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March 21, 2008

State Board of Regents Approves Lowest Tuition Increases Since 2001

Today, the State Board of Regents set tuition and fee increases for Utah's ten public colleges and universities, plus the Utah Electronic College (UEC). The average total tuition increase for Utah System of Higher Education (USHE) institutions (excluding the Utah College of Applied Technology) is 5.7 percent. This average is lower than last year, which was 6.6 percent, and is the lowest average increase since 2001.

“The Board of Regents is committed to improving access to postsecondary education,” said Board of Regents Chairman Jed H. Pitcher. “We believe that by keeping tuition increases relatively low, we can assist more students as they make one of the greatest investments in their lives.”

“The Legislature is a key partner in keeping higher education affordable for Utahns,” said Interim Commissioner of Higher Education David L. Buhler. “We appreciate our policy leaders’ recognition of higher education as the provider of Utah’s workforce and also as an investment in our economy. State appropriations into higher education have assisted our institutions and have helped to ensure we can make modest tuition increases. I also applaud our institutions for diligently addressing student needs and working hard to keep tuition low.”

The tuition students pay is divided into two tiers. First-tier tuition will increase 3.5 percent at nine institutions (this excludes UCAT). First-tier tuition funds each institution's share (no greater than 25 percent) of the total compensation package (including health insurance costs approved during the 2008 General Legislative Session). The Legislature approved a 2 percent cost of living increase, along with a 1 percent discretionary salary increase, plus an increase for health benefits.

Second-tier tuition for each institution is listed in the attached document. Under the “Truth in Tuition” legislation, institutional presidents must hold public hearings with their students prior to proposing second-tier tuition to the State Board of Regents. Second-tier tuition is set to address specific needs on each campus and funds a variety of purposes including compensation, classroom and technology upgrades, and student initiatives.

Institutions will also increase annual general student fees by 3.49 percent on average (meaning a student would now pay on average, \$523/year, in fees) compared to 4.08 percent last year. These fees are charged to all regular students in conjunction with the payment of tuition and support various campus programs such as student association

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and activities, student center operations, student computer operations, intercollegiate athletics, and student health programs.

The Board also approved a 3.8 percent tuition increase for adults attending UCAT (there is no cost to high school students attending UCAT campuses). This equates to a five-cent increase (\$1.30 to \$1.35) per membership hour for a full-time student (30 hours or more per week).

Three UCAT campuses (Davis, Ogden-Weber and Salt Lake –Tooele) use different models to assess higher tuition costs for students taking fewer hours per week. UCAT administration has requested that these campuses migrate to a model consistent with the other five campuses. This transition will be complete by 2010-2011.

The Board also approved an exception to its policy on tuition and fees (R510) to allow the College of Eastern Utah (CEU) to decrease its non-resident tuition to 2 times the resident undergraduate tuition rate. Regents policy states that undergraduate non-resident tuition “shall be set at no less than 3 times the institutional undergraduate resident tuition rate.” CEU anticipates that by reducing its non-resident tuition rate, it will see an increase in student enrollment.

Utah Valley State College, soon to be Utah Valley University, received Board approval for tuition and fee rates for the new Master of Education graduate program, which will be reviewed and potentially approved before July 1, 2008.

Finally, Salt Lake Community College will lower its Skills Center tuition rate by 22 percent for students receiving non-credit career and technical education. This reduction will more closely align the Skills Center with the UCAT tuition rates for similar programs.

**Please see attached file below for tuition materials presented at the Regents’ meeting.*

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March 21, 2008

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: USHE – Tuition Increases for 2008-09 (1st and 2nd Tier)

Issue

The Board of Regents holds statutory responsibility for setting tuition rates for each of the ten USHE institutions and the Utah Electronic College. Regents are asked to finalize tuition rates for 2008-09 for the 10 USHE institutions, the Utah Electronic College, and the tuition rate UCAT students pay to other USHE institutions for general education credit.

Background

Regents are asked to consider a number of other indicators when setting tuition, such as state funding levels, inflationary increases in the Consumer Price Index and Higher Education Price Index, regional and national tuition rate increases, and comparisons of tuition and fee levels at Western higher education institutions. Attachment 1 summarizes the most recent information available regarding the measurements mentioned above.

First-tier Increases – In October 2007, the Board of Regents approved the motion to “formalize first-tier tuition as the amount required to fund the FY 2008 Legislative compensation package.” The action taken by the 2008 Legislature approved a 2 percent COLA, 1 percent discretionary salary increases, and 9.9 percent increase in health insurance rates. Each institution must fund the compensation package at a tuition funded share of no greater than 25 percent of the total compensation package.

Commissioner’s staff reported to the Legislative Fiscal Analyst that sufficient tuition revenue from a 3.5 percent first-tier increase would cover the required institutional obligations for the FY 2009 compensation package.

Second-tier Increases – In March 2001 (for FY 2002) the Board of Regents began authorizing second-tier tuition increases to allow campuses to propose additional rate increase to address specific campus priorities. Rates will vary from campus to campus (shown below) and depend on the level of state tax funds received during the 2008 General Session of the Legislature. Attachment 2 is a comprehensive summary regarding the proposed second tier increase for each of the institutions and describes how the estimated revenues generated by the second-tier increase will be used.

The following table illustrates the expected increase in the tuition rate undergraduate resident students will pay in 2008-09 over 2007-08.

Proposed 2008-09 Tuition Dollar Increases by Institution per Semester

(Based on Resident Lower Division Undergraduate FTE Student – 15 Hours for one semester)

Institution	Total Annual First-tier (3.5%) \$ Increase	Second-tier % Increase	Total Annual Second-tier \$ Increase	Total Tuition \$ Increase (per Semester)
University of Utah	\$149.45	2.50%	\$106.75	\$128.10
Utah State University	\$126.53	2.50%	\$90.38	\$108.45
Weber State University	\$104.58	2.00%	\$59.76	\$82.17
Southern Utah University	\$114.59	3.50%	\$114.59	\$114.59
Snow College	\$65.87	1.00%	\$18.82	\$42.34
Dixie State College	\$80.22	3.00%	\$68.76	\$74.49
College of Eastern Utah	\$63.67	0.50%	\$9.10	\$36.38
Utah Valley State College	\$105.00	2.80%	\$84.00	\$94.50
Salt Lake Community College	\$75.88	2.00%	\$43.36	\$59.62

Utah College of Applied Technology – Tuition at UCAT campuses is no-cost to high school students. UCAT is proposing a 3.8 percent increase in tuition for adults for 2008-09 consistent with the first-tier tuition increase being recommended for approval. This is a five-cent increase (\$1.30 to \$1.35) per membership hour for a full time student attending (30 hours or more per week).

Most UCAT campuses use a “linear” model to assess tuition (one hour = \$1.35, two hours = \$2.70, three hours = \$4.05, and so on). Three campuses currently use “step-linear” models and assess higher tuition costs for students taking fewer hours per week, reducing that cost to \$1.35 per hour for full-time students taking 30 or more hours per week.

UCAT administration has requested the three “step-linear” campuses to develop a plan to transition to a “linear” tuition schedule. The proposed 2008-09 tuition schedules at Davis, Ogden-Weber and Salt Lake-Tooele campuses indicate increasing numbers of membership hour “points” that will be charged at the \$1.35 rate (copies of the UCAT tuition schedule will be available upon request). The transition plan differs by campus because of demographics and, but will result in a standard, linear tuition schedule at all UCAT campuses by 2010-11.

Utah College of Applied Technology General Education at Other USHE Institutions – Staff proposes that UCAT students attending other USHE institutions for general education credit be subject to a 5.8 percent increase in the tuition rate they currently pay. The proposed increase would add approximately \$5.61 per credit hour (\$96.78 to \$102.39).

Utah Electronic College - Based on the tuition calculation methodology outlined in Regent Policy R510 for the Utah Electronic College, the proposed rate increases for 2008-09 are as follows:

- Four Year Institutions (UU, USU, WSU, SUU, and UVSC) 2007-08 per credit hour charge \$164. This is an increase of \$9 (5.8%) over 2007-08 rates.
- Two Year Institutions (Snow, CEU, SLCC and DSC) 2007-08 per credit hour charge \$92. This is an increase of \$5 (5.8%) over 2007-08 rates.
- Criminal Justice Program – 2008-09 per credit hour charge \$130. This is an \$7 (5.7%) increase over 2007-08 rates.

The following tuition proposals are institutional specific and require Regents approval in addition to the overall tuition increases proposed for each institution. Institutions will have

representatives available to answer any specific questions that Regents may have regarding the proposals.

Utah State University On-line Course Tuition Rate - Regent Policy 510, *Tuition and Fees*, states:

“4.1. Alternative Tuition Models - Institutions may use either: (1) a linear tuition model, in which the incremental tuition charge per student credit hour is the same without regard to the number of hours for which a student is enrolled, or (2) a plateau model, in which students carrying a defined full-time load are charged a uniform rate within a defined range of credit hours. Alternative tuition schedules for on-line courses may be authorized by the Regents on a case by case basis.”

USU officials are requesting Regent approval for an alternative tuition schedule for on-line courses it offers to students. The USU Board of Trustees have approved the following per credit hour rates and are asking that Regents review and approve for the 2008-09 school year.

- \$200 per credit hour for undergraduate level courses
- \$254 per credit hour for graduate level courses

College of Eastern Utah Nonresident Tuition Request Exception – CEU officials are requesting an exception to Regent Policy R510 *Tuition and Fees*. Current Regent policy states:

3.5. Resident/Nonresident Tuition Relationships - *Undergraduate nonresident tuition shall be set at no less than 3.0 times the institutional undergraduate resident tuition rate. Regents may grant exceptions on a case-by-case basis.*

The College of Eastern Utah has identified that the college has the capacity to accept additional students, and in an effort to increase at no additional burden to taxpayers, college officials are requesting that CEU Nonresident tuition be set at 2.0 times the resident undergraduate rate. This represents a 50 percent decrease in the tuition rate for nonresident students. If Regents approve this exception, the College of Eastern Utah commits to provide an annual progress report on the number of nonresident students attending the college, and commit to review tuition rates on an annual basis to ensure that Utah residents have primary access to college. Currently CEU serves approximately 80 budget-related nonresident students per year. It is estimated that the revenue impact to CEU would be minimal, possibly \$50,000 per year, as nonresident students are currently paying approximately 58 percent of the nonresident rate using existing tuition waivers. CEU officials believe that the decrease in tuition rates will encourage more nonresidents to attend and the loss in revenue will be more than covered as a result of new nonresident enrollment.

Utah Valley State College (Utah Valley University) – UVSC officials are requesting approval for tuition and fee rates for the new Master’s of Education graduate program to be offered at UVU. Based on this information and on the nature of the proposed UVU Master’s of Education degree program, the following tuition and fee rates are proposed for 2008-09:

Tuition per credit hour = \$179

General student fees per credit hour (up to 7 credits) = \$41

Total tuition and general student fees per credit hour (up to 7 credits) = \$220

Salt Lake Community College – In an effort to encourage more students to access CTE training at the community college, SLCC officials are proposing a 22% reduction in its Skills Center tuition rate for students receiving non-credit career and technical education. This reduction will more closely align the Skills Center with the UCAT tuition rates for similar programs.

Commissioner's Recommendation

The Commissioner recommends that the Regents approve tuition rates for 2008-09 by:

- Finalize the first-tier tuition increase at 3.5 percent for all USHE institutions;
- Approve the final second-tier tuition increase proposals for each institution as described in Attachment 2.
- Approve the tuition rates for UCAT, UCAT General Education, and Utah Electronic College
- Approve Utah State Universities request for a separate tuition rate for Online Courses for 2008-09.
- Approve the exception requested by the College of Eastern Utah to set nonresident tuition rates at 2 times the resident undergraduate tuition rate.
- Approve the Utah Valley State College - Utah Valley University proposed tuition rate for the Masters of Education program.
- Approve the Salt Lake Community College Skills Center tuition reduction to more closely align the tuition rate with the UCAT tuition rates for similar programs.

David L. Buhler
Interim Commissioner for Higher

Education
DLB/MHS/KLH
Attachments

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