



# 2016-2017 Tuition and Fee Actions

House Appropriations Committee  
May 16, 2016

# Background

- House budget provided about \$306 million in new general fund with intent that tuition should not increase greater than three percent
  - FY 17 general fund support for higher education increased by about 10% from the 2016 Session excluding funding for salaries and interest earnings in central accounts
- Final budget report reflects modifications to tuition language
  - Final budget provides about \$300 million in new general fund
  - Maintains intention to minimize increases
  - Requires SCHEV to review of BOV actions
  - Goal to increase transparency in process

# Tuition and Fees Update at Public Colleges & Universities

- Tuition & Mandatory Educational & General (E & G) Program Fees
  - Used to fund institutions' instructional activities
  - Majority of state general fund subsidy to institutions is applied to the E & G activities
  - Focus of 2016 Session Conference language
- 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



# Tuition and E & G Fee Increases for FY 2016-17

# 2016-17 In-State Undergraduate Tuition and Mandatory E & G Fees

Institutions	FY 2016	FY 2017	Increase	Percent
GMU	\$7,976	\$8,204	\$228	2.9%
ODU	\$6,193	\$6,348	\$155	2.5%
UVA	\$12,347	\$12,515	\$168	1.4%
VCU	\$10,719	\$10,989	\$270	2.5%
VT	\$10,628	\$10,941	\$313	2.9%
CWM	\$14,114	\$15,810	\$1,696	12.0%
CNU	\$7,642	\$7,870	\$228	3.0%
UVA-Wise	\$5,210	\$5,369	\$159	3.1%
JMU	\$5,724	\$5,896	\$172	3.0%
LU	\$7,170	\$7,350	\$180	2.5%
UMW	\$7,716	\$7,948	\$232	3.0%
NSU	\$5,162	\$5,318	\$156	3.0%
RU	\$6,842	\$7,045	\$203	3.0%
VMI	\$8,136	\$8,461	\$325	4.0%
VSU	\$5,230	\$5,386	\$156	3.0%
RBC	\$4,086	\$4,224	\$138	3.4%
VCCS	\$4,261	Board meets May 19th		

# 2016-17 In-State Undergraduate Tuition and Mandatory E & G Fees

- Increases in in-state tuition ranged from 2.5 to 3 percent with some exceptions:
  - CWM decided to extend the Promise tuition reset one more year and imposed a **12%** increase on the incoming freshmen class with that rate locked in for four years
    - Detail on CWM will be addressed in later slides
  - VMI imposed a 4% increase which will generate the NGF required to fund its six-year plan
    - The 4% increase generates about \$640,000 NGF
  - Similarly, Richard Bland increased tuition by 3.4%
    - Like VMI this will allow for the NGF revenue necessary to fund its six-year plan
    - The 3.4% increase generates about \$185,000 NGF
- UVA initially had proposed a 3% percent increase for its continuing students but upon release of the conference report lowered its increase to less than 1.5%

# 2016-17 Out-of-State Undergraduate Tuition and Mandatory E & G Fees

Institutions	FY 2016	FY 2017	Increase	Percent
GMU	\$28,622	\$29,486	\$864	3.0%
ODU	\$22,933	\$23,328	\$395	1.7%
UVA	\$41,643	\$42,859	\$1,216	2.9%
VCU	\$29,410	\$30,146	\$736	2.5%
VT	\$27,272	\$28,064	\$792	2.9%
CWM	\$35,814	\$36,850	\$1,036	2.9%
CNU	\$18,940	\$19,496	\$556	2.9%
UVA-Wise	\$21,444	\$22,079	\$635	3.0%
JMU	\$20,858	\$21,670	\$812	3.9%
LU	\$21,330	\$21,780	\$450	2.1%
UMW	\$21,880	\$22,538	\$658	3.0%
NSU	\$17,680	\$17,680	\$0	0.0%
RU	\$19,126	\$19,126	\$0	0.0%
VMI	\$31,150	\$32,770	\$1,620	5.2%
VSU	\$15,402	\$15,916	\$514	3.3%
RBC	\$13,829	\$14,304	\$475	3.4%
VCCS	\$10,099	Board meets May 19th		

# 2016-17 Out-of-State Undergraduate Tuition and Mandatory E & G Fees

- Similar to the in-state charges, increases for out-of-state students also ranged from 2.5 to 3 percent, again with some exceptions:
  - ODU, NSU, Longwood and Radford had lower increases
    - NSU & Radford decided to not increase out-of-state rates at all
- Out-of-State students at many of our institutions comprise less than 15% of total enrollment
  - Out-of-state enrollment at ODU, Longwood & Radford are each less than 10%
  - NSU is about 13% out-of-state but has experienced a significant decline over previous decade



# 2016-17 Mandatory Non-E & G Fees (Auxiliary “Comp” Fee)

Institutions	FY 2016	FY 2017	Increase	Percent
GMU	\$2,976	\$3,096	\$120	4.0%
ODU	\$3,575	\$3,698	\$123	3.4%
UVA	\$2,121	\$2,199	\$78	3.7%
VCU	\$2,053	\$2,141	\$88	4.3%
VT	\$1,857	\$1,911	\$54	2.9%
CWM	\$5,258	\$5,424	\$166	3.2%
CNU	\$4,884	\$5,184	\$300	6.1%
UVA-Wise	\$4,010	\$4,170	\$160	4.0%
JMU	\$4,342	\$4,494	\$152	3.5%
LU	\$4,740	\$4,890	\$150	3.2%
UMW	\$3,354	\$3,622	\$268	8.0%
NSU	\$3,204	\$3,420	\$216	6.7%
RU	\$2,967	\$3,036	\$69	2.3%
VMI	\$8,400	\$9,031	\$631	7.5%
VSU	\$2,996	\$3,086	\$90	3.0%
RBC	\$1,407	\$1,488	\$81	5.8%
VCCS	\$14	Board meets May 19th		

# 2016-17 Intercollegiate Athletics Component of Comp Fee

Institutions	FY 2016	FY 2017	Increase	Percent
GMU	\$544	\$552	\$8	1.5%
ODU	\$1,652	\$1,698	\$46	2.8%
UVA	\$657	\$657	\$0	0.0%
VCU	\$750	\$791	\$41	5.5%
VT	\$288	\$293	\$5	1.7%
CWM	\$1,874	\$1,982	\$108	5.8%
CNU	\$1,416	\$1,570	\$154	10.9%
UVA-Wise	\$1,774	\$1,844	\$70	3.9%
JMU	\$1,961	\$2,031	\$70	3.6%
LU	\$1,899	\$1,916	\$17	0.9%
UMW	\$685	\$705	\$20	2.9%
NSU	\$1,468	\$1,468	\$0	0.0%
RU	\$1,180	\$1,180	\$0	0.0%
VMI	\$3,090	\$3,243	\$153	5.0%
VSU	\$1,046	\$1,077	\$31	3.0%
RBC	\$552	\$552	\$0	0.0%
VCCS	Board meets May 19th			

# 2016-17 Mandatory Non-E & G Fees and Athletics Fees

- Comp fee results are a bit of a mixed bag
  - Auxiliary increases are generally higher than Tuition
  - However, the average increase of 5% is lower than recent years average of 6%
- This slower growth is driven by the modest increases in athletics fees, which were generally less than 4%
  - Reflects the advanced impact of HB 1897 (Cox) which will be effective July 2016



# **THE WILLIAM & MARY PROMISE**

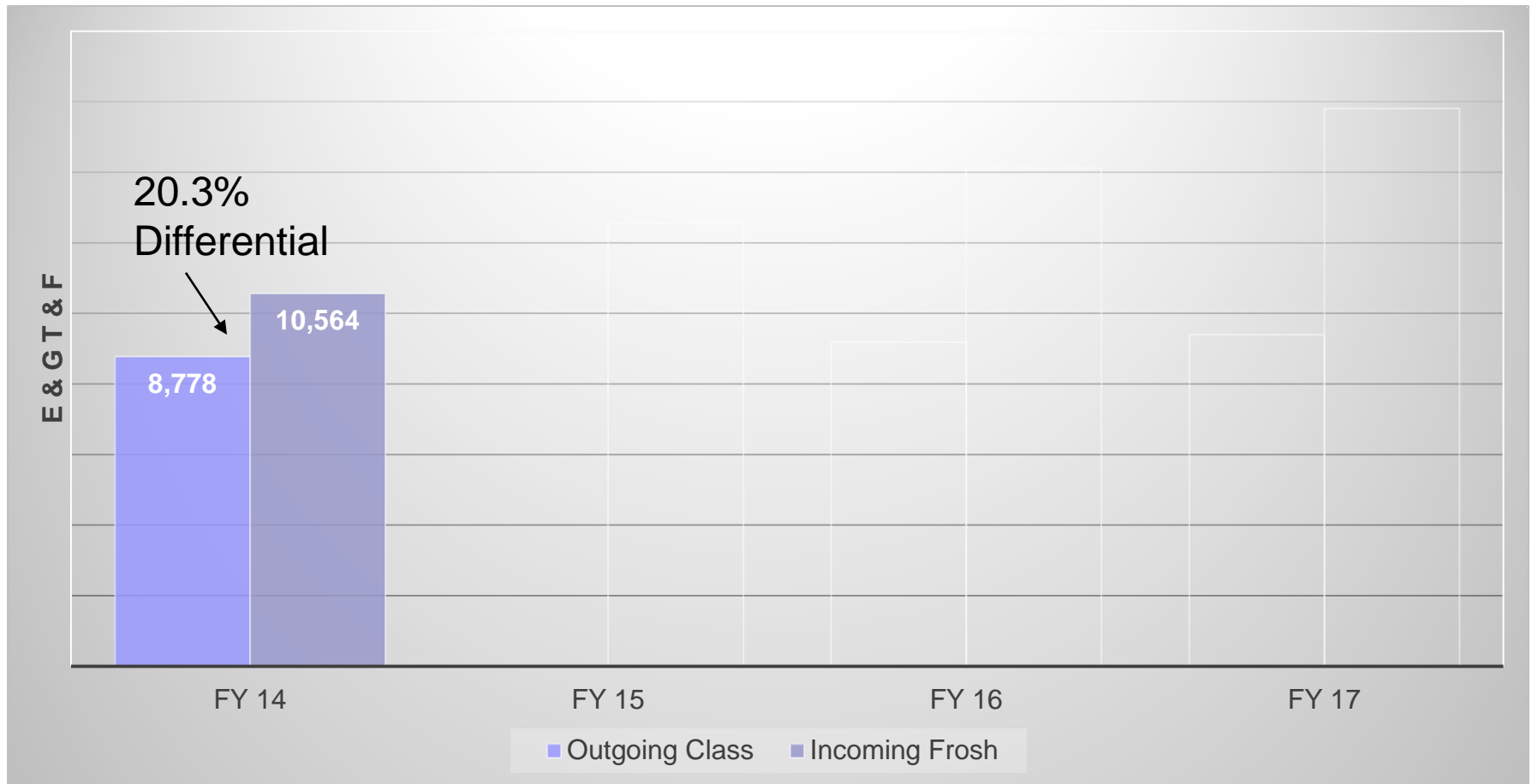
# What was the CWM Promise in 2013-14?

- CWM titled its new approach as the CWM Promise
  - Preserve “public ivy” distinction
  - Enhance access & affordability
    - Increase in-state undergraduate enrollment by 150 slots
    - Guarantee tuition level for four years for each new incoming class
    - Reduce student debt burden
- Current students would have their tuition increase linked to annual CPI for remainder of CWM years
- New students (freshmen & transfers) would receive increases of about 20% in FY 14 with that price guaranteed for 4 years
  - This was proposed as part of a three year phase-in with price rising another 19% for the incoming fall 2014 class and another 13% for the incoming fall 2015 class again with a rate locked in for the four year period
  - Students beyond fall 2015 will see rates increase by CPI with the same 4-year guarantee
- The new resources will be used primarily to increase faculty salaries & for financial aid as part of the student debt reduction goal

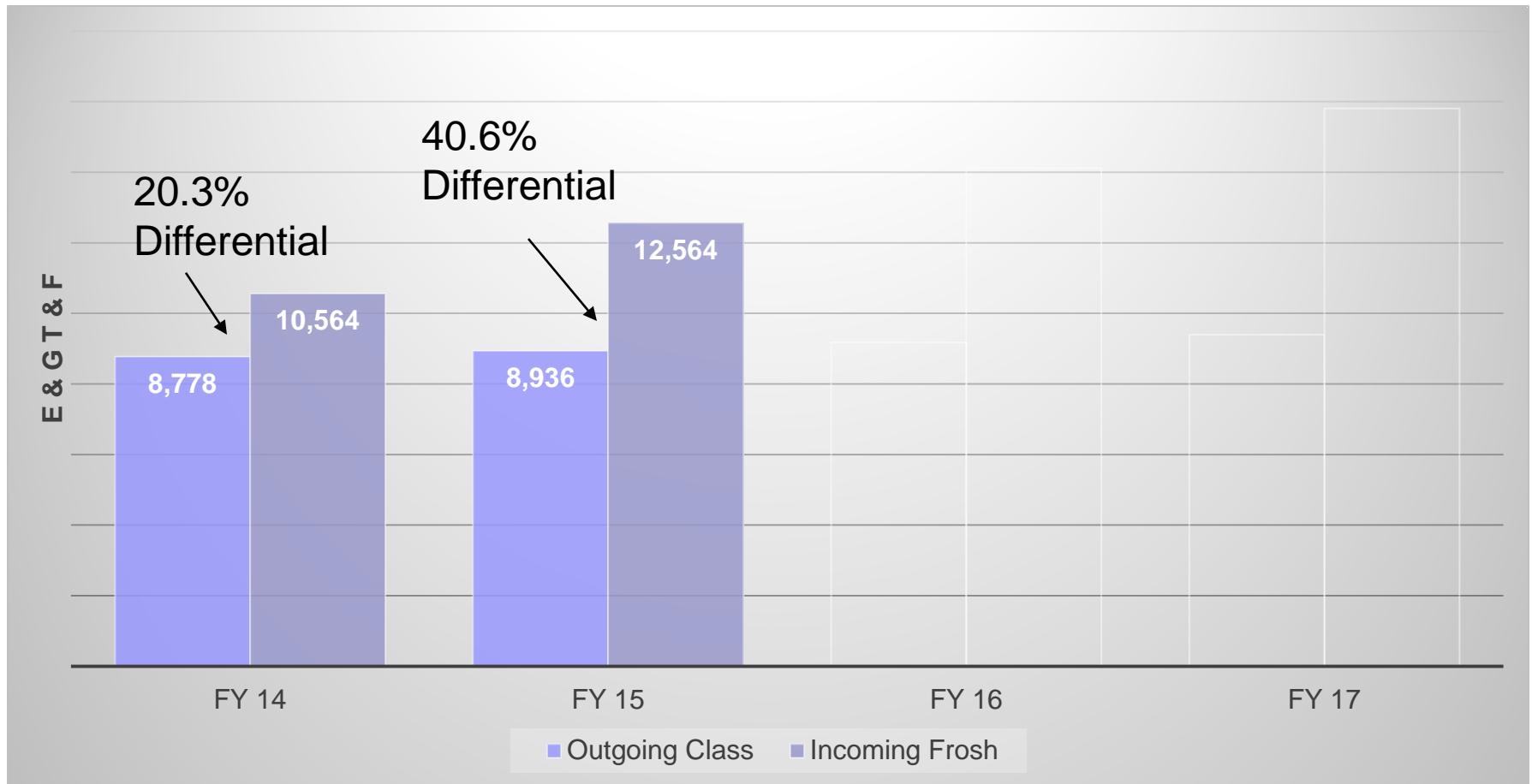
# How Does the Promise Generate NGF Revenues?

- What allows the CWM Promise to work is the revenue generated by the incoming class when compared to the outgoing class of in-state undergraduates
  - For example, there is a 68% differential between the charges for the outgoing class (\$9,400) and the new rate of \$15,810
  - This differential yields about \$7.0 million in new revenue
- If no tuition increase was approved, the current rate of \$14,114 still generates almost \$5 million
  - The 12% increase imposed by the BOV nets an additional \$1.8 million

# NGF Revenue Under The “Promise” *I/S Undergraduates*

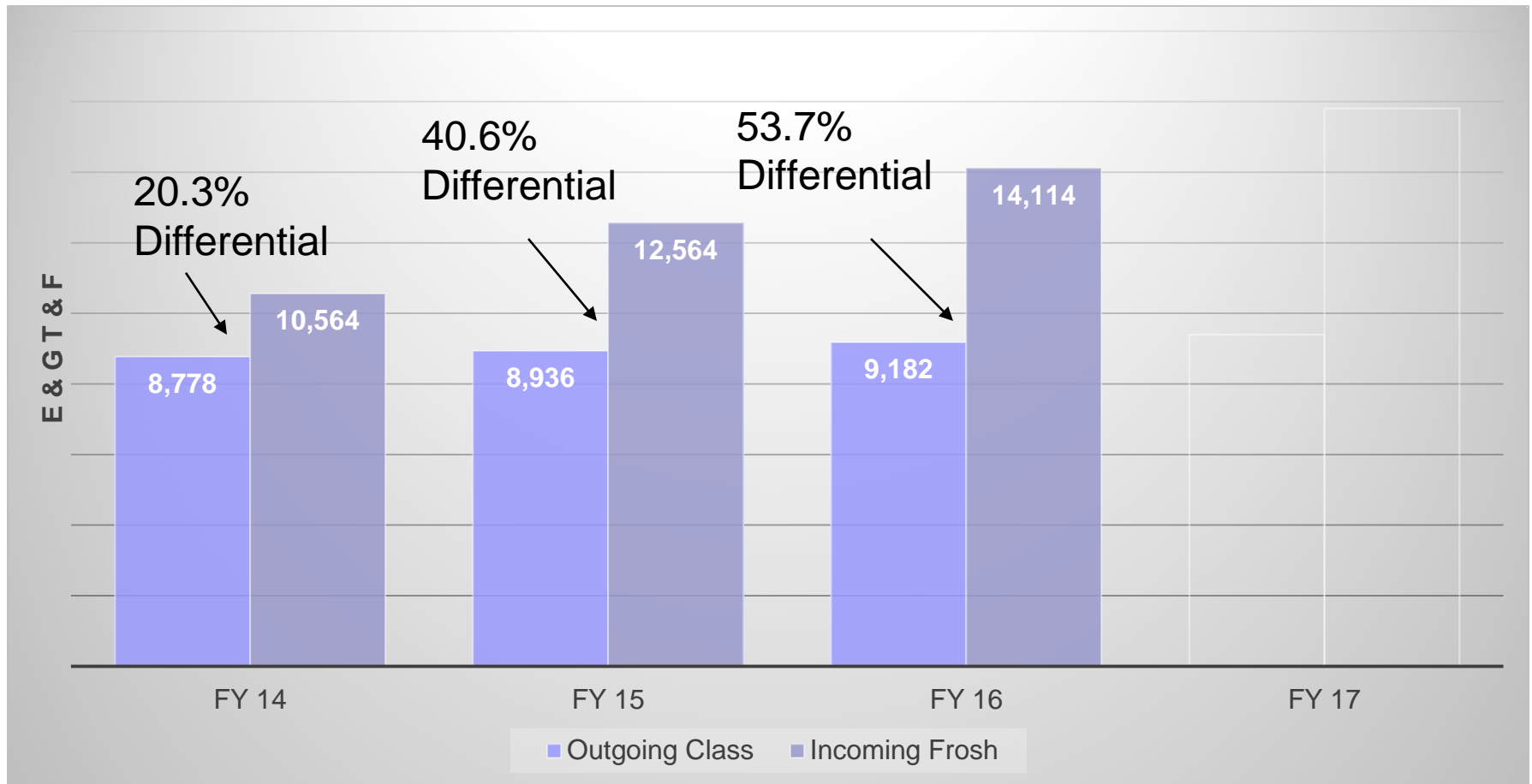


# NGF Revenue Under The “Promise” *I/S Undergraduates*

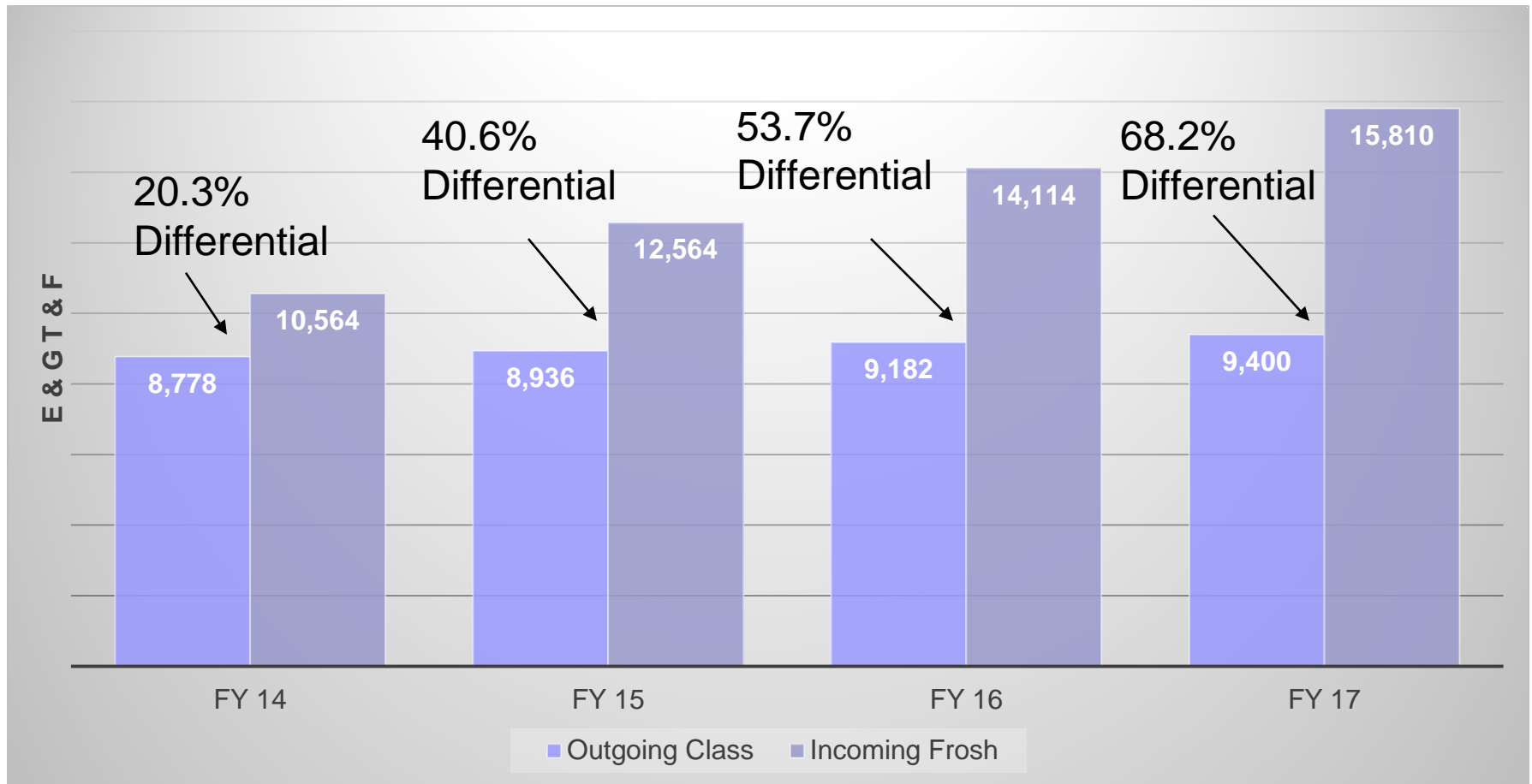




# NGF Revenue Under The “Promise” *I/S Undergraduates*



# NGF Revenue Under The “Promise” *I/S Undergraduates*



# CWM Six-Year Plan: FY 17 BOV-Approved Fall vs Spring-Adjusted

Spending	November BOV
Salary Actions	6,810,800
Financial Aid	1,990,000
Enrollment Support	400,000
Information Technology	315,000
Academic Program Initiatives	425,000
Improve URP Retention	325,000
Library	155,000
O & M / Other (Fringe & Benefits)	1,746,155
Research	0
Student Services	0
Compliance / Admin Support	0
<b>Total</b>	<b>12,166,955</b>
Resources	
General Fund	1,389,787
I/S Undergraduates	6,856,568
O/S Undergraduates	2,059,800
Graduate / 1st Professional	1,860,800
Study Abroad	
<b>Total</b>	<b>12,166,955</b>

# CWM Six-Year Plan: FY 17 BOV-Approved Fall vs Spring-Adjusted

Spending	November BOV	Post 2016 Session
Salary Actions	6,810,800	4,063,041
Financial Aid	1,990,000	2,490,000
Enrollment Support	400,000	550,000
Information Technology	315,000	870,000
Academic Program Initiatives	425,000	1,551,000
Improve URP Retention	325,000	325,000
Library	155,000	155,000
O & M / Other (Fringe & Benefits)	1,746,155	2,129,114
Research	0	200,000
Student Services	0	459,820
Compliance / Admin Support	0	427,600
<b>Total</b>	<b>12,166,955</b>	<b>13,220,575</b>
Resources		
General Fund	1,389,787	2,443,407
I/S Undergraduates	6,856,568	8,853,080
O/S Undergraduates	2,059,800	1,989,110
Graduate / 1st Professional	1,860,800	1,034,978
Study Abroad		(1,100,000)
<b>Total</b>	<b>12,166,955</b>	<b>13,220,575</b>

# CWM Six-Year Plan: FY 17 BOV-Approved Fall vs Spring-Adjusted

Spending	November BOV	Post 2016 Session	Difference
Salary Actions	6,810,800	4,063,041	(2,747,759)
Financial Aid	1,990,000	2,490,000	
Enrollment Support	400,000	550,000	
Information Technology	315,000	870,000	
Academic Program Initiatives	425,000	1,551,000	
Improve URP Retention	325,000	325,000	
Library	155,000	155,000	
O & M / Other (Fringe & Benefits)	1,746,155	2,129,114	
Research	0	200,000	
Student Services	0	459,820	
Compliance / Admin Support	0	427,600	
<b>Total</b>	<b>12,166,955</b>	<b>13,220,575</b>	
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Salary Actions	6,810,800	4,063,041	(2,747,759)
Financial Aid	1,990,000	2,490,000	500,000
Enrollment Support	400,000	550,000	150,000
Information Technology	315,000	870,000	555,000
Academic Program Initiatives	425,000	1,551,000	1,126,000
Improve URP Retention	325,000	325,000	0
Library	155,000	155,000	0
O & M / Other (Fringe & Benefits)	1,746,155	2,129,114	382,959
Research	0	200,000	200,000
Student Services	0	459,820	459,820
Compliance / Admin Support	0	427,600	427,600
<b>Total</b>	<b>12,166,955</b>	<b>13,220,575</b>	<b>1,053,620</b>
Resources			
General Fund	1,389,787	2,443,407	
I/S Undergraduates	6,856,568	8,853,080	
O/S Undergraduates	2,059,800	1,989,110	
Graduate / 1st Professional	1,860,800	1,034,978	
Study Abroad		(1,100,000)	
<b>Total</b>	<b>12,166,955</b>	<b>13,220,575</b>	

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Financial Aid	1,990,000	2,490,000	500,000
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Academic Program Initiatives	425,000	1,551,000	1,126,000
Improve URP Retention	325,000	325,000	0
Library	155,000	155,000	0
O & M / Other (Fringe & Benefits)	1,746,155	2,129,114	382,959
Research	0	200,000	200,000
Student Services	0	459,820	459,820
Compliance / Admin Support	0	427,600	427,600
<b>Total</b>	<b>12,166,955</b>	<b>13,220,575</b>	<b>1,053,620</b>
Resources			
General Fund	1,389,787	2,443,407	1,053,620
I/S Undergraduates	6,856,568	8,853,080	1,996,512
O/S Undergraduates	2,059,800	1,989,110	(70,690)
Graduate / 1st Professional	1,860,800	1,034,978	(825,822)
Study Abroad		(1,100,000)	(1,100,000)
<b>Total</b>	<b>12,166,955</b>	<b>13,220,575</b>	<b>1,053,620</b>

# CWM 6YP Summary for FY 2017

BOV-Approved Fall 6YP	12,166,955
Approved Salary Adjustment	(2,747,759)
<b>Subtotal</b>	<b>9,419,196</b>
CWM New Spending	
Financial Aid	500,000
Academic Initiatives	1,126,000
Research	200,000
Info Tech	555,000
Other	1,420,379
<b>Subtotal</b>	<b>3,801,379</b>
<b>Spring-Adjusted 6YP</b>	<b>13,220,575</b>

- CWM entered the spring with \$3.8 million of new resources when compared to its original 6YP
  - \$1,053,620 of additional GF
  - \$2,747,759 from revised salary requirements
- The BOV chose to spend all those new resources equivalent to 40% increase when compared to the original plan adjusted for salary
- E & G spending will increase by 8% which is 4 to 6 times greater than the Higher Education Price Index (HEPI) established by the Commonfund Institute



# Were There Other BOV Options?

- Option 1: No Tuition Increase
  - Depending on what is the correct assumption for new GF, and taking into account the NGF VRS rate savings, CWM could fully-fund its original 6YP adjusted for salary and would still have \$2.0 - \$2.5 million for new or expanded items
- Option 2: 3% Tuition Increase
  - The same as Option 1 except now CWM would have \$2.5 - \$3.0 million to apply to new or expanded items
- Both options would mean a little belt-tightening, given the BOV's appetite for \$3.8 million of new spending, but still would reflect 20 – 30 percent more spending than the original plan assumed and would provide some relief for in-state undergraduates
  - Under either option overall E & G spending would still grow at a 7% rate much higher than even HEPI

# Staff Questions / Concerns

- Since all revenues generated from the Promise are expended, can CWM sustain this model over time?
  - Revenues in the out years grow but at a decreasing rate
- CWM indicated that the BOV had already approved the new rate at its November 2015 meeting
  - However, the BOV seemed willing to revise its spending priorities in the spring based on Session actions but not tuition
  - Would any new student be disappointed in a lower than expected rate for the upcoming year?
- Under what circumstances will institutions show spending restraint?
  - Double digit GF growth seems to have no impact on CWM's appetite for still greater tuition and new spending over and above its own 6YP

# Staff Questions / Concerns

- Should the tuition language be modified to allow for greater time for SCHEV, perhaps in conjunction with money committee & DPB staff, to conduct a more thorough analysis of BOV actions
- CWM assumptions and staff estimates differ on some key items
  - Additional general fund may be as much as \$350,000 higher
  - Salary savings may be \$1 - \$2 million greater
  - VRS rate savings of about \$160,000 do not seem to be factored into CWM assumptions
- If higher than assumed resources materialize, how should they be utilized by the institution?
  - Reduce current or future tuition?
- Who can objectively report this to the General Assembly?



# Questions