



UTAH SYSTEM OF
HIGHER EDUCATION

Building a Stronger State of MindsSM

Tuition

Understanding the Tuition Policy & Process

Office of the Associate Commissioner for Finance & Facilities

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Tuition in the Utah System of Higher Education (USHE) is a combination of first and second tier tuition components. Tuition represents a funding source charged students, to help cover their cost of higher education; other funding sources to help cover these costs include: state appropriations, fees, donations, grants and financial aid dollars.

Across the System, tuition covers an average of approximately 35% of the cost of instruction.

First Tier Tuition

In accordance with Policy R510, a *first tier* of tuition rate increases are to be uniform for all institutions, shall be implemented at the same time, and shall be based on an evaluation of current data on inflation and [national and regional] tuition increase data, and justified by specific increasing needs in the Utah System of Higher Education.

The rate of first tier tuition [System] increase has typically included several components: the increase necessary to cover 25% of the employee compensation package as approved by the State, student financial aid dollars (on three recent occasions) and – to a quite limited extent – other institutional needs. The coverage provided by the first tier increase varies by institution; varying by the institution’s level of tuition dependency.

Second Tier Tuition

Second tier tuition was first available to USHE institutions as a funding source with the 2001-02 academic year. Each institutional President, with the approval of the institutional Board of Trustees, may recommend a second tier of tuition rate increases to meet specific institutional needs and priorities. By Policy R510, second tier tuition rate increases may apply to all programs equally or they may be different for specific programs.

Implementation of second tier tuition increases requires public “notice” along with public Truth-in-Tuition hearings at the institutional level. While first tier tuition is System-wide and supports common funding needs, second tier tuition is essential for the institutions in addressing their individual and unique priorities. Therefore, second tier rate changes will vary by institution. Examples of second tier tuition increase uses would include: libraries, IT services, academic advising, accreditation-related costs, and additional employee compensation.

Resident Student Status

To attain Resident Student status, an individual must demonstrate that, prior to the first day of classes (for the term the student seeks to attend as a resident student) he or she has established domicile in Utah and satisfied relevant waiting periods and other criteria. Regent policy R512 lays out in great detail the criteria for residency, which generally includes a time-period requirement of at least one year.

Nonresident Student Status

A person not able to meet the requirements of resident student status will ordinarily be deemed a non-resident student for tuition payment purposes. There are numerous methods to move from non-resident to resident status and exceptions to payment of full non-resident rates, but typically undergraduate non-resident students will be charged a tuition rate no less than 3.0 times the undergraduate resident rate.

Undergraduate Programs

For purposes of this report, are considered to include post-secondary education up to the level of a bachelor's degree.

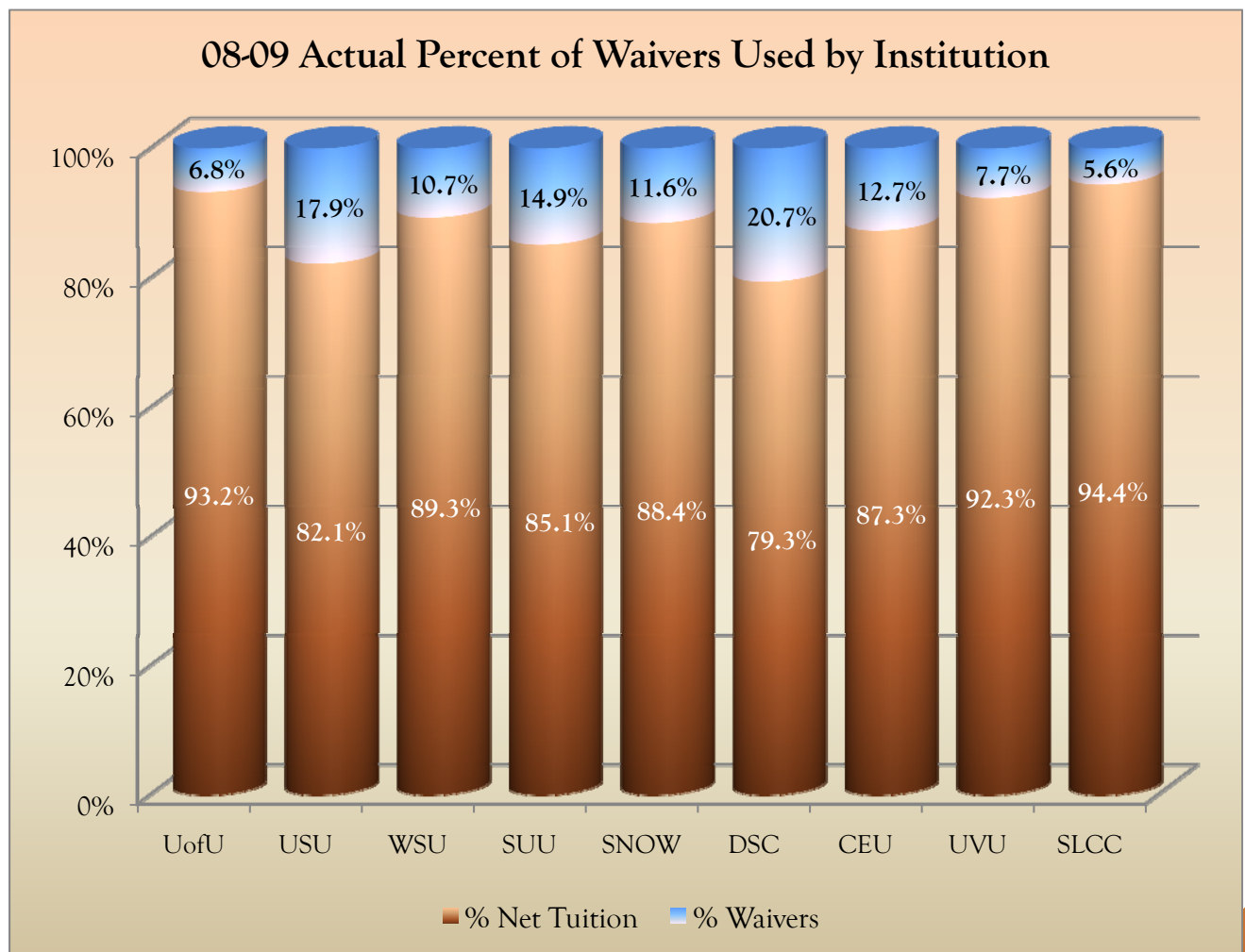
Graduate Programs

Education beyond a bachelor's degree quite commonly involves a critical mass of highly specialized faculty, expensive research equipment, research libraries, and sophisticated laboratory and clinical facilities. In general, graduate programs are substantially more expensive than undergraduate programs. Accordingly, tuition rates for graduate students are, by Policy R510, to be set at no less than 110% of undergraduate tuition rates.

Tuition Discounting might be defined as financial aid offered by the college that reduces the amount a student is required to pay for tuition; the result is that the *full sticker price* quoted as a college's published tuition rate, is in fact more than most students end up paying; the *net tuition* cost may vary greatly across the student body.

Tuition Waivers are the most common form of tuition discounting used in the Utah System of Higher Education. The president of each institution may, by Policy R513, waive all or part of the tuition of [Utah] resident students to an amount not exceeding 10% of the total amount of tuition which, in the absence of waivers, would have been collected from all Utah resident students at the institution.

Additionally State Statute and Regents Policy sanction numerous other waiver categories. Included amongst those categories are: faculty and staff waivers, senior citizen audit waivers, Utah National Guard waivers, nonresident student meritorious waivers, border waivers, critical occupation waivers, and many others.



Tuition Setting Process*

(always a *timing* issue)

- On-campus meetings involving institutional Presidents, Executive Teams, Budget Offices, & others – begin looking at potential scenarios for 2nd tier tuition rate increases (final determinations cannot effectively be made until State appropriations increases and 1st tier tuition rate increases are more firmly known.)
- Legislative session ends and State appropriations levels are determined.
- Council of Presidents and Commissioner collaboratively determine recommended 1st tier tuition rate to accompany State appropriations decisions made. The 1st rate will next be taken to the State Board of Regents for formal action.
- With the state appropriation determined and a 1st tier recommendation known, institutions now are positioned to make a determination as to potential 2nd tier rate levels and can informally notify institutional Boards of Trustees regarding proposed rates.
- Public Truth-in-Tuition hearings are held at each institution.
- Institutional 2nd-tier tuition rates are formally approved by Boards of Trustees.
- System-wide 1st tier and institutional-specific 2nd tier tuition rates are brought to Board of Regents for formal approval.

*note this is a *general sequential outline* and may vary from year-to-year and institution-to-institution.

Truth-in-Tuition specifies a public hearing process as written in Utah Code.

Utah Code 53B-7-101.5¹

(1) If an institution within the State System of Higher Education listed in Section 53B-1-102 considers increasing tuition rates for undergraduate students in the process of preparing or implementing its budget, it shall hold a meeting to receive public input and response on the issue.

(2) The institution shall advertise the hearing required under Subsection (1) using the following procedure:

(a) The institution shall advertise its intent to consider an increase in student tuition rates in the institution's student newspaper.

(b) The advertisement shall be run twice during a period of ten days prior to the meeting.

(c) The advertisement shall state that the institution will meet on a certain day, time, and place fixed in the advertisement, which shall not be less than seven days after the day the second advertisement is published, for the purpose of hearing comments regarding the proposed increase and to explain the reasons for the proposed increase.

(3) The form and content of the notice shall be substantially as follows:

"NOTICE OF PROPOSED TUITION INCREASE

The (name of the higher education institution) is proposing to increase student tuition rates. This would be an increase of _____ %, which is an increase of \$_____ per semester for a full-time resident undergraduate student. All concerned students and citizens are invited to a public hearing on the proposed increase to be held at (meeting place) on (date) at (time)."

(4) (a) The institution shall provide the following information to those in attendance at the meeting required under Subsection (1):

(i) the current year's student enrollment for:

(A) the State System of Higher Education, if a system-wide increase is being considered; or

(B) the institution, if an increase is being considered for just a single institution;

(ii) total tuition revenues for the current school year;

(iii) projected student enrollment growth for the next school year and projected tuition revenue increases from that anticipated growth; and

(iv) a detailed accounting of how and where the increased tuition revenues would be spent.

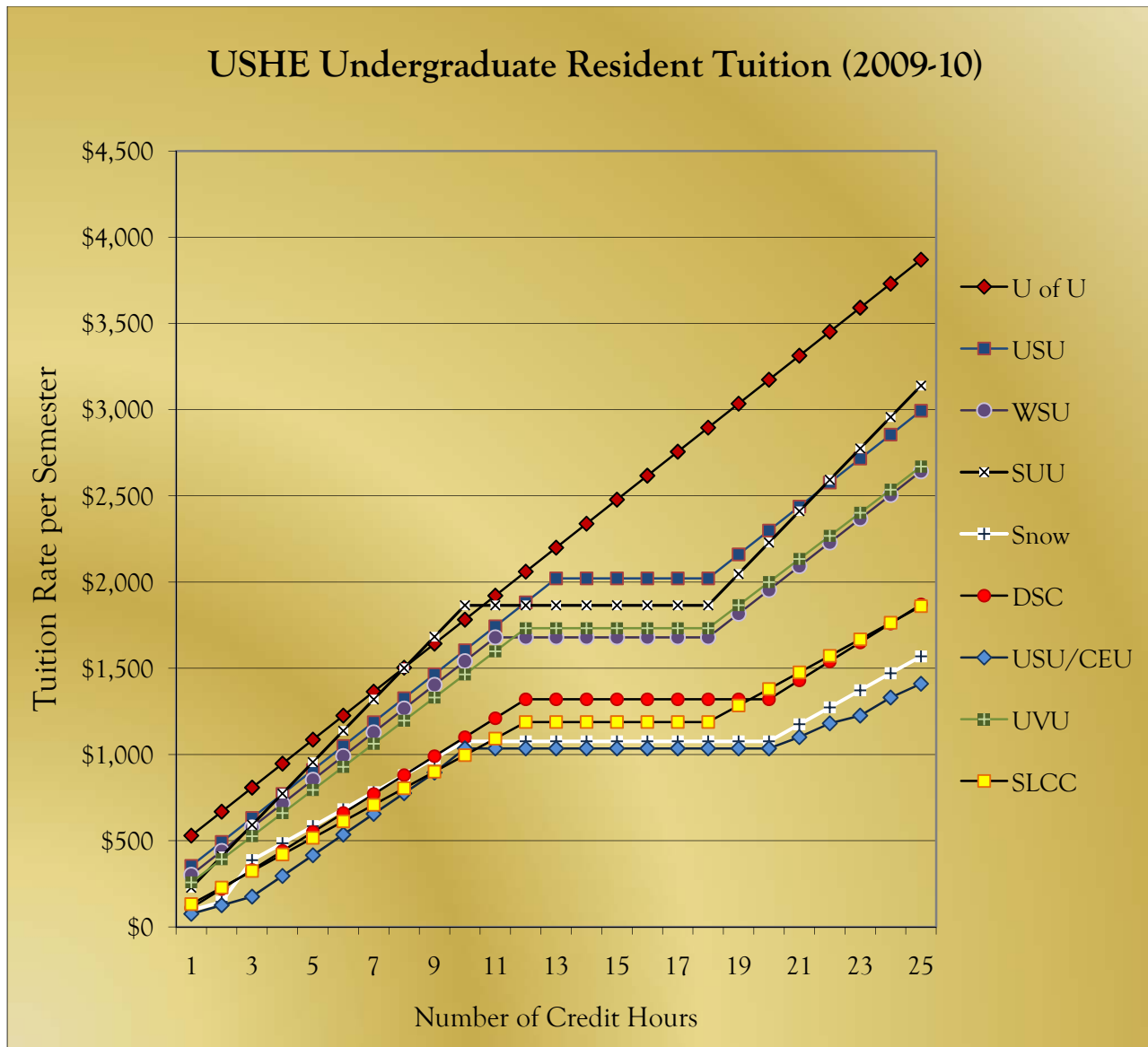
(b) The enrollment and revenue data required under Subsection (4)(a) shall be broken down into majors or departments if the proposed tuition increases are department or major specific.

(5) If the institution does not make a final decision on the proposed tuition increase at the meeting, it shall announce the date, time, and place of the meeting where that determination shall be made.

¹ SB210 "Higher Education Tuition Disclosure" 2001 General Session STATE OF UTAH Sponsor: Carlene M. Walker

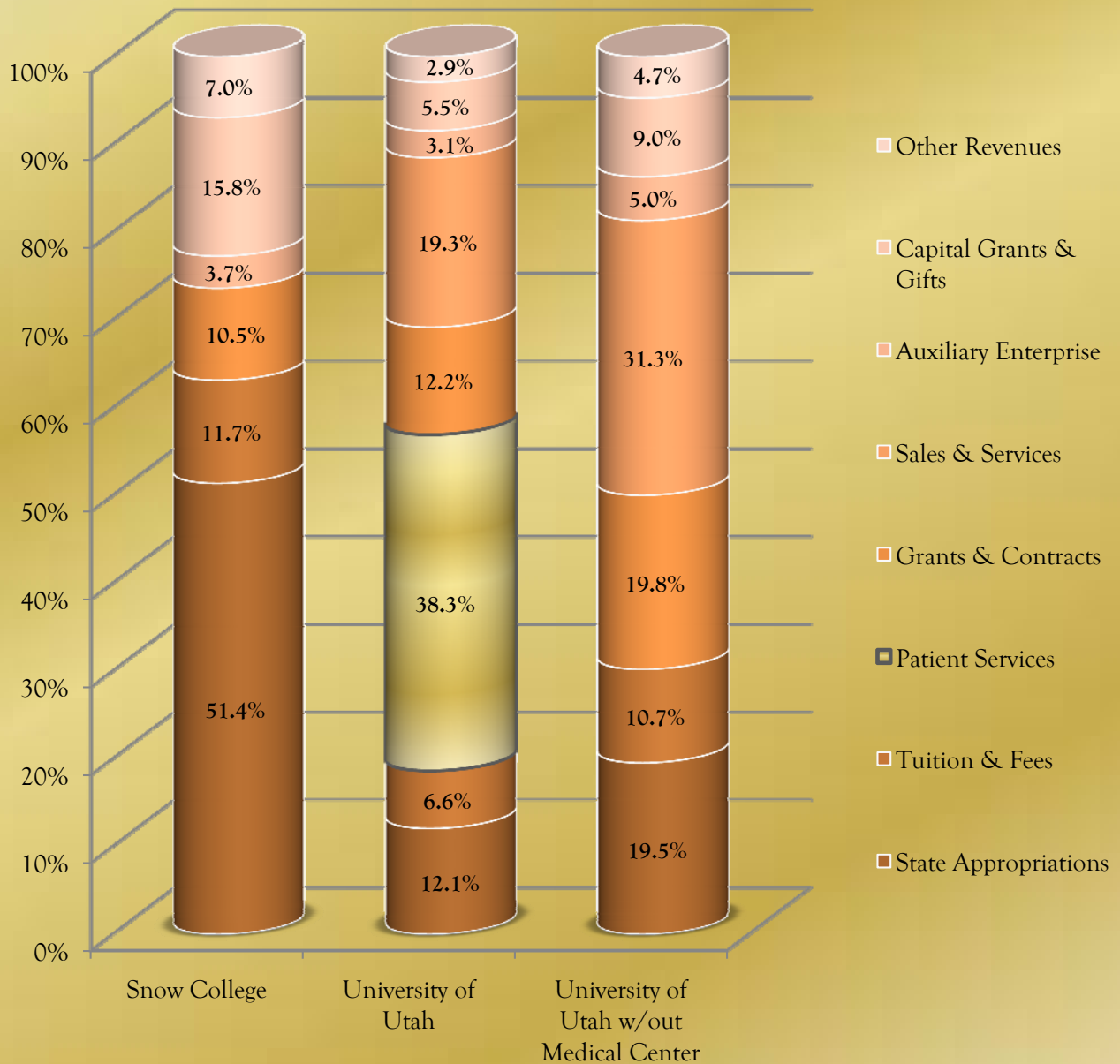
Plateau Tuition Model for Tuition Rate Increases: The Plateau model represents the tuition model that has been implemented by most USHE institutions. This model allows for incremental tuition increases - based on credit hours taken by an individual student - to a certain level. Then, a “plateau” kicks in, where the rate stays the same for an additional block of credit hours. Finally, above this block, incremental rate increases return. While most USHE institutions are on the Plateau model, the block to which the Plateau applies, varies substantially.

Linear Tuition Model for Tuition Rate Increases : The Linear tuition model - quite common in other states - charges additional dollars for each additional credit hour taken, and does so in a linear fashion. In the USHE System, the University of Utah utilizes the Linear Model for determining tuition.



Funding Sources by Percent

An Example Using the Smallest and Largest Institutions



SOURCE: 2008 audited financial statements - statement of revenues, expenses, and changes in net assets

“NO FREE LUNCH” : USHE institutions face a financial balancing act. During recessionary times, state appropriations are often reduced, donations and grants diminished; even as more students show up at the campuses. Without an ability to get revenue relief from governmental appropriations, tuition, or other revenue sources, and even assuming greater operational efficiencies, ultimately institutions face either offering lesser quality or limiting [educational] access. This challenge varies by institution, depending upon the revenue streams available.

Public Good vs. Private Good

The Array of Higher Education Benefits

	Public	Private
Economic	<ul style="list-style-type: none">Increased Tax RevenuesGreater ProductivityIncreased ConsumptionIncreased Workforce FlexibilityDecreased Reliance on Government Financial Support	<ul style="list-style-type: none">Higher Salaries and BenefitsEmploymentHigher Savings LevelsImproved Working ConditionsPersonal/Professional Mobility
Social	<ul style="list-style-type: none">Reduced Crime RatesIncreased Charitable Giving/Community ServiceIncreased Quality of Civic LifeSocial Cohesion/Appreciation of DiversityImproved Ability to Adapt to and Use Technology	<ul style="list-style-type: none">Improved Health/Life ExpectancyImproved Quality of Life for OffspringBetter Consumer Decision MakingIncreased Personal StatusMore Hobbies, Leisure Activities

SOURCE: Institute for Higher Education Policy. 1998. *Reaping the Benefits: Defining the Public and Private Value of Going to College*. Washington, DC: Institute for Higher Education Policy.

USHE Tuition History

March 2010

USHE Undergraduate Resident Tuition Increases, 2001-02 to 2009-10

	01-02 ⁽³⁾	02-03 ⁽³⁾	03-04 ⁽³⁾	04-05 ⁽³⁾	05-06 ⁽³⁾	06-07 ⁽³⁾	07-08 ⁽³⁾	08-09 ⁽³⁾	09-10 ⁽³⁾
2nd Tier Tuition (Resident Increases)									
UU	1.3%	5.6%	7.0%	7.0%	4.4%	5.5%	3.5%	2.5%	8.5%
USU	3.5%	5.5%	5.0%	4.0%	6.3%	4.0%	3.0%	2.5%	4.5%
WSU	1.5%	5.0%	5.0%	7.1%	6.3%	4.5%	3.0%	2.0%	5.5%
SUU	2.0%	5.0%	19.0%	8.0%	6.0%	4.0%	3.0%	3.5%	5.5%
Snow	0.0%	5.5%	4.9%	6.1%	6.0%	5.0%	1.5%	1.0%	8.5%
Dixie	0.0%	1.0%	2.8%	4.6%	1.6%	27.1%	5.0%	3.0%	7.1%
USU/CEU	0.0%	4.0%	4.0%	4.0%	3.5%	4.5%	0.0%	1.0%	8.0%
UVU	7.0%	15.5%	8.0%	11.5%	5.3%	5.0%	2.7%	2.8%	7.7%
SLCC	0.0%	5.0%	4.0%	5.0%	3.9%	0.0%	2.0%	1.9%	3.0%
USHE 2nd-tier Average ⁽¹⁾	1.7%	5.8%	6.6%	6.4%	4.8%	6.6%	2.6%	2.2%	6.5%
USHE First-tier only ⁽²⁾	5.5%	4.0%	4.5%	3.0%	3.5%	4.0%	4.0%	3.5%	1.0%

(1) Simple Average.

(2) The systemwide first-tier increase is shown for 2001-02 through 2009-10. This amount applied to all institutions. First-tier increases included an 0.5% set aside for need-based student financial aid in 2002-03 and 2003-04.

(3) Percentages represent increases that apply to greatest number of students at the institution, and do not include differential increases for some students or programs.

UTAH SYSTEM OF HIGHER EDUCATION

March 2010

2010-11 UNDERGRADUATE STUDENT FEES

Annual Fee Rate for a Full-Time Student (Fifteen Credit Hours for 2 Consecutive Semesters)

	UU	USU	WSU	SUU	Snow	Dixie	USU/CEU	UVU	SLCC
Student Activity/ Support Fees	\$111.80	\$172.26	\$257.90	\$152.00	\$122.20	\$241.08	\$157.70	\$120.68	\$118.50
Building Bond Fees	0.00	127.60	211.84	212.00	0.00	0.00	0.00	154.68	118.00
Building Support Fees	231.48	17.50	64.82	0.00	176.30	84.66	76.00	63.48	58.00
Athletic Fees	152.44	246.44	127.18	104.00	42.00	114.56	20.00	213.52	60.00
Health Fees	40.96	78.86	56.64	8.00	9.60	1.50	39.50	21.20	27.00
Technology Fees	227.04	127.72	24.92	64.00	31.90	104.90	38.50	28.68	19.50
Other Fees	83.20	33.98	8.32	0.00	8.00	2.50	68.30	13.76	11.00
Total Fees	\$846.92	\$804.36	\$751.62	\$540.00	\$390.00	\$549.20	\$400.00	\$616.00	\$412.00

Note: Distributions refer to Main Campuses only. Branch campuses and centers may have a different distribution of the same total fee amount.