



FY 2016 TUITION PROJECTIONS

HIGHER EDUCATION
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ISSUE BRIEF

SUMMARY

During the 2014 Interim, the Analyst presented “Higher Education Tuition and State Tax Funding” to the Executive Appropriations Committee. One of the recommendations of the brief was that the “board [of Regents] submit tuition increases as part of its plan of financing when it presents its budget.” (See <http://le.utah.gov/interim/2014/pdf/00004288.pdf>).

In the Board’s memorandum detailing the FY 2016 USHE Budget Request, the Commissioner states, “If the Legislature funds this operating budget request it is estimated we will need a first tier tuition increase of 2.5 percent (to be set in March 2015).”

DISCUSSION AND ANALYSIS

Tuition comprises a significant portion of the funding for higher education institutions. For the past decade, the amount of tuition included in the appropriations act is the estimated amount of tuition collected for the current year. Following the general session, the Board of Regents meets and approves tuition rates for the upcoming year. Usually, this includes a tuition rate increase that is above the level of tuition approved in the appropriations act.

The Analyst, using econometric modeling, has projected tuition increases for FY 2016. These increases are based on modeling which used the following dependent variables: FTE students, previous tuition increases, the State COLA, average quarterly wages, and a constant as the best predictors of future tuition. Using the modeling, the Analyst predicts that FY 2016 tuition collections will increase by 7.75% and generate approximately the following amounts at each USHE institution:

University of Utah	\$26,243,700
Utah State University	5,819,800
Utah State University – Regional Campuses	1,837,500
Weber State University	3,783,700
Southern Utah University	3,781,400
Utah Valley University	6,864,000
Snow College	922,000
Dixie State University	2,887,300
Salt Lake Community College	1,801,500
Total	53,940,900

The Analyst recommends that the Subcommittee approve these amounts for inclusion in a supplemental appropriations act to better reflect the amount of tuition that will be collected and used as a source of financing USHE institutions.

