

# UAF Tuition Forum

December 3, 2019



# ASUAF SR 193-005- Response to Tuition Rate Increase for FY21-22

Therefore be it resolved, that although the Associated Students of the University of Alaska Fairbanks understands the budgetary conditions the UA system faces, it cannot support any further increases in student tuition for FY 2021;

Be it further resolved, that ASUAF implores UA President Johnsen to look into other potential revenue streams for FY 2021 and not rely on increasing tuition yet again to compensate for a decline in state funding;

Be it further resolved, that ASUAF requests that any further tuition proposals be developed with contribution from student governance groups as opposed to simply reviewing already established proposals.

# Coalition of Student Leaders Resolution AY2020-01

Therefore be it resolved, that the UA Board of Regents postpone any increase in student tuition until FY 2022 to better assess the financial situation of the university, and not create another reason for students to turn away from the University of Alaska system; and,

Be it further resolved, that the UA Board of Regents explores alternative revenue sources to minimize the financial impact of budget reductions on the University of Alaska system student body.





# Tuition Overview

Chancellor White

*Naturally Inspiring.*



# Annual tuition proposal development

## Current process:

- UA administration develops tuition proposal
- UA president approves initial proposal
- Notifies UA Student Coalition/student governance/takes feedback
- UA president considers input and submits for Board of Regents (BOR) initial review September
- Additional input from students in October
- Final BOR approval in November for publication and application the following fall semester
- Rates published in catalog/online preceding each fall semester

# Suggestions for improvement

Increase opportunities for student input earlier in the process:

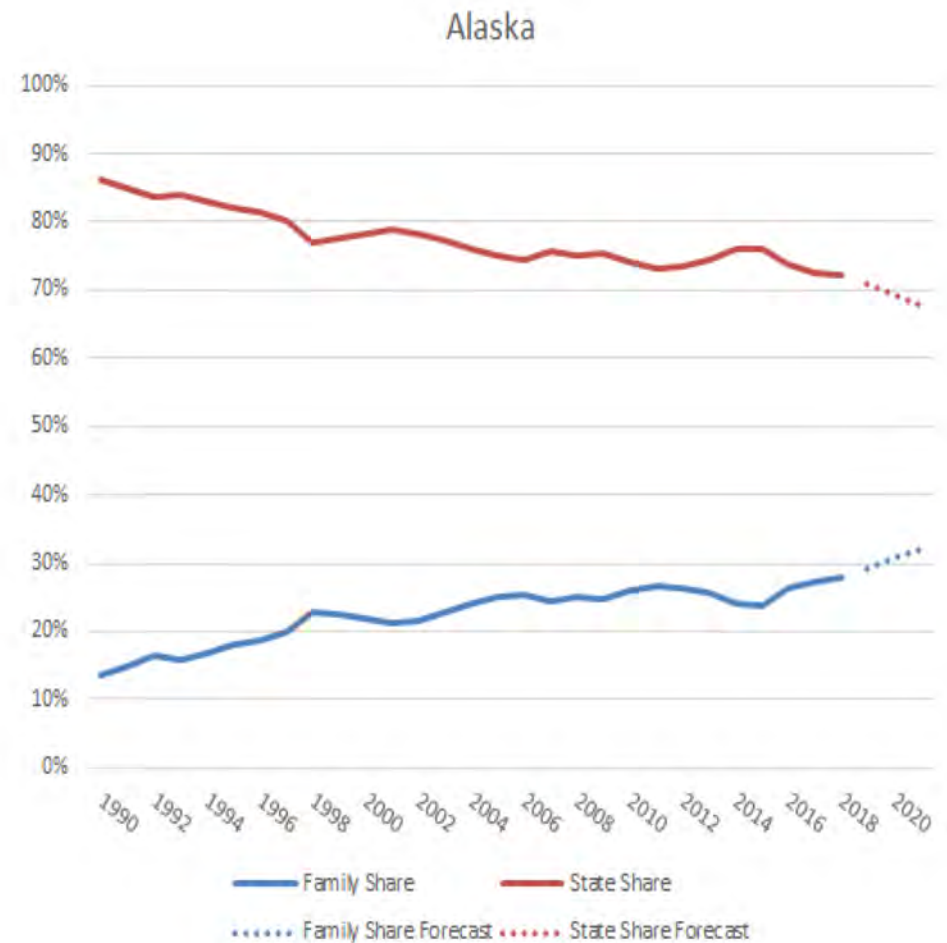
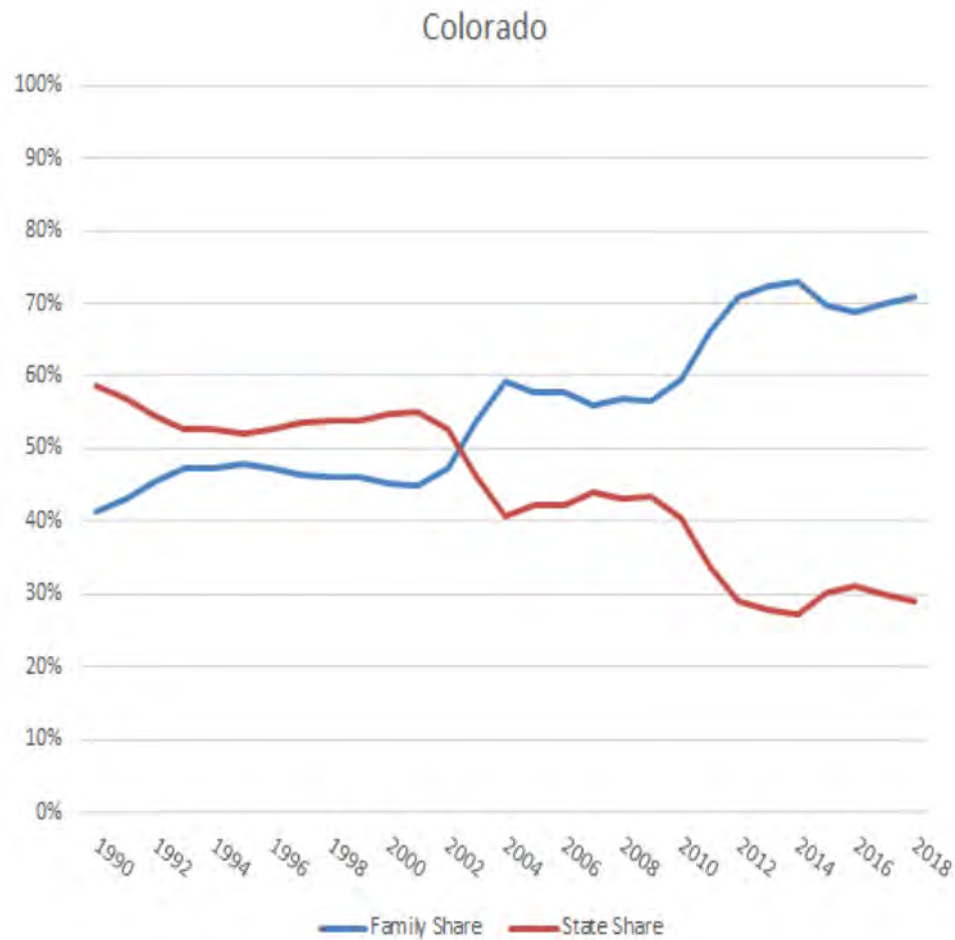
- Create UAF Tuition and Fee Committee to perform periodic review and make recommendations on structure and rate-setting. (Note: This committee is already appointed and meeting.) ASUAF has seats on this committee.
- Annual Board of Regents budget guidance to include tuition.
- Universities develop tuition proposal as part of annual budget submission to the UA president.
- Students have a role in budget planning at UAF so this will ensure that students see the role of tuition in budgets and the impact of tuition changes.
- Proposals will reflect needs of the universities and desires of the students.

# UA and UAF tuition revenue overview

- State general funds are the largest university funding source
- Tuition and fees are 18% of UA's revenues
- Of this total, UAF tuition is approximately \$32M, fees are \$10M
  - UAF provides ~\$1.5M annually to the UA system office for support of computing infrastructure, based on a proportion of gross tuition and network fees
- Fees have four categories:
  - Course (applied to particular courses for materials/supplies)
  - Use and service (parking, health center)
  - Administrative (processing, transcripts, applications)
  - Student government (student-voted ASUAF, Sustainability)
- UAF spends nearly \$72M on instruction in total; tuition covers less than half of this amount
- Significant cuts to state funding result in tuition increases to help offset losses and sustain programs



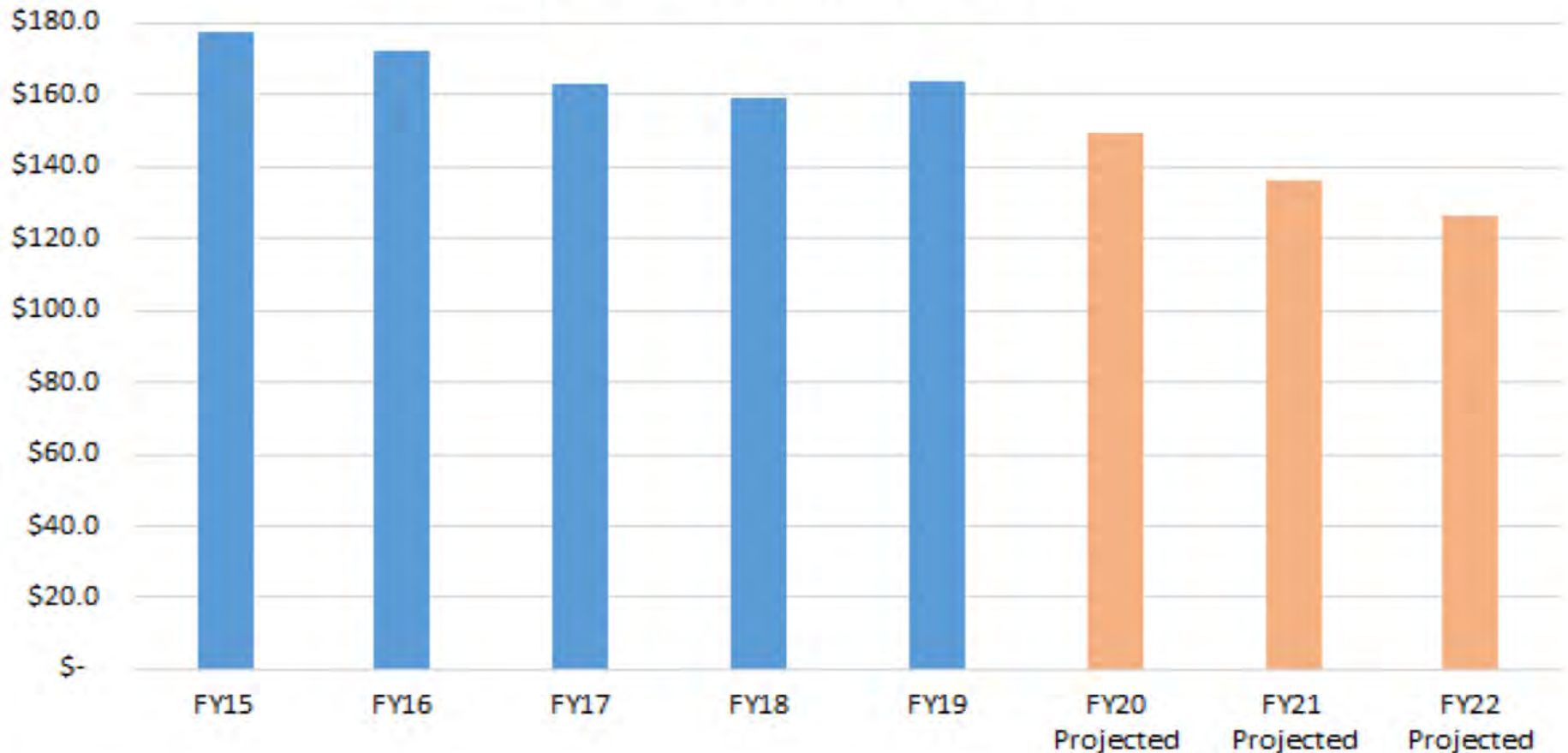
# Student vs. state share of education costs



Data Source: State Higher Education Executive Officers Association



## State GF Changes FY15-FY22 (UAF) (\$51M reduction or -29%)

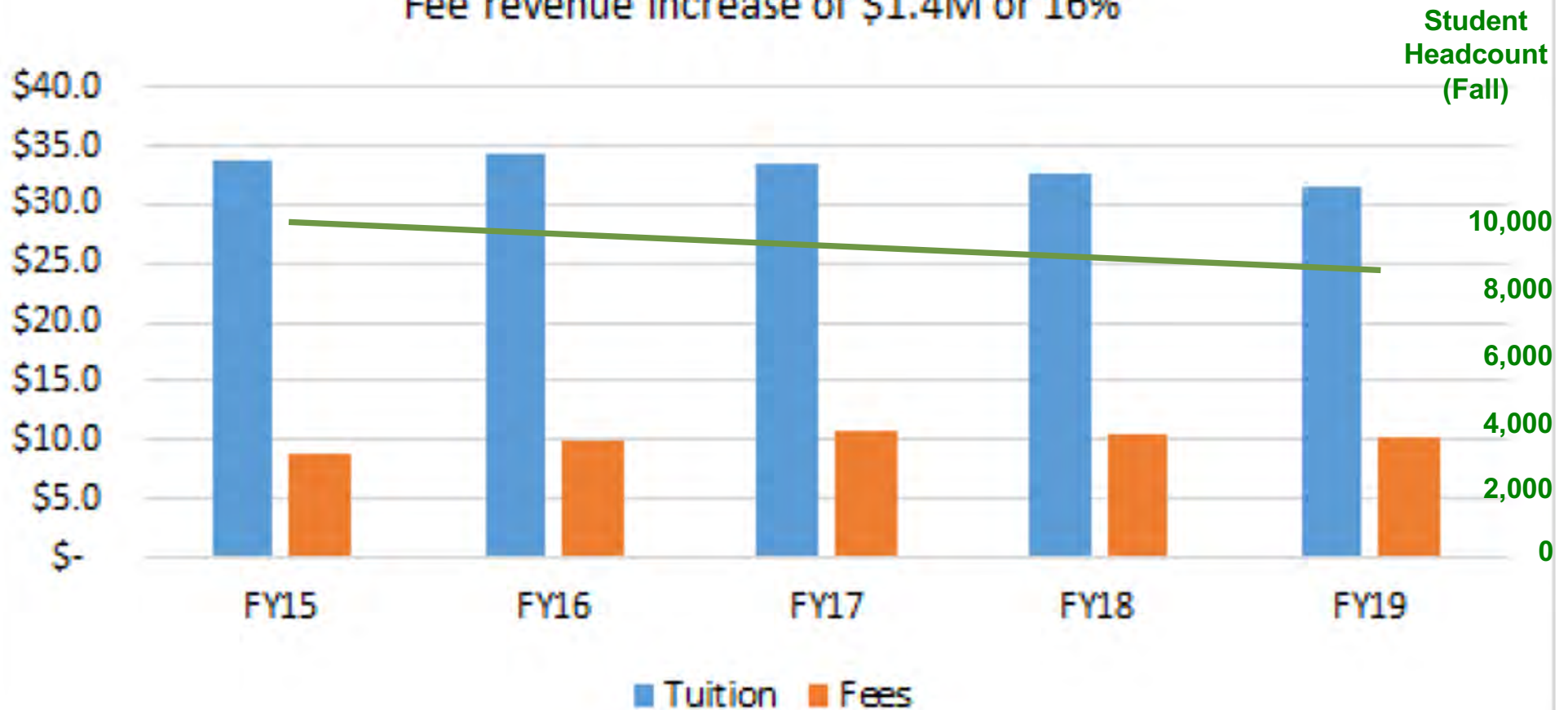


- Between spring 2015-2019, UAF is down 151 faculty, including adjuncts
- Decrease of 242 regular and temporary staff, including senior administrators
- Striving to preserve academic areas

# Tuition & Fee Revenue, FY15-FY19

Tuition revenue reduction of \$2.2M or -7%

Fee revenue increase of \$1.4M or 16%



# Where does tuition go?

- Troth Yeddha' campus, Summer Sessions and eCampus use an 80/20 split:
  - 80% of the revenue goes to the academic program.
  - 20% of the revenue goes to direct student support, student support units, student financial aid and administrative support.
- College of Rural and Community Development (CRCDD) and Community and Technical College (CTC) retain 100% of their tuition revenue.

Ex 1: SOM pays faculty salary/costs for instruction, receives 80% tuition to help cover costs. UAF centrally pays fixed costs for Troth Yeddha' campus.

Ex 2: CTC pays faculty salary/costs for instruction and fixed costs/utilities. CTC maintains 100% of tuition.

- 77% of all campus tuition and fees (\$32M) are generated on the Troth Yeddha' campus.
- CRCDD campuses and CTC generate 23% (\$9M).

# Where does tuition go (the 80%)?

- 80% of tuition is provided to the schools/colleges that generate it
- Schools/colleges cover expenses for providing instruction
  - Faculty and adjunct compensation
  - Student employment
  - Student advising
  - Department scholarship administration
  - Labs or services (if specific to department)
  - Allows for undergraduate research opportunities
  - Experiential and active learning opportunities (hands-on)
  - Administrative support
- Highest tuition-generating academic schools/colleges are:
  - College of Liberal Arts
  - College of Natural Science and Mathematics
  - Community and Technical College
  - School of Management



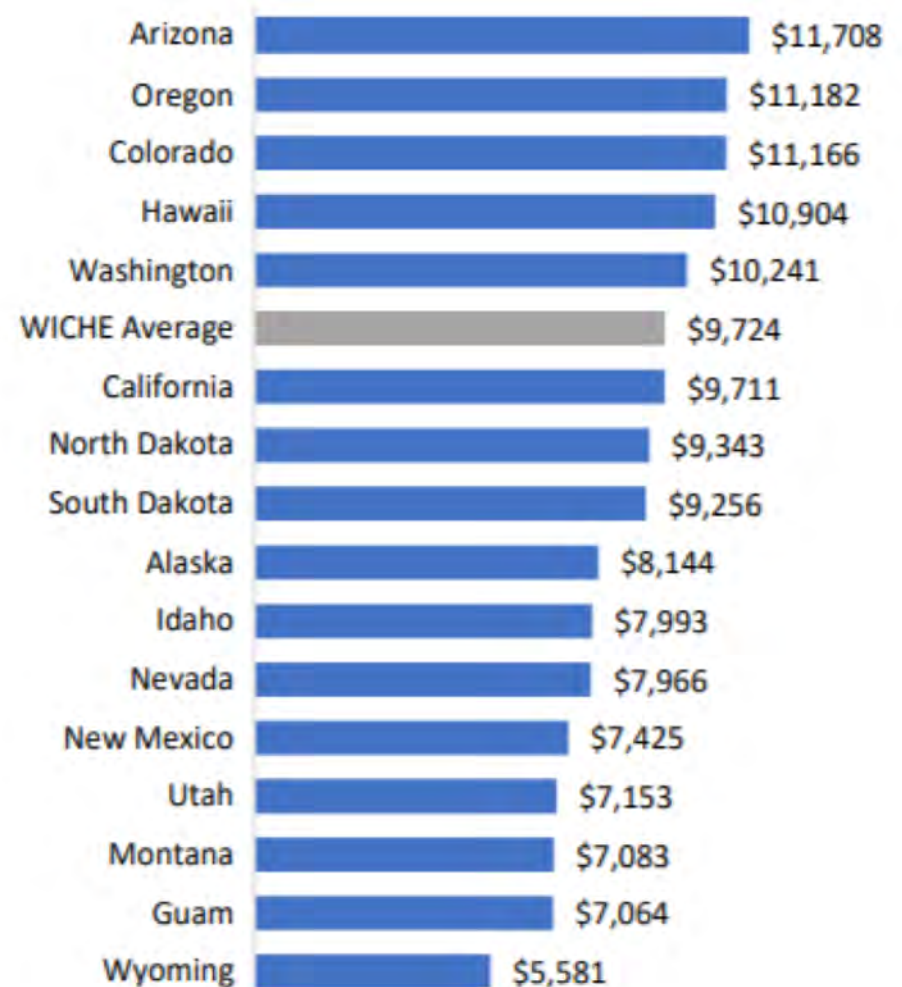
# Where does tuition go (the 20%)?

- 20% of tuition and nonresident surcharge is distributed to student support services and fixed cost areas
- Includes waivers and UAF student financial aid (need-based, merit)
  - Policy tuition waivers: 28%
    - Come Home to Alaska Program, WUE, other BOR directed waivers
  - Discretionary waivers: 16% — recruiting and retention purposes
    - Merit and need-based scholarships/waivers (recruiting)
    - Strategic retention and emergency scholarships including rural students and CTC
    - Graduate School TAs and RAs
    - International Programs North-to-North exchange
    - Athletics waivers
    - Alaska Native Scholarship (first-year students only via Rural Student Services)
  - Student and administrative support services: 55%
    - Student Affairs (Financial Aid, Admissions, Registrar, student life/wellness)
    - Administrative Services (Bursar, Finance and Accounting)
    - Central fixed costs (utilities, debt, UA computing, risk)

# WICHE averages

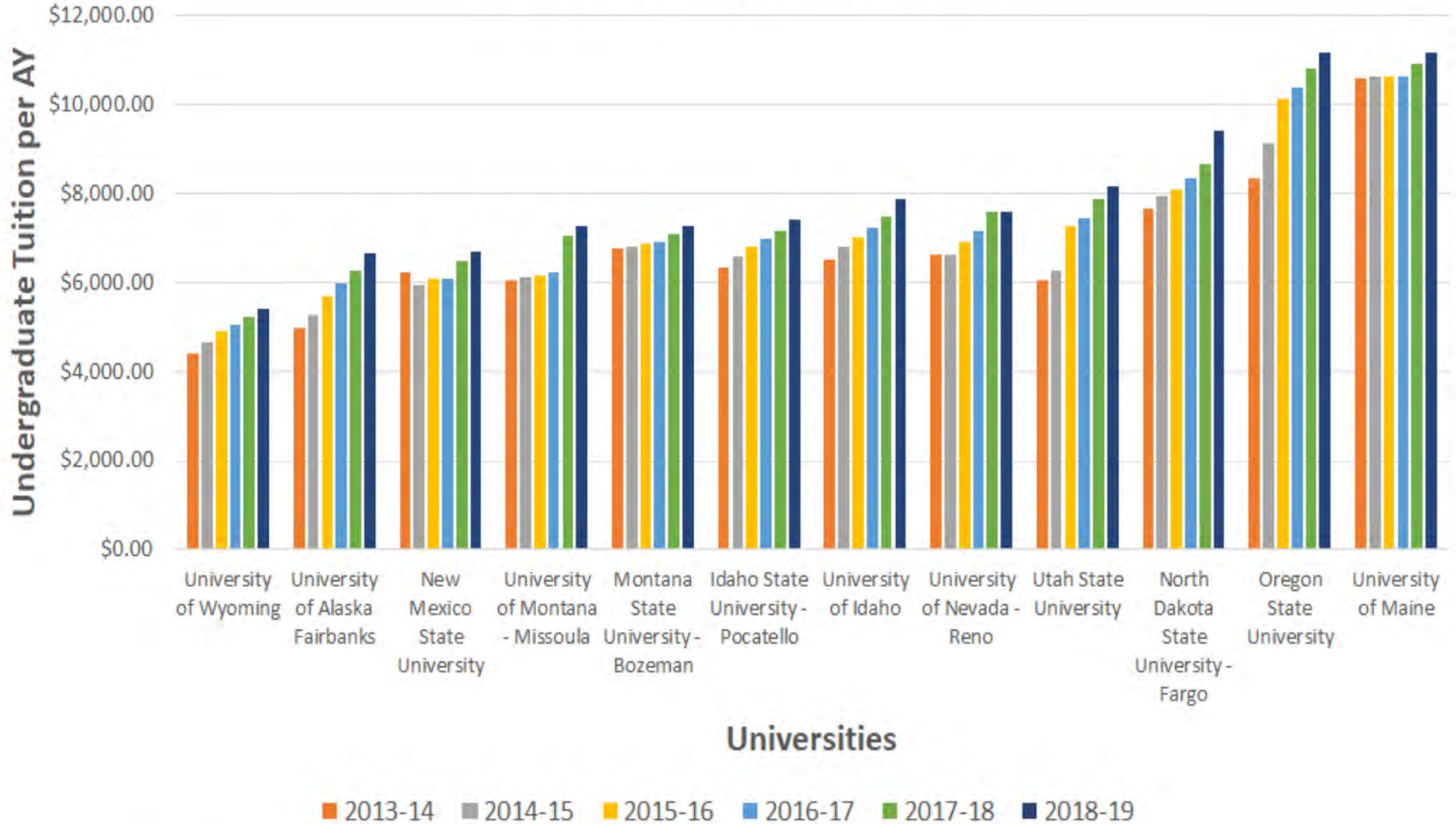
- UA has increased more than other WICHE states in recent years; however, it remains below WICHE average
- WICHE averages do not account for peers by institution
- UAF has different “peers,” or equivalent institutions, than UAA/UAS, due to research focus

State Average Resident Tuition and Fees at 4-Year Institutions, Weighted, 2019-2020



Source: Western Interstate Commission for Higher Education

# UAF Equivalent Institutions



Source: National Center for Education Statistics

# Current tuition rate and proposed

	<u>AY2020</u> (Fall 2019 and Spring 2020)	<u>AY2021</u> (Fall 2020 and Spring 2021)
Lower Division	223	234
Upper Division	269	282
Graduate	513	513
Nonresident	566	566

\$ change per credit	UA Network to	Tuition surcharge to
\$11	\$9	\$47 (CEM only)
\$13	\$11	\$56 (CEM & SOM)
\$0	\$21	\$103 (CEM & SOM)
\$0	\$32-44	\$113 (CEM & SOM)

- Proposed 5% increase for lower/upper division
- Community campuses now at same lower division rate (consistency)
- Surcharges/fees that apply as a percent of tuition increase proportionally
- Some fees are directed by the BOR and apply to all students:
  - Technology fee: \$5/credit (max of \$60)
  - UA Facilities fee: \$6/credit
  - UA Network fee: 4% of tuition (rounded to nearest \$, up or down)
- UAF's College of Engineering and Mines and School of Management have high-demand surcharges
  - 20% applied to base tuition rate



# Financial aid

UAF awards federal, state and institutional aid up to the estimated cost of attendance for each individual student

Alaska resident, on campus	
Tuition (30 undergraduate credits)	\$6,690
Fees	\$1,848
Room	\$5,050
Board	\$5,390
Books & Supplies	\$2,000
Personal/Misc. Expenses	\$2,250
Transportation	\$400
<b>Total</b>	<b>\$23,628</b>

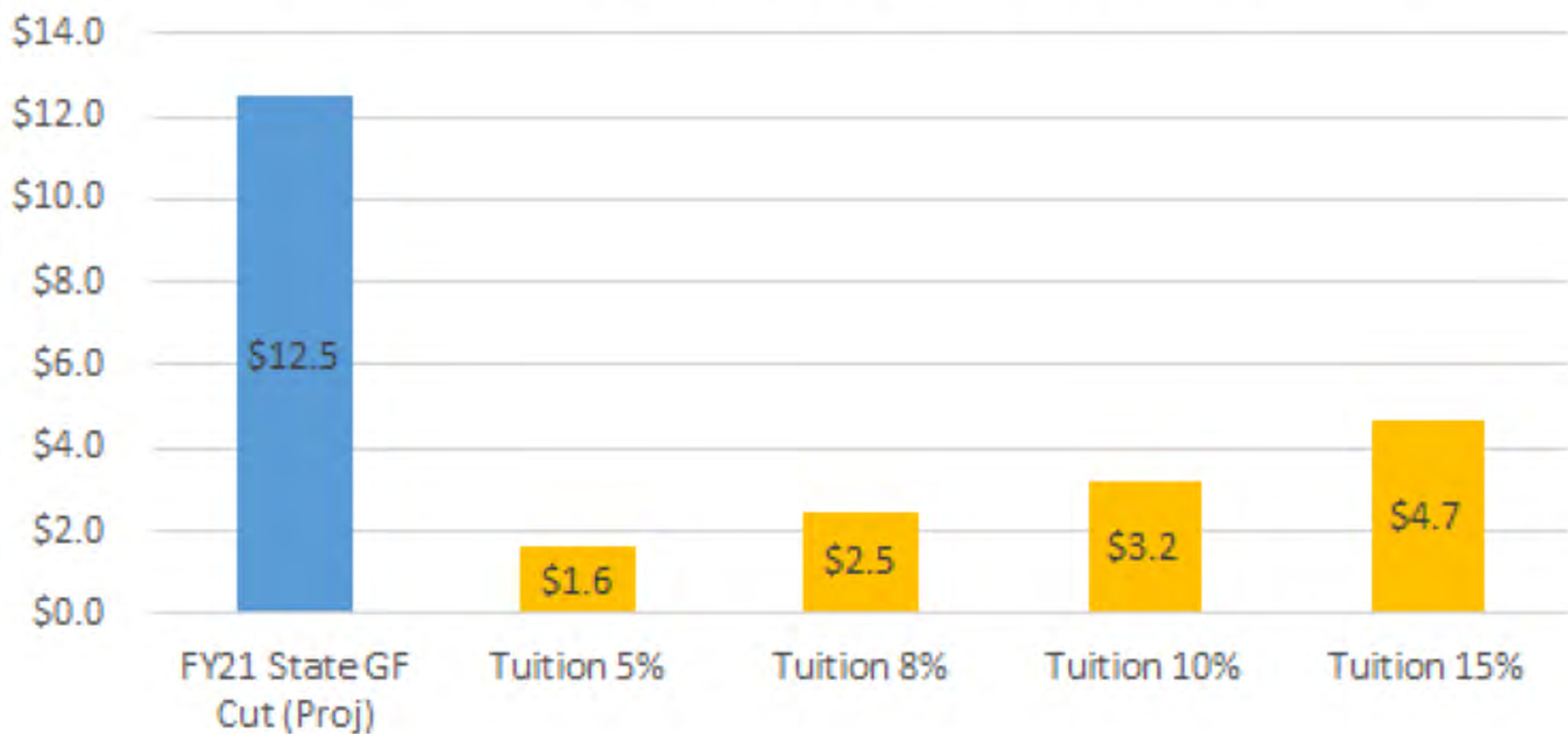
Alaska resident, off campus	
Tuition (30 undergraduate credits)	\$6,690
Fees	\$1,848
Room	\$8,300
Board	\$3,750
Books & Supplies	\$2,000
Personal/Misc. Expenses	\$2,250
Transportation	\$2,000
<b>Total</b>	<b>\$26,838</b>

- Annual limits on Pell Grants and direct loans are less than UAF cost of attendance
  - Full Pell Grant is \$6,195/year
- Average financial aid package (resident, full-time, undergraduate): \$13,145
- Aid that increases when tuition increases:
  - Veterans education benefits (Chapters 31 and 33)
  - BLaST scholars
  - Graduate teaching assistant (TA) and research assistant (RA)
  - CTC, CRCD and Summer Sessions tuition waivers
  - Osher re-entry grant

# What a 5% tuition increase means

- Revenue projections depend on enrollment; numbers are projected with flat enrollment
- 5% tuition increase will generate \$7M in new revenues for UA systemwide
- UAF will generate \$1.5M-\$2.2M in revenue to support academic programs and service areas, mitigating cuts
- With enrollment increases, revenue potential grows
  - Enrollment increases are key to success and part of the strategy

## FY21 State GF Cut vs. Tuition Rate Scenario (\$M) UAF Revenue Projection w. Flat Enrollment



# Next steps

- UAF Tuition and Fee Committee
  - Recommendations by January 2020
- BOR tuition review — January 2020
- Feedback?



