

SENATE OF VIRGINIA

Senate Finance Committee

2016 Preliminary Tuition and Fee Report

May 18, 2016



Higher Education Funding in the 2016 Conference Budget

- Adds over \$255.0 million GF over the biennium, with \$239.3 million GF under Higher Education and \$16.0 million GF in Central Appropriations (introduced plus Conference amendments).
 - **Includes \$104.0 million GF** to support base operations at the institutions.
 - **Maintains \$48.2 million GF for need-based undergraduate student financial aid.** Second year amounts moved to the State Council of Higher Education for Virginia (SCHEV) to be distributed after the Joint Subcommittee makes a recommendation on financial aid reform.
 - **Provides \$7.5 million GF in graduate financial aid** over the biennium.
 - **Provides \$32.0 million GF** for research initiatives in higher education and an **additional \$8.0 million GF** for research under Central Appropriations.



2016 Session Tuition Discussion and Conference Language

- **House language:** Limited in-state undergraduate tuition to 3% in each year (UVA and CWM had different language that they should not exceed what was in their plans using their models (Affordable Excellence at UVA and the Promise at CWM).
- **Senate position:** Boards of Visitors (BOV) are responsible for setting tuition and are best suited to make these decisions based on individual circumstances.
- **Conference language:** *Out of this appropriation, \$X the first year and \$X the second year from the general fund is designated to support the goals of access, affordability, quality and increased degrees. **Given the increased investment from the general fund during this biennium, it is the expression of the General Assembly that the institution seek to minimize tuition and fee increases for in-state undergraduate students. This language shall be in effect for the 2016-2018 biennium only.** The Board of Visitors shall set the tuition rates for the institution, and forward their action to the State Council of Higher Education for Virginia within three business days of such action. The Council shall analyze the Board's actions and report such analysis to the Chairmen of House Appropriations and Senate Finance Committees within three business days of receipt, at which point, the Board's action shall be final. The Director of the Council shall report the final Board actions to the Chairmen by August 1, 2016 and August 1, 2017.*



Recent History for Tuition and Fee Actions

- For FY 2016, the average annual increase for Tuition and E&G Fees was 7.1%.
- Increases have been substantially higher during recessions when general fund support has declined.
- The Virginia Higher Education Opportunity Act of 2011 (TJ21) included goals related to access and affordability.
 - The Administration has previously emphasized the importance of lower tuition and fee increases.
 - Boards of Visitors for the institutions have responded to this request.
- The Joint Subcommittee on the Future Competitiveness of Virginia Higher Education will be looking broadly at affordability and specifically at alternative tuition and fee structures that could result in lower costs to in-state undergraduate students.



In-State Undergraduate Tuition and Mandatory E&G Fees for FY 2017

These mandatory student charges support instruction and education-related activities included in the Educational & General (E&G) program. These include:

- ✓ Instruction
- ✓ Research & Public Service
- ✓ Academic Support
- ✓ Student Services
- ✓ Institutional support
- ✓ Operation & maintenance of plant

Institution	Tuition and Mandatory E&G Fees		Increase	
	2015-16	2016-17	Amount	Percent
CNU	\$7,642	\$7,870	\$228	3.0%
CWM freshmen	\$14,114	\$15,810	\$1,696	12.0%
CWM other ISUG	\$12,414	\$12,414	\$0	0.0%
GMU	\$7,976	\$8,204	\$228	2.9%
JMU	\$5,724	\$5,896	\$172	3.0%
LU	\$7,170	\$7,350	\$180	2.5%
NSU	\$5,162	\$5,318	\$156	3.0%
ODU	\$6,193	\$6,348	\$155	2.5%
RU	\$6,842	\$7,045	\$203	3.0%
UMW	\$7,716	\$7,948	\$232	3.0%
UVA freshmen	\$12,347	\$13,515	\$1,168	9.5%
UVA other ISUG	\$11,680	\$11,848	\$168	1.4%
UVAW	\$5,210	\$5,369	\$159	3.1%
VCU	\$10,719	\$10,989	\$270	2.5%
VMI	\$8,136	\$8,461	\$325	4.0%
VSU	\$5,230	\$5,386	\$156	3.0%
VT	\$10,628	\$10,941	\$313	2.9%
VCCS	Board Meets May 19th			
RBC	\$4,086	\$4,224	\$138	3.4%
Average*	\$7,658	\$7,851	\$193	2.7%

*Average used CWM and UVA other undergraduate rates.



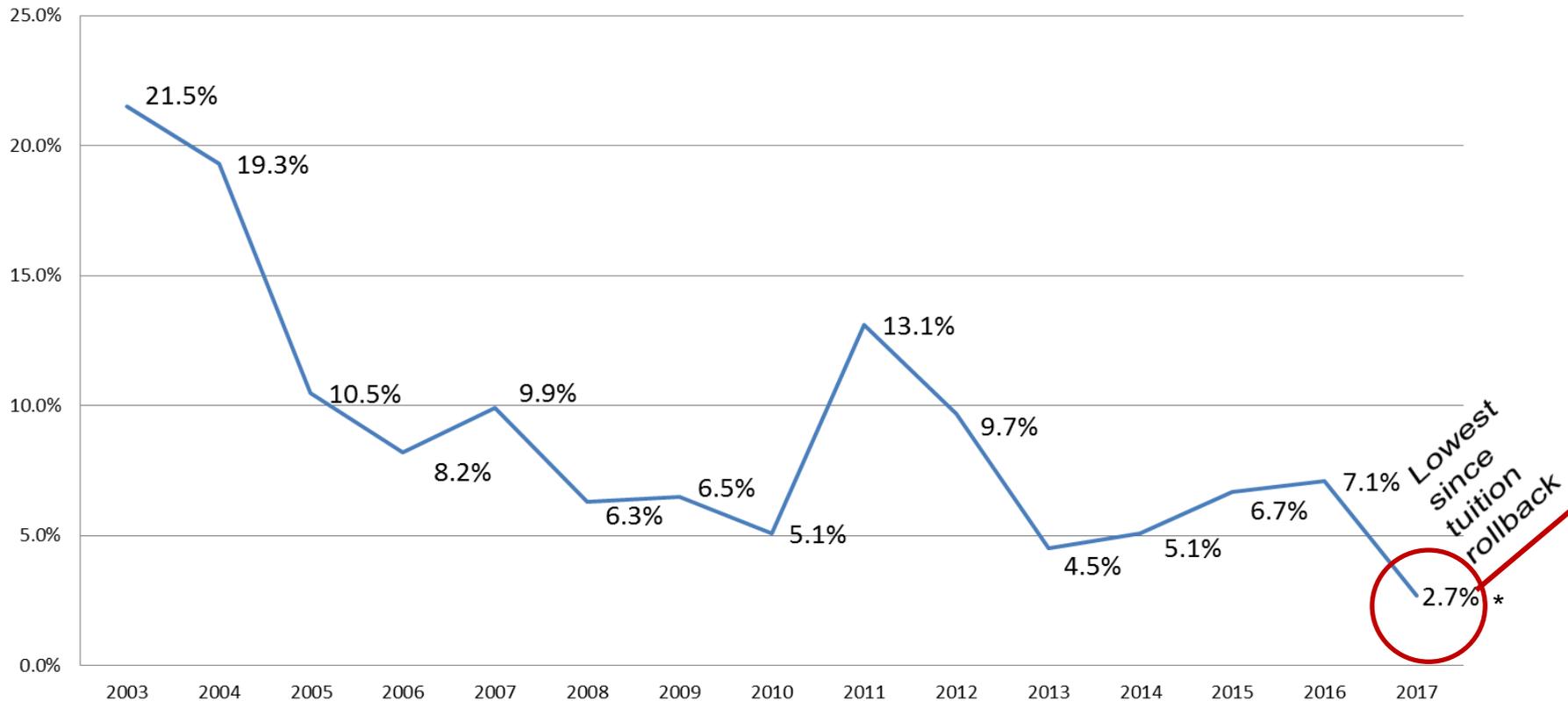
In-State Undergraduate Tuition and Mandatory E&G Fees for FY 2017 (continued)

- The range for the increases for in-state undergraduate students was 0% for returning students at CWM to 12% for freshman students at CWM.
- Most institutions were around 3%.
- Both CWM and UVA continued their different pricing plans that were also referenced in their institutional six-year plans.
 - UVA continued with their “Affordable Excellence” plan (a plan to reduce the reliance on loans for low- and middle-income Virginia families); for incoming freshmen this is a 9.5% increase (down from 10.8% planned).
 - This action was a planned increase for the implementation of a two-year plan for an annual \$1,000 step increase for freshmen, a decision made by the UVA Board of Visitors in 2015.
 - UVA reduced their planned existing in-state student increase from an average of 3% to an average of 1.5% based on additional GF funding being provided.
 - CWM continued with their planned 12.0% increase for new in-state undergraduate freshmen under the “Promise” with no additional increases for these students over a traditional college four-year period.
 - CWM “Promise” was instituted to provide tuition increase stability while also reducing the “net price” for middle-income families (this includes reducing debt levels).



Tuition Increases Have Declined

Average Annual Increases
Tuition and E&G Fees for In-State Undergraduate Students
FY 2003-2017



Source: SCHEV's 2015-16 Tuition and Fees at Virginia's State-Supported Colleges and Universities, SCHEV data and survey estimates from May 2016.



Out-of-State Tuition and Mandatory E&G Fees for FY 2017

The range of increases for out-of-state students is 0% at RU and NSU to 5.2% at VMI.

The market may begin to dictate lower increases for this category of students for some institutions.

The percentage of out-of-state undergraduate students at each institution ranges from about 4%-40%.

Tuition & Mandatory E&G				
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		

Source: SCHEV data and survey estimates from May 2016.



Mandatory Non-E&G Fees - Auxiliary “Comp” Fee for FY 2017

These mandatory student charges are used to support non-instructional activities. These include the following:

- ✓ Student health services
- ✓ Athletics
- ✓ Recreational activities
- ✓ Campus transportation
- ✓ Capital debt service

Comprehensive 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		

Source: Survey estimates from May 2016.



Intercollegiate Athletics Component of the “Comp” Fee for FY 2017

Recent legislation seeks to reduce these fees - HB 1897 (Cox, 2015 Session, effective July 1, 2016).

- ✓ Prohibits the sum of school funds & student fees used to support intercollegiate athletics programs from exceeding a certain percentage of athletics revenues.
- ✓ Requires any school that violates this prohibition to submit to the General Assembly a five-year plan for coming into compliance.
- ✓ Requires the APA to monitor plan progress and negative audits trigger a reduction or elimination of existing operational authority.
- ✓ Requires that a BOV that seeks to add a major intercollegiate athletics program or change the division level of any of its existing intercollegiate athletics programs to first submit to the Intercollegiate Athletics Review Commission, General Assembly approval also required.

Athletics 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			

Source: Survey estimates from May 2016.



State Funding Decisions and Fund Split Targets Impact Tuition Rates

- In 2004, the General Assembly reinstated an E&G cost-sharing goal for in-state students under which the state would cover 67% of the costs, with tuition revenues supporting the remaining 33%.
 - Because the state share of cost applies only to in-state students, the general fund target varies by institution based on the mix of in-state and out-of-state students.
 - The actual cost-sharing relationship between the state and in-state undergraduates is based on the average guideline calculated cost of education.
 - In 2015-16, this relationship was at 47% for the state share and 53% for the in-state undergraduate student share (**an individual institution's general fund target would vary based on the mix of in-state and out-of-state students**).
- Therefore, state funding decisions directly impact tuition rates as a result of these splits.
 - For example, general fund increases to items such as faculty salaries and health insurance rates will have a resulting requirement for additional tuition revenue.



Preliminary Tuition and Fee Actions and Trends

- Without the VCCS increase incorporated and the weighting for the freshmen increases at CWM and UVA, Tuition and Mandatory E&G Fees are estimated to be on average 2.7% for FY 2017 (with a range from 0% to 12%).
 - This is the lowest increase since before FY 2003.
 - This information is based on preliminary data and may change.
- State Council of Higher Education for Virginia staff and institutional representatives are working on incorporating their increases into a format for the *Tuition and Fee Report* (due in August).
- The Joint Subcommittee on the Future Competitiveness of Virginia Higher Education will be examining issues related to tuition and fees and affordability.

