



2018-2019 Tuition and Fee Actions

House Appropriations Committee
September 17, 2018

Tuition and Fees Update at Public Colleges & Universities

- Tuition & Mandatory Educational & General (E & G) Program Fees
 - Used to fund the instructional aspect of an institution
 - Majority of state general fund subsidy to institutions is applied to the E & G programs
- Mandatory Non-E & G Fees (“Comp” Fee)
 - Support auxiliary enterprise programs (athletics, recreation, student life)
 - Has never been subsidized by state general fund
 - In-state and out-of-state students at a given school pay the same comprehensive fee

Six-Year Plan Process

- The Higher Education Opportunity Act of 2011 included the requirement for institutions to submit six-year plans
 - Enrollment
 - Academic
 - Financial
- A six person advisory committee (OPSIX) was established to review the plans and provide feedback to the institutions
 - Sec Finance & Education
 - Director SCHEV & DPB
 - HAC Staff Director
 - SFC Staff Director
- **Plans would be approved by each Board of Visitors after feedback from the OPSIX**
 - Plans assume no new general fund & reflect E&G tuition & fee increase requirements
- **General** Assembly & Governor would have this information available prior to Session to inform their funding decisions

Six-Year Plan Process

- Three sections:
 - Enrollment
 - Academic
 - Financial
- Academic / Financial sections are merged together and encompass the programmatic and resource requirements for enrollment growth assumptions, new initiatives, and institution operating issues



Tuition and E & G Fee Increases for FY 2018-19

Proposed Six Year Plans vs Actual

2018-19 In-State Undergraduate Tuition and Mandatory E & G Fee Increases

Institutions	Original 6YP	Actual FY 2019
GMU	5.0%	4.5%
ODU	3.8%	6.0%
UVA	7.6% (weighted)	8.4%
VCU	4.0%	6.7%
VT	2.9%	2.9%
CWM	6.4% (incoming)	6.4%
CNU	8.0%	10.0%
UVA-Wise	3.0%	3.0%
JMU	7.5% (blended)	16% / 5.9%
LU	3.9%	4.2%
UMW	4.5%	4.5%
NSU	5.0%	5.0%
RU	3.0%	7.0%
VMI	4.5%	4.5%
VSU	3.0%	4.0%
RBC	9.8%	3.6%
VCCS	3.3%	2.5%

Institutions At or Below the Original Six-Year Plan

- The BOVs of eight institutions managed to remain at or below their previously approved proposed tuition increases for in-state students
 - GMU, VT, UVA-Wise, UMW, NSU, VMI, RBC & VCCS
- GMU & VCCS project that total new nongeneral revenues from its tuition actions will exceed their previous estimate due to non-tuition related revenues

“Tuition-Reset” Institutions

- CWM, UVA & JMU have implemented tuition actions that result in tuition differentials across the in-state undergraduate population
 - CWM Promise in 2013
 - In recent years, UVA has implemented \$2,000 financial aid surcharges for incoming classes, multiple tuition rates for various schools with UVA & optional four-year guarantees
 - In 2019, JMU has implemented a two-year phase-in of \$1,000 for incoming freshmen with fixed rate guarantees going forward
- This results in presenting tuition in terms of weighted averages
- Because of the “stair-step” nature of the tuition charges revenues may increase due to the higher tuition imposed on an incoming I/S class compared to the graduating class
 - For example, CWM’s incoming I/S freshmen class rate before any FY 19 increase will generate about 31% more revenue than the outgoing class

Institutions Exceeding the Original Six-Year Plan

- The BOVs of six institutions implemented tuition increases that exceed their own previously approved plans for in-state students
 - CNU – implemented a 10% increase compared to planned 8%
 - ODU – implemented a 6% increase compared to planned 3.8%
 - VCU – implemented a 6.7% increase compared to planned 4%
 - Longwood – implemented a 4.2% increase compared to planned 3.9%
 - Radford – implemented a 7% increase compared to planned 3%
 - VSU – implemented a 4% increase compared to planned 3%

Institutions Exceeding the Original Six-Year Plan

■ CNU

- Uncertainty of the budget and potential for budget cuts
- Fringe benefits
- In the event no GF was reduced then funds would be directed to financial aid

■ ODU

- 6YP narrative describes increased needs for fringe benefits, utility and lease costs, additional faculty, technology and student recruitment / success
 - However, plan amounts are mainly provided in one large lump and no detail is provided except for increases in faculty salary and financial aid

Institutions Exceeding the Original Six-Year Plan

■ VCU

- Faculty salary increases
- Fringe benefits and contractual costs
- Financial aid
- BOV did adopt in principle commitment for lower increase in FY 20 and out-years reflecting new GF in budget

■ Longwood

- Fringe benefits
- Salary increases

Institutions Exceeding the Original Six-Year Plan

■ Radford

- Fringe benefits & contractual cost increases
- Enrollment loss
- Expansion of regional economic development efforts

■ VSU

- Fringe benefits & contractual cost increases
- Technology

2018-19 Out-of-State Undergraduate Tuition and Mandatory E & G Fee Increases

Institutions	Original 6YP	Actual FY 2019
GMU	5.0%	4.5%
ODU	3.8%	5.9%
UVA	3.5%	3.5%
VCU	4.0%	6.5%
VT	2.9%	2.9%
CWM	3.4%	3.4%
CNU	10.0%	7.3%
UVA-Wise	3.0%	2.9%
JMU	4.1%	4.4% / 3.0%
LU	3.9%	5.9%
UMW	4.5%	4.5%
NSU	0.0%	0.0%
RU	3.0%	2.7%
VMI	5.0%	4.5%
VSU	3.0%	3.8%
RBC	3.0%	0.2%
VCCS	1.4%	1.1%



2018-19 Mandatory Non-E & G Fees (Auxiliary “Comp” Fee)

2018-19 Mandatory Non-E & G Fees (Auxiliary “Comp” Fee)

Institutions	FY 2018	FY 2019	Actual Pct Incr	Six-Year Plan
GMU	\$3,252	\$3,402	4.6%	5.0%
ODU	\$3,702	\$3,825	3.3%	3.0%
UVA	\$2,258	\$2,364	4.7%	2.5%
VCU	\$2,141	\$2,243	4.8%	4.6%
VT	\$1,967	\$2,025	2.9%	2.9%
CWM	\$5,538	\$5,830	5.3%	4.0%
CNU	\$5,384	\$5,654	5.0%	2.9%
UVA-Wise	\$4,296	\$4,425	3.0%	3.0%
JMU	\$4,628	\$4,766	3.0%	4.5%
LU	\$5,100	\$5,400	5.9%	3.5%
UMW	\$3,822	\$3,976	4.0%	5.5%
NSU	\$3,558	\$3,738	5.1%	5.0%
RU	\$3,166	\$3,230	2.0%	3.0%
VMI	\$9,330	\$9,578	2.7%	2.7%
VSU	\$3,179	\$3,287	3.4%	3.0%
RBC	\$2,040	\$2,100	2.9%	10.3%
VCCS	\$14	\$14	0.0%	0.0%

2018-19 Mandatory Non-E & G Fees (Auxiliary “Comp” Fee)

- Comp fee results are a bit of a mixed bag relative to the Six-Year Plan
- Four institutions (red-shading) significantly exceeded their original plan
 - CNU cites fringe benefit increases, new positions for campus safety & counseling as reason for change
 - CWM cites debt service, new staffing and indirect cost recoveries to E & G
 - Longwood cites student health services
 - UVA increase is entirely related to increased student health services

2018-19 Mandatory Non-E & G Fees (Auxiliary “Comp” Fee)

- Three institutions (orange-shading) slightly exceeded their original plan
 - VCU increase related to student recreation and student union as well as athletics
 - ODU increase related to student activities, O & M building and athletics
 - VSU increase related to student activities, campus safety, student health and athletics

2018-19 Intercollegiate Athletics Component of the “Comp” Fee

Institutions	FY 2018	FY 2019	Percent
GMU	\$542	\$545	0.6%
ODU	\$1,637	\$1,678	2.5%
UVA	\$657	\$657	0.0%
VCU	\$801	\$827	3.2%
VT	\$308	\$317	2.9%
CWM	\$1,980	\$2,078	4.9%
CNU	\$1,959	\$2,090	6.7%
UVA-Wise*	\$2,064	\$2,161	4.7%
JMU*	\$1,894	\$1,948	2.9%
LU*	\$1,888	\$2,046	8.4%
UMW	\$705	\$705	0.0%
NSU	\$1,572	\$1,711	8.8%
RU	\$1,180	\$1,180	0.0%
VMI	\$3,340	\$3,440	3.0%
VSU	\$1,265	\$1,309	3.5%

*Note: UVA-Wise, JMU & Longwood reflect adjustments due to the re-categorization of existing fees.

Intercollegiate Athletics Fee Trend

Average Annual Percent Change is Decreasing



Institution	FY 05-14	Post-HB 1897 FY 15 - 19
GMU	4.2%	0.5%
ODU	7.8%	0.3%
UVA	3.9%	0.0%
VCU	7.7%	2.6%
VT	1.7%	2.4%
CWM	5.1%	3.1%
CNU	5.7%	3.2%
UVA-Wise	7.5%	4.1%
JMU	3.7%	3.0%
LU	6.3%	0.9%
UMW	1.2%	0.9%
NSU	3.2%	2.1%
RU	7.1%	0.5%
VMI	4.4%	2.7%
VSU	5.3%	4.2%



Looking Forward to FY 2020

Trends in GF Support & I/S UG Tuition

Average Annual Increase FY 10 - 17

Institution	GF per FTE	I/S UG T&F	HEPI	CPI
GMU	0.4%	4.3%	2.0%	1.4%
ODU	2.8%	4.7%		
UVA	0.4%	7.0%		
VCU	1.2%	6.6%		
VT	1.0%	5.1%		
CWM	0.3%	11.8%		
CNU	1.6%	7.5%		
UVA-Wise	2.5%	4.8%		
JMU	0.8%	5.9%		
LU	0.9%	5.7%		
UMW	3.5%	6.1%		
NSU	4.0%	7.6%		
RU	1.0%	6.1%		
VMI	0.0%	5.5%		
VSU	2.5%	5.2%		
RBC	1.6%	5.9%		
VCCS	3.1%	5.9%		

State General Fund Increases

- Chapter 2, FY 2020 contains \$75.3 million GF for colleges and universities including the state authorized salary increases
 - This represents an overall GF increase of 5%
- The new GF was intended to not only achieve programmatic goals such as increasing the number of degrees in high-demand disciplines, it was also focused to improve affordability for in-state undergraduate students by moderating any tuition increases
- The Six-Year Plans serve as a guidepost for legislative expectations resulting from the new GF



Expected FY 2020 In-State Undergraduate Tuition Increases

- Plans reflect the state-authorized salary increase and required nongeneral fund share
 - No other adjustments were made to the plans
- Assumes all other student groups tuition will increase according to revised plan assumption
- New GF ameliorates the planned in-state undergraduate tuition increase

Expected FY 2020 In-State Undergraduate Tuition Increases

Institution	Current 6YP	Expectation
GMU	5.0%	2% - 4%
ODU	3.0%	0% - 2%
UVA	3.0%	0% - 2%
VCU	4.0%	0% - 2%
VT	2.9%	0% - 2%
CWM	6.4%	1% - 3%
CNU	6.0%	0% - 2%
UVA-Wise	3.0%	0% - 2%
JMU	13.8% / 3% / 6.5%	2%-4.5% / 0%-2% / 1%-3%
LU	4.5%	0% - 2%
UMW	4.5%	0% - 2%
NSU	5.0%	0% - 2%
RU	3.0%	1% - 3%
VMI	3.3%	0% - 2%
VSU	3.0%	0% - 2%
RBC	3.0%	0% - 2%
VCCS	6.2%	2% - 4%



Other Policy Considerations

- Institutions plans suggest there are two main drivers of tuition increases
 - Desire to increase salaries for teaching and administrative faculty & university staff
 - Use of tuition for financial aid
- Re-examine the cost of research

Salary Increases

- About ten institutions indicate they would provided salary increases in the first year primarily for teaching and administrative faculty & university staff
 - Reflects 20% to more than 30% of their plan
- Actions by institutions in the absence of a state authorized increase may create GF funding impacts in subsequent years as salary base budgets increase
- Potential equity issues especially between institutions from same geographic area of Virginia
 - Places affordability pressure on institutions as they attempt to keep pace with each other
- Should parameters be placed on institutions when they choose to implement salary increases on their own?
 - Limits on amounts and methods?
 - Require some reallocation as opposed to 100% funding from tuition increases?
 - Require use of NGF sources other than tuition & fee increases?
 - Require equity among all employee groups?

Tuition as Financial Aid

- Trend toward use of tuition as financial aid is increasing
 - CWM & UVA are approaching 20%
 - UMW & VSU in the mid-teens
 - VCU, NSU, CNU are approaching ten percent
- According to their six-year plans, a significant portion of new incremental FY 19 tuition revenue is earmarked for financial aid for both I/S & O/S undergraduate students
 - ODU – over 17% of both I/S & O/S new revenue
 - UVA – almost 25% of I/S & 10% of O/S
 - VCU – almost 15% of I/S & 10% of O/S
 - CWM – over 50% of I/S and 97% of O/S
 - CNU – almost 17% of I/S and 20% of O/S
 - NSU – almost 51% of I/S
 - VSU – almost 15% of I/S
 - VT – almost 40% of O/S
- Should there be a threshold for the use of tuition as financial aid?
- Should there be a limit on the amount of incremental revenue that can be dedicated to financial aid?

Cost of Research

- Prior to early 2000s, state policy required that 30% of the indirect cost recoveries from research activities (utilities, space usage, etc.) were transferred to E & G to offset the cost
 - Estimated at more than \$30 million in FY 2003
- Since that time, institutions were authorized to retain 100% of all indirect cost recoveries for its research activities
- Unless institutions have arranged for an internal cost recovery, the E & G program may be subsidizing the research activities which have grown significantly since the early 2000s
 - Impacts affordability goals
- Should institutions be required to report the amount of indirect costs impacting the E & G and how it plans to pay for those costs?



Questions