University of Virginia

Tuition Setting Strategies
2013-14 Academic Year

Senate Finance Committee
May 23, 2013
Inflection Point for Higher Education

Facing Challenges

• Stress on every revenue source
• Generational turnover in faculty
• Technological innovations that will influence how colleges teach
• Continued need and desire for residential education
• Expectation for higher education to help solve social and environmental problems
• Pressure to operate more efficiently
Context for Tuition Setting at UVa

• Developing a strategic plan
  – Need to invest to maintain/enhance academic excellence
• Drafted a multi-year financial plan
• Messages to hold tuition to rate of inflation despite cost sharing obligations (e.g. salaries, benefits) that require a larger increase
Long Term Tuition Pricing Strategy

*Principles*

- Contributes to a financially sustainable model
  - Balances academic excellence with efficiency
- Transparent and easily understood
- Better aligns price with cost
- Continues UVa’s commitment to affordability through AccessUVa (financial aid program)
Differential Tuition

Investing in the Academic Experience

• More accurate alignment with actual costs
  — Faculty, labs, capstone courses, career services, undergraduate research experiences

• Established practice
  — Peers charge differentials by program and by upper division

• More consistent approach to replace various fees
  — Currently range from $500 - $2,000/year per student at UVa
### Proposed Plan 1

**Base Increase and Differential Tuition for All Schools**

#### Base Undergraduate Tuition
- Proposed 3.5% increase for in-state undergraduate students
- Increases expected to range between 2.5% and 3.5% per year over next four years

#### Differential Tuition

<table>
<thead>
<tr>
<th>School</th>
<th>Amount</th>
<th>Phasing</th>
</tr>
</thead>
<tbody>
<tr>
<td>McIntire School of Commerce (3rd and 4th years)</td>
<td>5,000</td>
<td>final phase of 3-step implementation in fall 2013</td>
</tr>
<tr>
<td>Engineering¹ (all years)</td>
<td>$2,000</td>
<td>beginning with 1st years in fall 2013</td>
</tr>
<tr>
<td>College, Nursing², Architecture, Batten, Curry (3rd and 4th years)</td>
<td>$2,000</td>
<td>beginning with 3rd years in fall 2015</td>
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¹Replaces average annual fee for SEAS students of $750/year
² Replaces average annual fee for Nursing students of $1,600/year
Proposed Plan 2

*Base Increase and Differential Tuition and Fees*

**BASE UNDERGRADUATE TUITION**
- Proposed 2.9% increase for in-state undergraduate students
- Proposed 3.9% increase for out-of-state undergraduate students

**DIFFERENTIAL TUITION**

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**ACADEMIC EXCELLENCE FEE (3rd and 4th years)**

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<td>fall 2013</td>
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<td></td>
<td>1,000</td>
<td>fall 2014</td>
</tr>
<tr>
<td></td>
<td>1,500</td>
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</tr>
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<td></td>
<td>2,000</td>
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Proposed and Approved Plan 3
Base Increase and Differential Tuition for Two Schools

BASE UNDERGRADUATE TUITION
- 3.9% increase for in-state undergraduate students
- 4.9% increase for out-of-state undergraduate students

DIFFERENTIAL TUITION

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