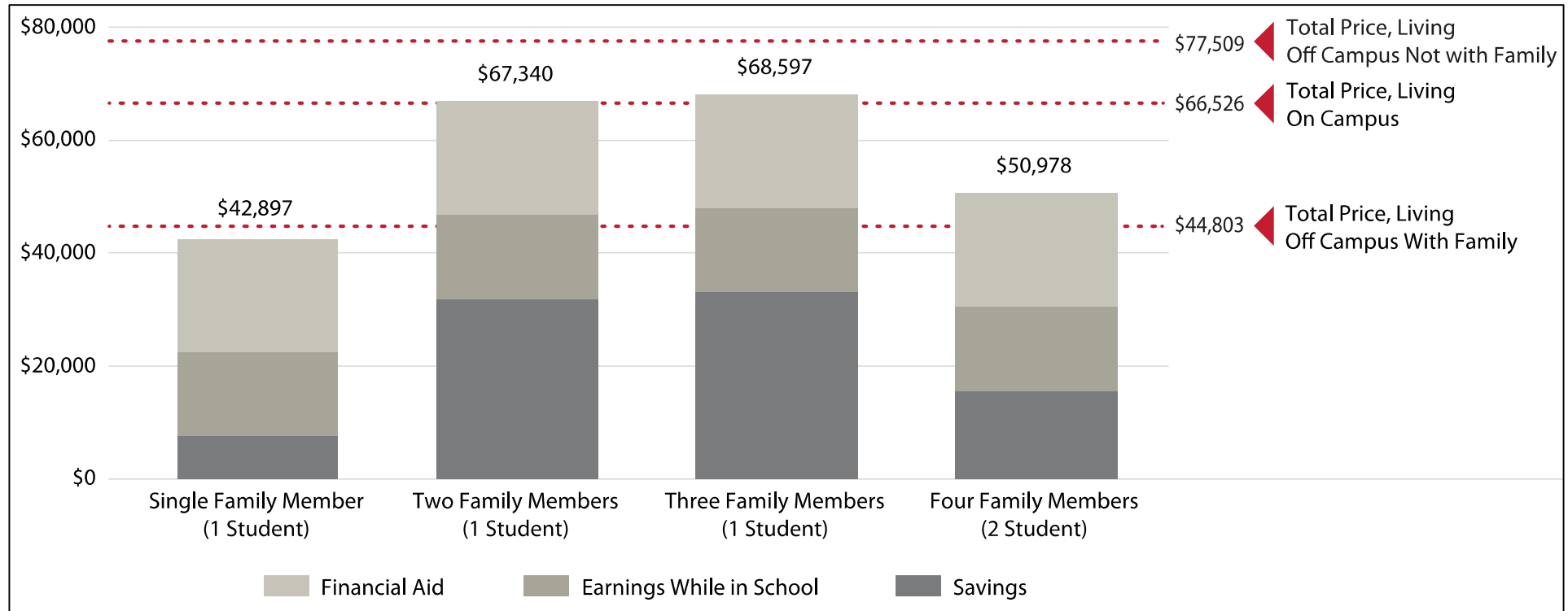


“Rule of 10” – Lumina Foundation

- 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”



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

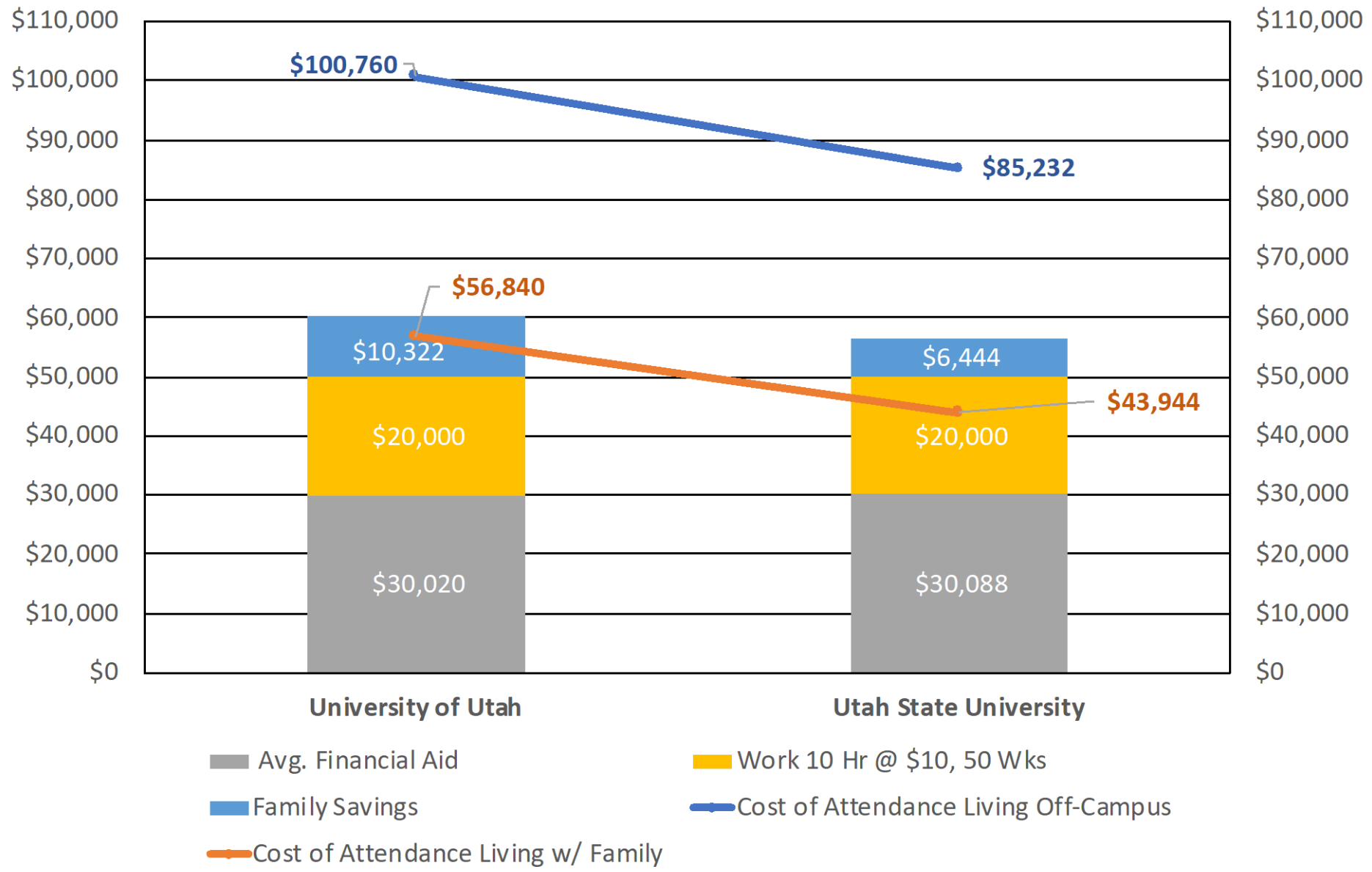
- Student aid (federal, state, institution)
- Family savings or contribution
 - Family circumstances, income level, and size
- Work contribution

Other factors

- Non-traditional, part-time, or head of household
- Traditional 4-year timeframe versus 6+ years
- Concurrent Enrollment and transfer credit

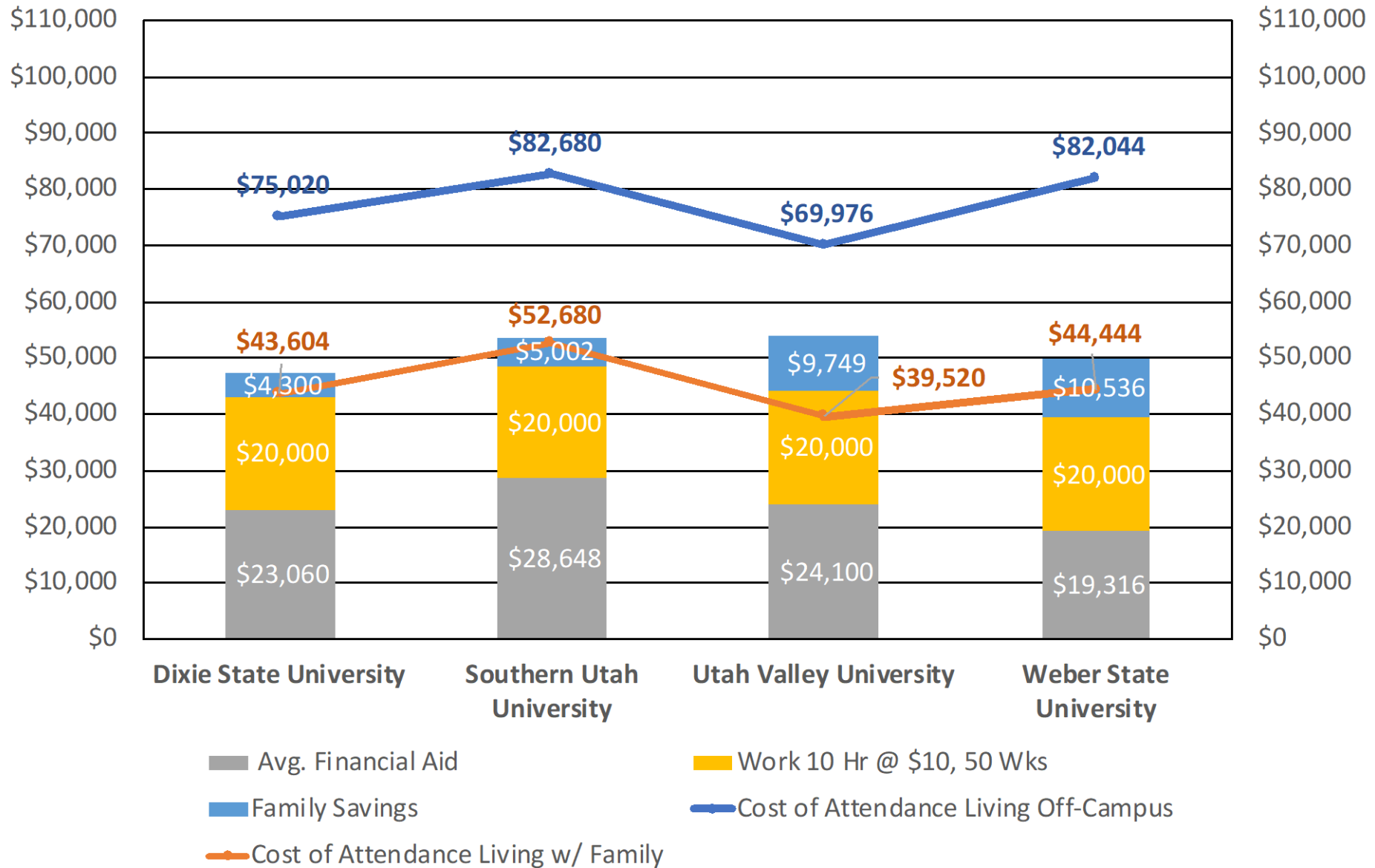


USHE Research Universities Cost of 4-Year Attendance
compared to Financial Aid and Rule of 10

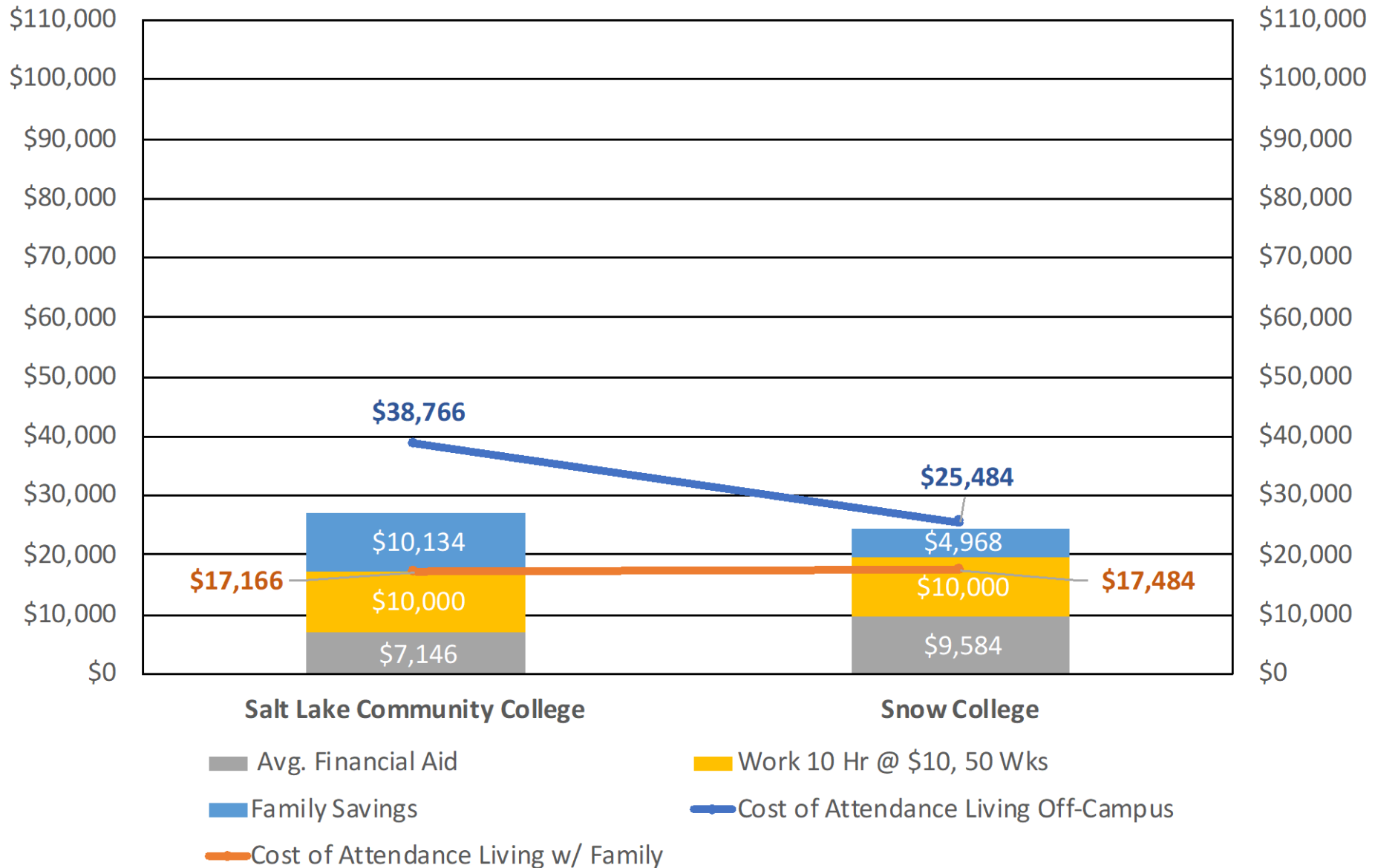


USHE Regional and Dual-Mission Universities

Cost of 4-Year Attendance compared to Financial Aid and Rule of 10

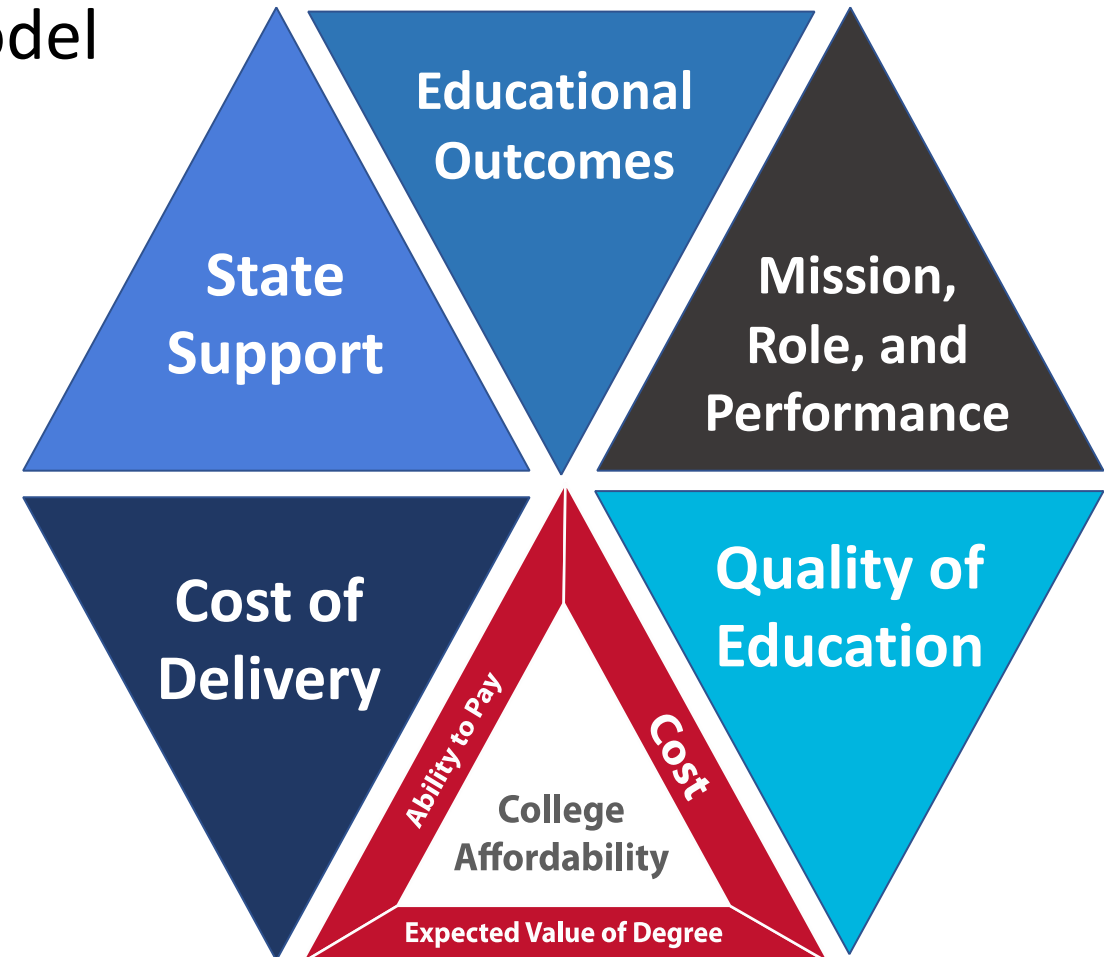


USHE Community Colleges Cost of 2-Year Attendance compared to Financial Aid and Rule of 10



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



UTAH
SYSTEM OF
HIGHER
EDUCATION