USHE Tuition and Fees Adjustment
Hearings and Affordability Task Force

Utah State Board of Regents
March 2020
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

- Ability to Pay
- College Affordability
- Expected Value of Degree
- Cost of Delivery
- Cost
- State Support
- Educational Outcomes
- Mission, Role, and Performance
- Quality of Education
- Educational Outcomes
“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”
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

- University of Utah
  - Avg. Financial Aid: $30,020
  - Work 10 Hr @ $10, 50 Wks: $10,322
  - Family Savings: $20,000
  - Cost of Attendance Living Off-Campus: $30,020
  - Cost of Attendance Living w/ Family: $100,760

- Utah State University
  - Avg. Financial Aid: $30,088
  - Work 10 Hr @ $10, 50 Wks: $6,444
  - Family Savings: $20,000
  - Cost of Attendance Living Off-Campus: $30,088
  - Cost of Attendance Living w/ Family: $85,232
USHE Community Colleges Cost of 2-Year Attendance compared to Financial Aid and Rule of 10

- Salt Lake Community College:
  - Avg. Financial Aid: $7,146
  - Work 10 Hr @ $10, 50 Wks: $10,134
  - Family Savings: $10,000
  - Cost of Attendance Living Off-Campus: $17,166
  - Cost of Attendance Living w/ Family: $10,000

- Snow College:
  - Avg. Financial Aid: $4,968
  - Work 10 Hr @ $10, 50 Wks: $17,484
  - Family Savings: $9,584
  - Cost of Attendance Living Off-Campus: $17,484
  - Cost of Attendance Living w/ Family: $10,000

Graph shows the comparison between the total cost of attendance and financial aid received, with additional adjustments for work and family contributions.
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
2020-21 USHE Tuition and Fees
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)
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

2019-20 Average In-State Tuition and Fees for Public 4-Year Institutions

*Excludes differential tuition and course fees

Source: College Board Annual Survey of Colleges
Historical USHE Tuition and Fee Increases

USHE Annual Percent Increase in Tuition and Fees

The last 5 years have seen tuition increases of less than 4% per year.
State Tax Funds, Tuition, and Enrollment

USHE Tuition and State Tax Funding compared to Student FTE

Percent Funding

USHE Student Enrollment (FTE)

% Tax Funds
% Tuition and Fees
Budget-related Annualized FTE
FY 2020-21 USHE Funding from Legislature

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

<table>
<thead>
<tr>
<th>Funding Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation and ISF (75%/25%)</td>
<td>$33.7 million</td>
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<tr>
<td>Performance Funding</td>
<td>$29.5 million</td>
</tr>
<tr>
<td>Other Legislative Funding</td>
<td>$32.1 million</td>
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</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>
<th>Tuition $ Increase</th>
<th>Tuition % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>Utah</td>
<td>$9,500</td>
<td>$130</td>
<td>1.20%</td>
<td>$216</td>
<td>2.00%</td>
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<tr>
<td>Research</td>
<td>USU</td>
<td>$7,656</td>
<td>$</td>
<td>%</td>
<td>$</td>
<td>%</td>
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<tr>
<td>Community</td>
<td>USU-E</td>
<td>$4,060</td>
<td>$</td>
<td>%</td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Community</td>
<td>Snow</td>
<td>$3,835</td>
<td>$59</td>
<td>1.93%</td>
<td>$69</td>
<td>2.25%</td>
</tr>
<tr>
<td>Community</td>
<td>SLCC</td>
<td>$3,928</td>
<td>$54</td>
<td>1.56%</td>
<td>$51</td>
<td>1.50%</td>
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<tr>
<td>Regional/Dual</td>
<td>WSU</td>
<td>$6,022</td>
<td>$53</td>
<td>1.24%</td>
<td>$85</td>
<td>2.00%</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>DSU</td>
<td>$5,497</td>
<td>$53</td>
<td>1.33%</td>
<td>$120</td>
<td>3.00%</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>UVU</td>
<td>$5,820</td>
<td>$54</td>
<td>1.05%</td>
<td>$70</td>
<td>1.38%</td>
</tr>
<tr>
<td>Regional/Dual</td>
<td>SUU</td>
<td>$6,770</td>
<td>$56</td>
<td>1.02%</td>
<td>$0</td>
<td>0.0%</td>
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</table>

**Overall USHE Request** 1.5%
# USHE FY 2020-21 Student Fee Requests

<table>
<thead>
<tr>
<th>USHE</th>
<th>2019-20 Student Fees</th>
<th>2020-21 Proposed Fees</th>
<th>Note</th>
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</thead>
<tbody>
<tr>
<td>Utah</td>
<td>$1,247</td>
<td>$1,247</td>
<td>Elimination of 1 fee to fund 2 new fees; net zero</td>
</tr>
<tr>
<td>USU</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>USU-E</td>
<td>$</td>
<td>$</td>
<td></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>
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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>
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<tbody>
<tr>
<td>Utah</td>
<td>March 17</td>
<td>March 10</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>
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<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>
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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