



2013-2014 Tuition and Fee Actions

House Appropriations Committee
June 17, 2013

Tuition and Fees at Public Colleges & Universities

■ Three major categories:

- Tuition and 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
- Room & Board Charges
 - Supports dorms and food services
 - User fees
 - Has never been subsidized by state general fund



2013-14 Tuition & Fees

- Given the focus of TJ 21 on producing new degrees, this report will look primarily at the impact on undergraduate students
- Report will concentrate on tuition, E & G mandatory fees & the “comp” fee which are paid by all students
 - Room & board fees are excluded
- Focus on incoming students taking 30 credit hours per year which is the pathway to 4-year graduation



Tuition and E & G Fee Increases for FY 2013-14

2013-14 Undergraduate Tuition and Mandatory E & G Fees

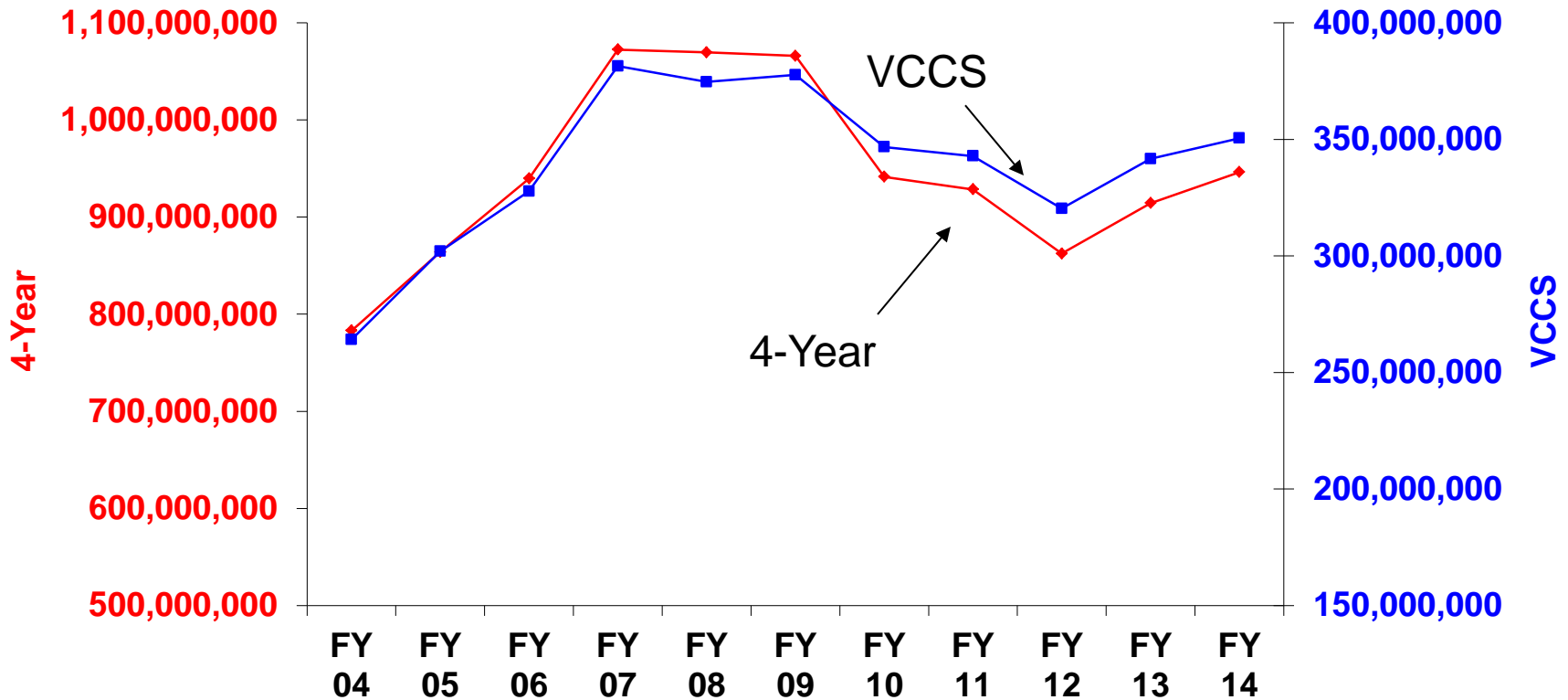
Institutions	In-State Undergraduate			Out-of-State Undergraduate		
	2014 Charge	Change Over 2013		2014 Charge	Change Over 2013	
		Percent	Amount		Percent	Amount
GMU	\$7,220	3.0%	\$210	\$25,904	3.0%	\$750
ODU	\$5,492	5.2%	\$271	\$21,152	5.2%	\$1,051
UVA	\$10,460	3.9%	\$394	\$37,846	4.9%	\$1,768
VCU	\$9,960	25.4%	\$2,017	\$27,431	24.9%	\$5,461
VT	\$9,703	4.9%	\$453	\$25,459	5.0%	\$1,217
W&M	\$10,531	20.0%	\$1,753	\$33,508	2.9%	\$956
CNU	\$6,554	5.0%	\$310	\$16,454	4.2%	\$660
UVA-Wise	\$4,801	4.9%	\$226	\$19,857	4.8%	\$914
JMU	\$5,104	5.0%	\$242	\$19,582	3.9%	\$732
LU	\$6,450	4.4%	\$270	\$19,320	4.4%	\$810
UMW	\$6,758	4.5%	\$290	\$19,628	4.5%	\$846
NSU	\$3,810	7.6%	\$270	\$17,280	1.4%	\$240
RU	\$6,086	5.7%	\$330	\$18,251	5.3%	\$925
VMI	\$7,080	2.9%	\$200	\$28,068	4.5%	\$1,212
VSU	\$4,906	3.6%	\$170	\$14,314	4.5%	\$610
RBC	\$3,446	7.9%	\$252	\$13,286	1.7%	\$226
VCCS	\$3,886	4.4%	\$165	\$9,724	2.5%	\$240

2013-14 Undergraduate Tuition and Mandatory E & G Fees

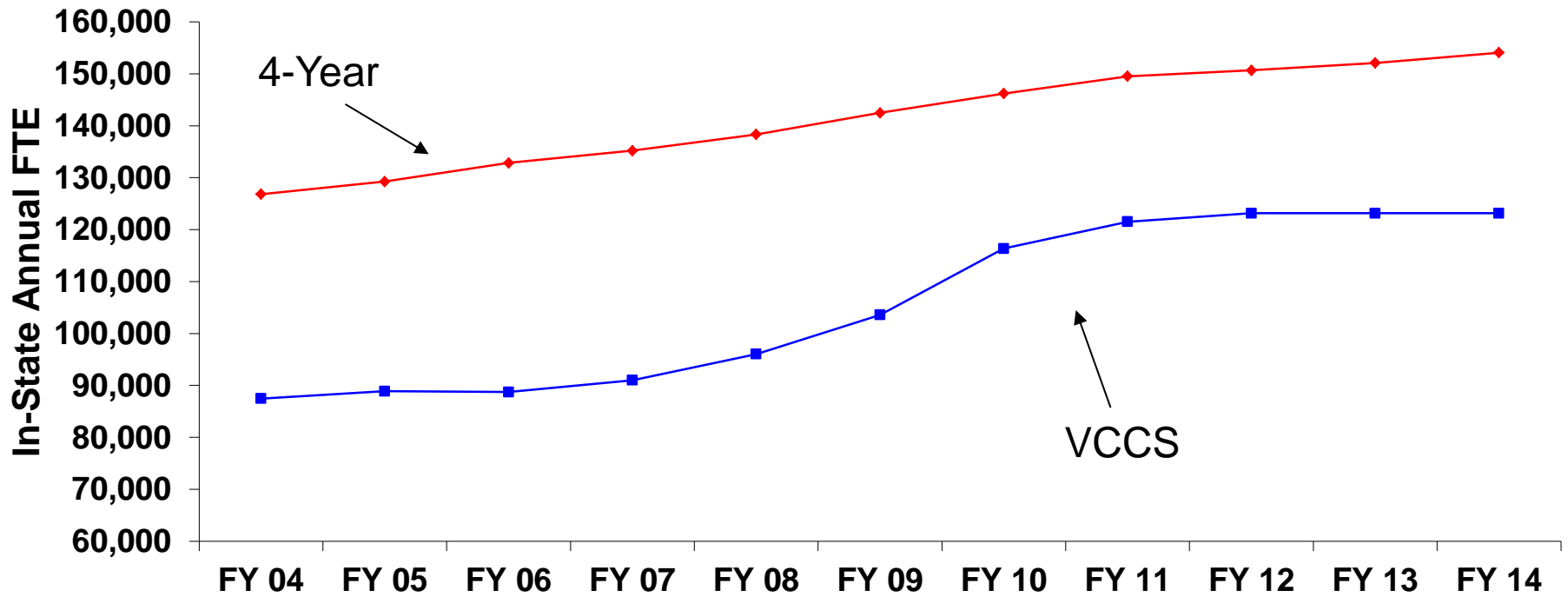
- Basically increases for in-state students ranged from 3 to 5 percent with four exceptions
 - NSU has an increase of about 7.6%, however NSU remains the least expensive 4-year institution in terms of tuition
 - Richard Bland has an increase of about 7.9%, however this is due in part to a re-categorization of amounts previously charged as non-E & G
 - CWM & VCU will be addressed in later slides
- What factors influence the tuition and E & G fee increases?

Changes in General Fund Support

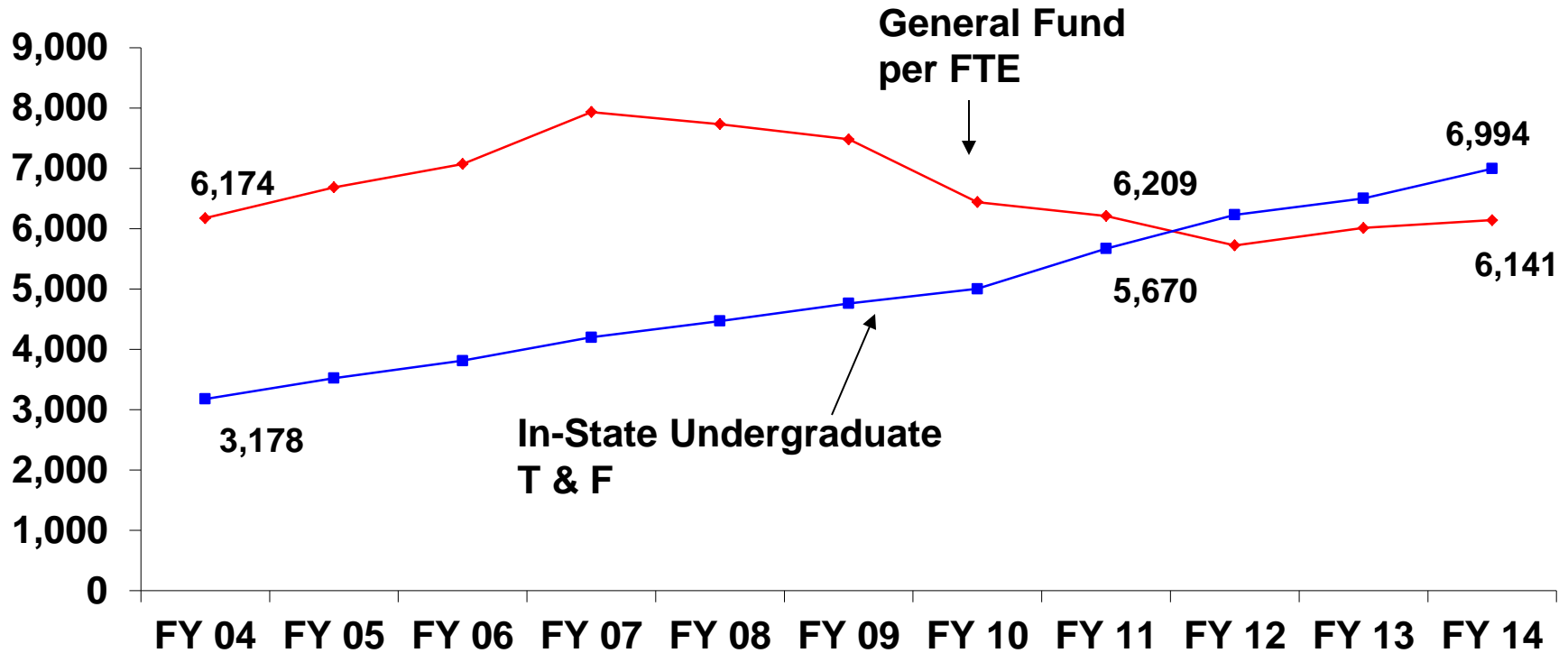
Similar Patterns 4-Yr vs VCCS



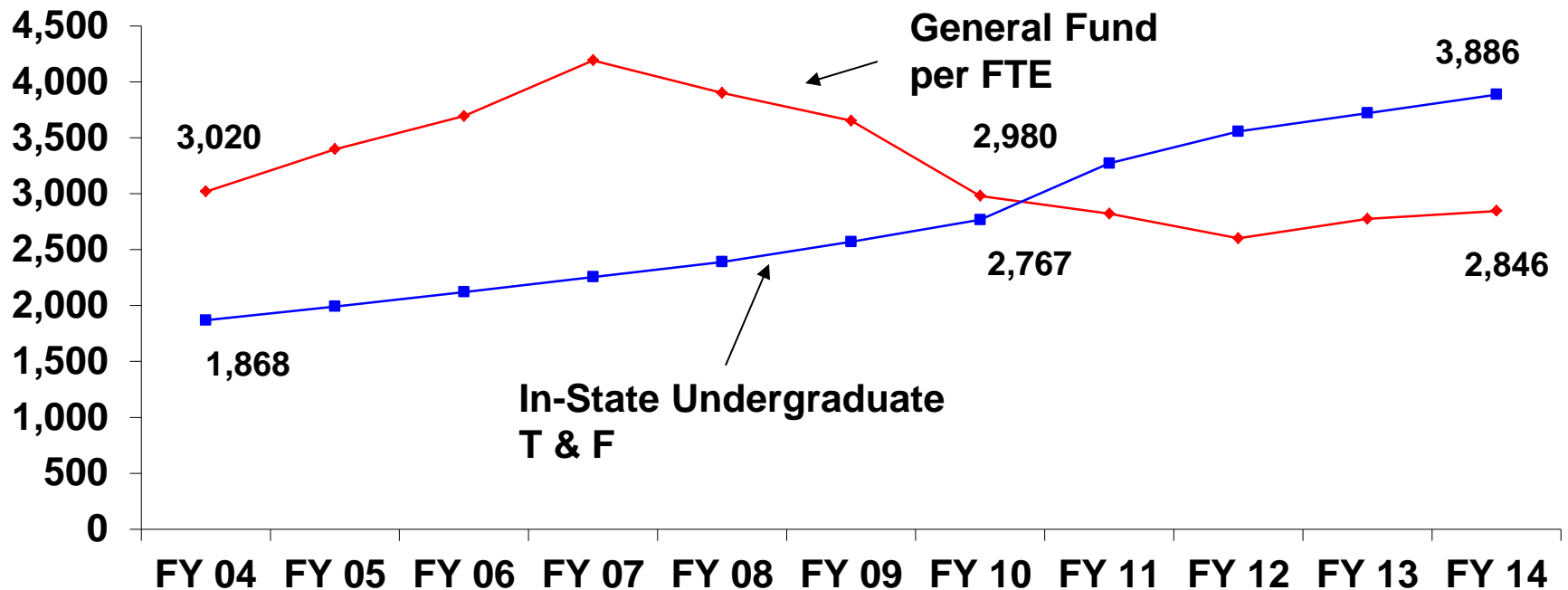
In-State Enrollment Growth



GF Per FTE Compared to In-State Undergraduate T & F at 4-Years



GF Per FTE Compared to In-State T & F at VCCCS



Other Factors Impacting T & F

- Shared cost policy
 - Approved salary increases
 - O & M and other operating costs
- Other compensation actions
 - Institutions moving forward to increase faculty salary beyond authorized levels
- Growing use of tuition for financial aid
- Adding full-time faculty & staff
- Strategic initiatives
 - Response to TJ 21
 - Institutional / management aspirations
- Cross subsidy
 - Many graduate programs do not pay for themselves

Alternative Approaches to Tuition

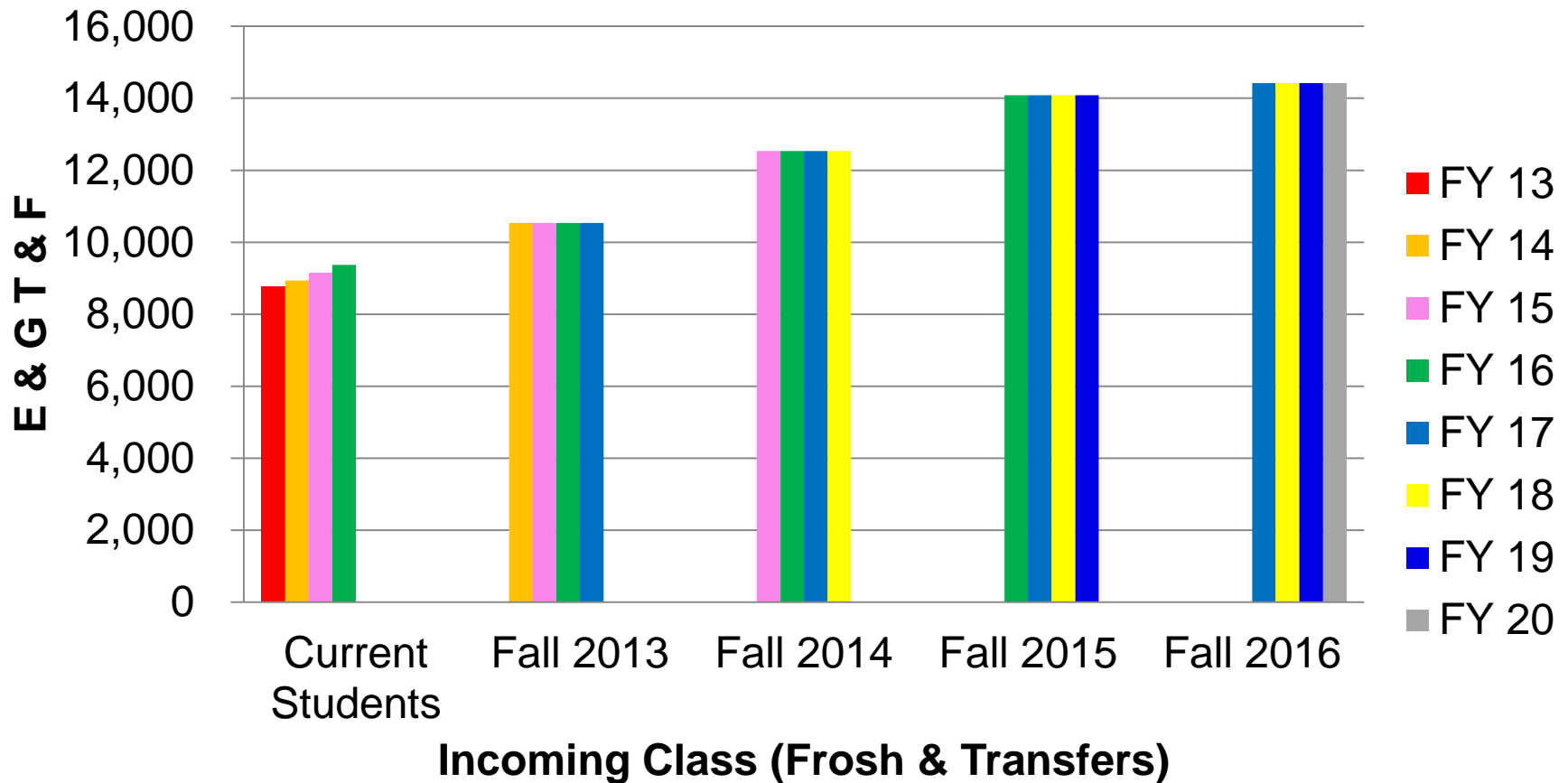
- Institutions have begun examining alternative approaches to charging tuition
 - Discipline / Program-specific differentials
 - Per credit hour in lieu of flat rate pricing
 - Different charges depending upon student level
 - Upper division differentials
 - Incoming class
- Goal is to align new revenues with aspirational goals and strategic plans
 - Faculty salaries
 - Financial aid
 - New programs
 - New faculty
- The next few slides will address two institutions that implemented alternative approaches
 - Other institutions have either already considered alternatives and did not implement or are investigating alternatives

College of William & Mary

2013-14 Tuition Actions

- CWM has titled its new approach as the CWM Promise
 - Preserve “public ivy” distinction
 - Enhance access & affordability
 - Increase in-state undergraduate by another 150 slots
 - Guarantee tuition level for four years for each new incoming class
 - Reduce debt burden
- Current students will have tuition increase linked to annual CPI for remainder of CWM years
- New students (frosh & transfers) will receive increases of about 20% in FY 14 with that price guaranteed for 4 years
 - This is 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 debt reduction goal

Impact of CWM Promise



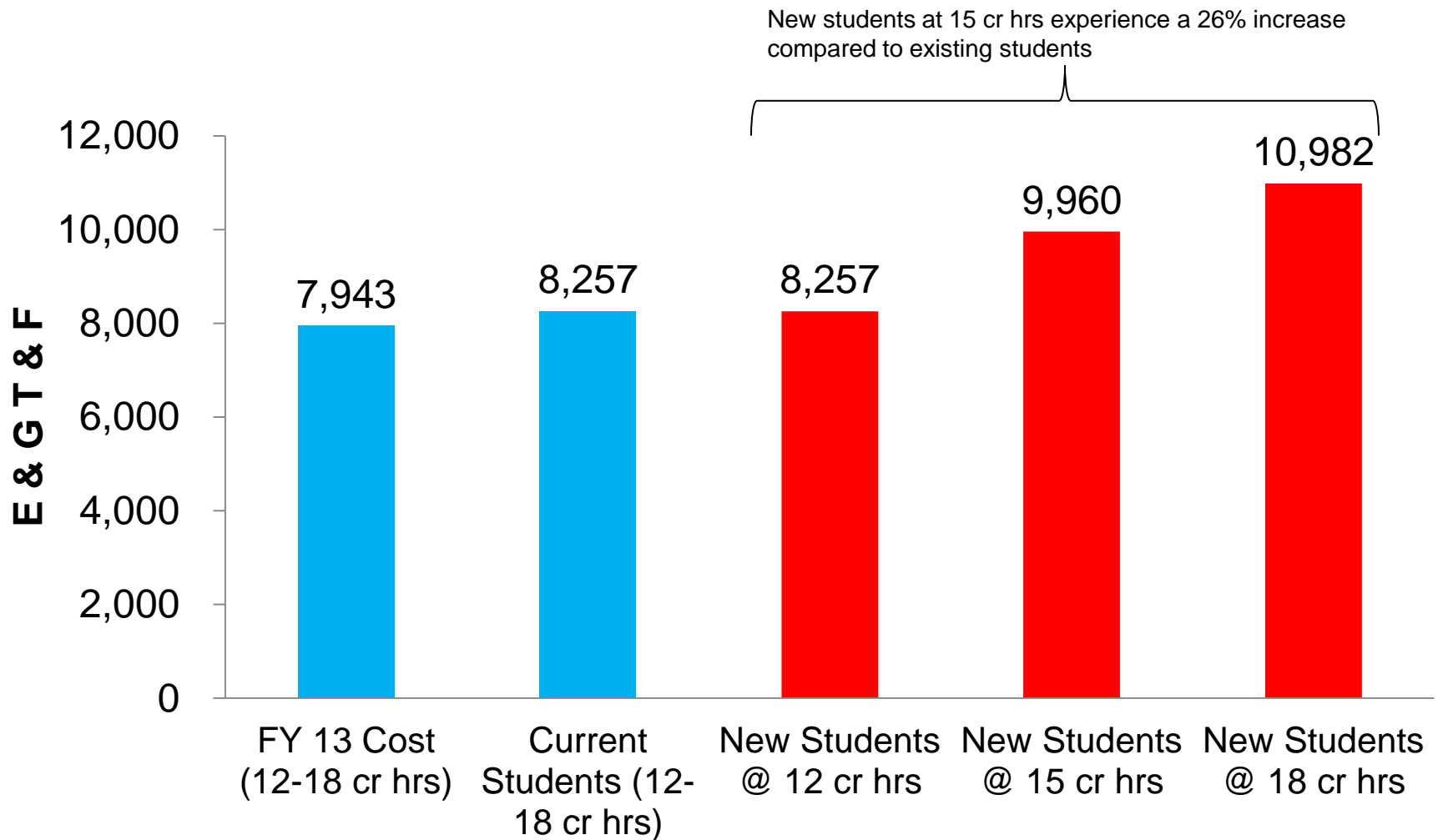
CWM Questions

- What is the impact on the Commonwealth resulting from faculty salary increases being provided independent of statewide action?
 - On VRS
 - On general fund requirements
 - On other employee groups at CWM and other institutions & state agencies
- Does CWM new operating model free up GF resources going forward?
- Is the model sustainable once the full phase-in takes place in three years?
 - Revenue growth only comes from each new class under the 4-year guarantee
 - Significant increases in cost structure (faculty salaries, fin aid) may become difficult to maintain

VCU 2013-14 Tuition Actions

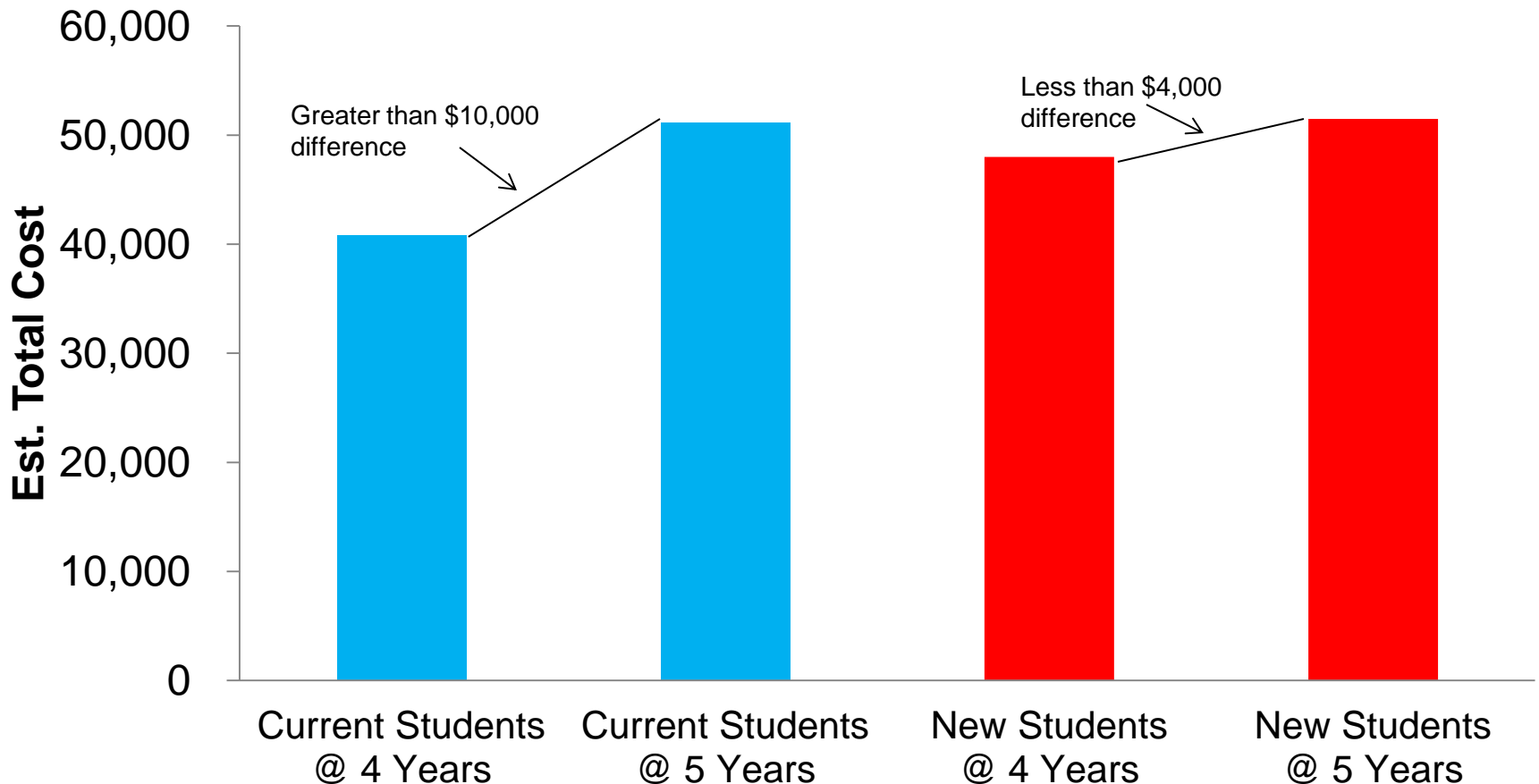
- Part of VCU's Quest for Distinction initiative
- VCU approach includes
 - Shift to per credit hour pricing for new students
 - 4 percent increase for continuing students
 - Reallocation of existing resources
- Current students will remain on the flat rate for 12-18 credit hours per semester
 - Tuition will increase by 4 percent for undergraduates
- New students (frosh & transfers) will be charged by the credit hour
 - A 50 percent discount on per credit hour pricing is implemented for the 15th – 18th credit hour
 - At 12 credit hours per semester new students will essentially see no price difference than a continuing student
 - At 15 credit hours a semester, in-state undergraduates will experience an effective price increase of about 26 percent
 - At 18 credit hours a semester, in-state undergraduates will experience an effective price increase of about 39 percent
- New resources are focused on:
 - Salary actions & related fringe authorized by the General Assembly
 - New faculty hires
 - Additional faculty salary increases
 - Financial aid

Impact of VCU Actions



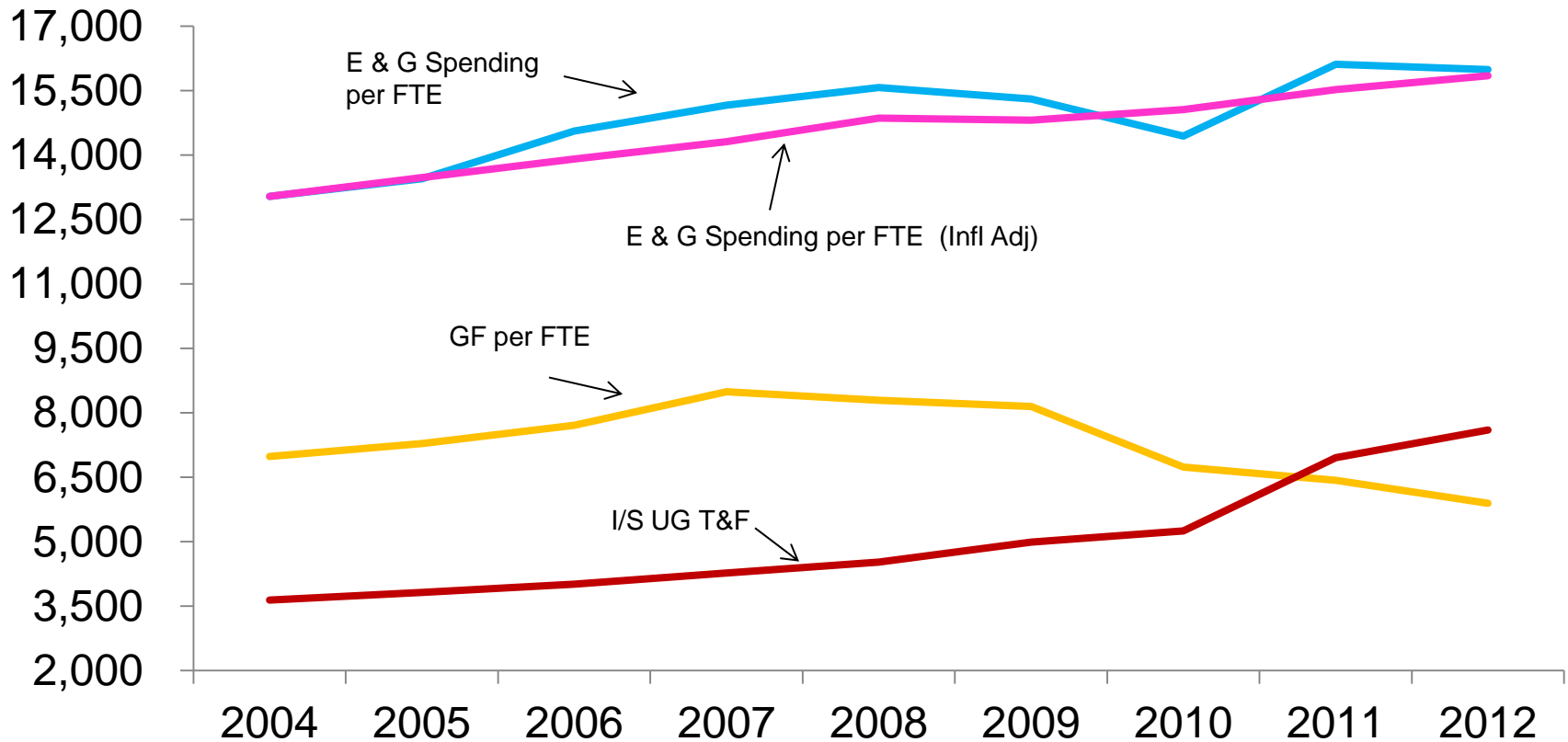
Impact on 4-Yr vs 5-Yr Total Cost

Will more students choose 5-year path?



Impact in GF Support Changes at VCU

Actual Compared to Inflation-Adjusted



Impact in GF Support Changes at VCU

Actual Compared to Inflation-Adjusted

- VCU has a large in-state student population and is dependent on GF support
 - 84% of total student FTE are in-state and 89% of undergraduates are in-state
- There has been a shift toward tuition since 2010
 - From 2004-2010 GF support per student kept pace with inflation
 - Tuition increases have exceeded inflation with a significant jump from 2010 to 2011
- However, overall E & G spending per student, with the exception of 2010, has outpaced inflation every year since 2004

VCU Questions / Issues

- Will credit hour pricing combined with greater focus on monitoring / advising students on course selection improve graduation rates?
 - Overall graduation rates have been improving at VCU
 - New pricing structure will increase cost for students taking 30 credit hours by 26% and may impact course-taking patterns
- As shown in previous slide the differential between 4-year & 5-year total cost is currently in excess of \$10,000
 - Under per credit hour pricing this difference narrows to less than \$4,000 as 4-year cost increases by 26% but 5-year cost remains relatively flat
 - Will this encourage or discourage completion rates?
- Of the number of students taking at least 30 credit hour, less than 30% of students report family income less than \$50,000
 - Will the new pricing structure have a negative impact on remaining students who typically do not qualify for most financial aid programs



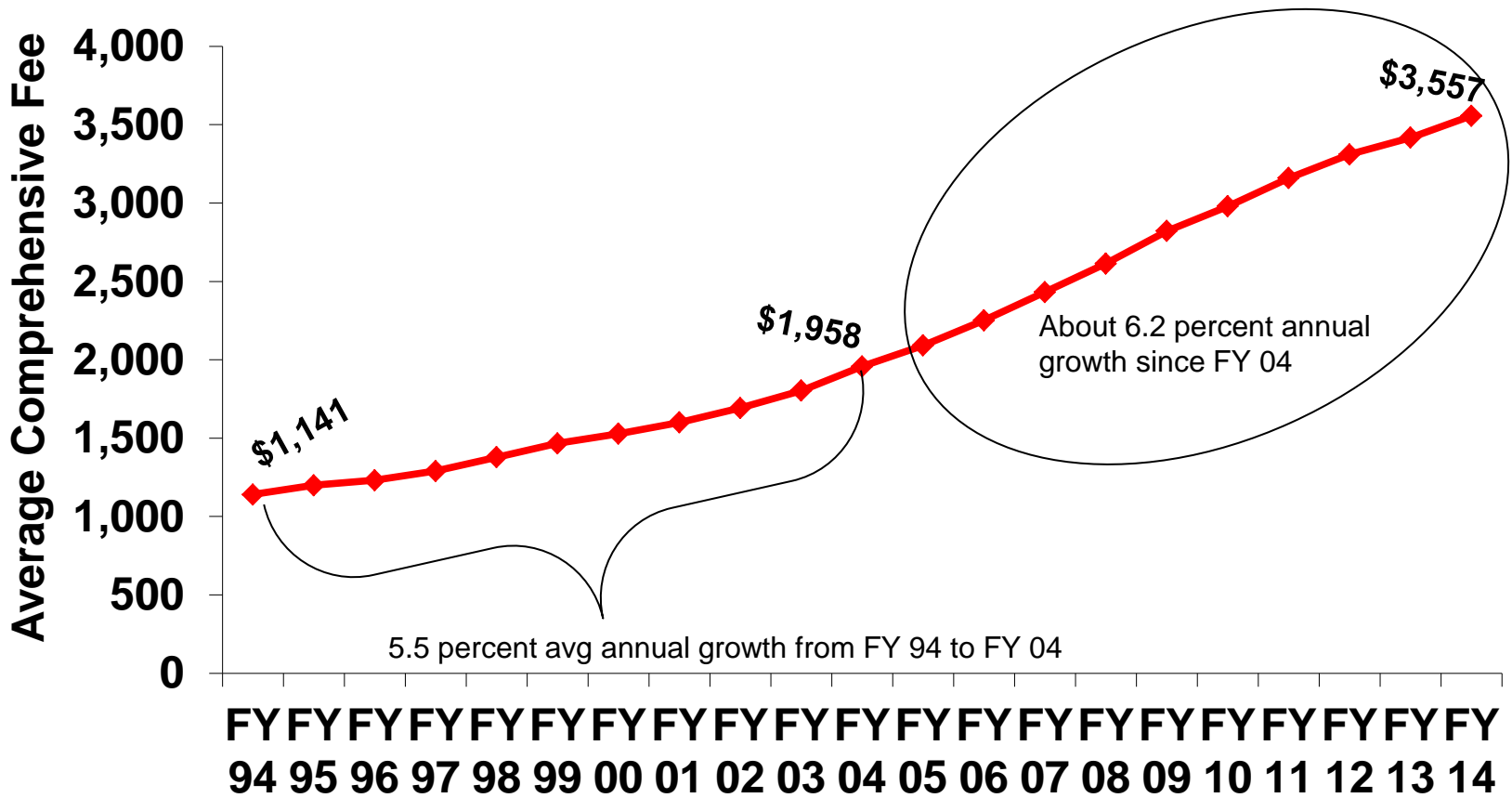
Auxiliary Enterprise (“Comp”) Fee Increases for 2013-14

2013-14 Undergraduate Mandatory Non-E & G Fees (“Comp Fee”)

Institutions	Mandatory Non-E & G Fees		
	2014 Charge	Change Over 2013	
		Percent	Amount
GMU	\$2,688	3.0%	\$78
ODU	\$3,328	3.1%	\$99
UVA	\$1,998	3.0%	\$58
VCU	\$2,043	5.2%	\$101
VT	\$1,752	4.7%	\$79
W&M	\$4,932	2.9%	\$140
CNU	\$4,538	4.9%	\$210
UVA-Wise	\$3,708	5.0%	\$176
JMU	\$4,072	3.2%	\$126
LU	\$4,891	3.8%	\$181
UMW	\$2,902	4.5%	\$124
NSU	\$3,416	2.9%	\$96
RU	\$2,890	2.0%	\$56
VMI	\$7,324	5.3%	\$369
VSU	\$2,878	7.2%	\$194
RBC	\$574	-52.8%	(\$641)
VCCS	\$14	0.0%	\$0

Growth in the Comprehensive Fee

212% Since FY 94, About 5.8% Annually



Growth in the Comprehensive Fee

- 5.5% average annual growth in comp fee from 1994 to 2004 compared to 6.2% average annual growth from 2004 to 2014
 - However, while the percentages are fairly close, the average dollar increase from 2004 to 2014 has been \$160 per year compared to about \$82 per year from 1994 to 2004
- On average, Athletics makes up 31% of the comp fee followed by debt service at 25% and student union, activities & health services at 24%
- Systemwide averages somewhat mask institution-specific impacts which have occurred as institutions respond to the “Club Ed” arms race
 - Addition of new sports, especially football, can be a significant cost driver
 - Changing status from Division II to Division I not only impact cost to an individual sports program but drive other NCAA expectations for facilities, scholarships etc.
 - New capital investment for student unions, recreation facilities, etc are driving up debt costs
- Comp fee growth may squeeze ability to generate tuition for instructional programs
 - Only so much revenue elasticity is available for most institutions



Total Cost for Tuition and All Mandatory Fees

2013-14 Total Undergraduate Cost

Institutions	In-State Undergraduate			Out-of-State Undergraduate		
	2014 Charge	Change Over 2013		2014 Charge	Change Over 2013	
		Percent	Amount		Percent	Amount
GMU	\$9,908	3.0%	\$288	\$28,592	3.0%	\$828
ODU	\$8,820	4.4%	\$370	\$24,480	4.9%	\$1,150
UVA	\$12,458	3.8%	\$452	\$39,844	4.8%	\$1,826
VCU	\$12,003	21.4%	\$2,118	\$29,474	23.3%	\$5,562
VT	\$11,455	4.9%	\$532	\$27,211	5.0%	\$1,296
W&M	\$15,463	13.9%	\$1,893	\$38,440	2.9%	\$1,096
CNU	\$11,092	4.9%	\$520	\$20,992	4.3%	\$870
UVA-Wise	\$8,509	5.0%	\$402	\$23,565	4.8%	\$1,090
JMU	\$9,176	4.2%	\$368	\$23,654	3.8%	\$858
LU	\$11,341	4.1%	\$451	\$24,211	4.3%	\$991
UMW	\$9,660	4.5%	\$414	\$22,530	4.5%	\$970
NSU	\$7,226	5.3%	\$366	\$20,696	1.7%	\$336
RU	\$8,976	4.5%	\$386	\$21,141	4.9%	\$981
VMI	\$14,404	4.1%	\$569	\$35,392	4.7%	\$1,581
VSU	\$7,784	4.9%	\$364	\$17,192	4.9%	\$804
RBC	\$4,020	-8.8%	(\$389)	\$13,860	-2.9%	(\$415)
VCCS	\$3,900	4.4%	\$165	\$9,738	2.5%	\$240



Questions