



HIGHER EDUCATION  
STAFF: SPENCER PRATT

# FY 2016 TUITION

ISSUE BRIEF

## SUMMARY

During the 2015 General Session, the Analyst presented a FY 2016 Tuition Projections issue brief (<http://le.utah.gov/interim/2015/pdf/00000244.pdf>), that used econometric modeling to forecast tuition increases for FY 2016. Based on the modeling using the number of FTE students, previous tuition increases, the State COLA, and average quarterly wages, the Analyst predicted that tuition would increase by approximately 7.75 percent and generate nearly \$54 million.

Following the close of the 2015 General Session, the State Board of Regents met and approved first-tier tuition increases of 3.0 percent and a second-tier tuition increase of 0.5 percent for the University of Utah only, generating a total of \$36.5 million.

Obviously, the forecast overestimated what actually occurred. There appear to be two major reasons for the difference:

1. The State Board of Regents' approved increase was lower than historical increases. Commissioner Buhler, in a memo to the Board, stated, "Thanks to increasing investment by the Legislature in higher education over the past few years, and efficiencies and cost-control by the presidents, this year's proposed increase is the **lowest system-wide average since 1999-2000**, at 3.06 percent (3.0 percent for seven of eight institutions)." (emphasis added)
2. The previous tuition increases used to arrive at the projections included the increase to fund a portion of compensation increases. Those projections were then included in the appropriations act to fund Higher Education. Later in the session, when compensation increases were approved, part of the funding mechanism utilized tuition increases, which added to that already approved, in effect, doubling at least a portion of the projected increase. If tuition increases are projected in the future, the Analyst will need to make sure to account for the portion of tuition increases that are to cover compensation and recommend the net increase.

The following table demonstrates the 7.75 % projected tuition increases compared with the estimated 3.0 percent increases approved by the Board:

	FY 2016 Tuition		
	<u>Projected (7.75%)</u>	<u>Estimated (3.0%)</u>	<u>Difference</u>
UU	26,243,700	11,988,200	(14,255,500)
USU	5,819,800	2,352,700	(3,467,100)
USU - RC			
Eastern	141,300	(55,000)	(196,300)
Uintah Basin	108,500	(246,000)	(354,500)
Southeastern	71,800	81,000	9,200
Brigham City	1,017,300	5,254,000	4,236,700
Tooele	433,400	(106,000)	(539,400)
Blanding	65,200	(15,000)	(80,200)
WSU	3,783,700	2,504,000	(1,279,700)
SUU	3,781,400	1,569,000	(2,212,400)
UVU	6,864,000	8,002,600	1,138,600
Snow	922,000	1,803,400	881,400
DSU	2,887,300	1,850,000	(1,037,300)
SLCC	<u>1,801,500</u>	<u>1,500,000</u>	<u>(301,500)</u>
Total	<b>\$53,940,900</b>	<b>\$36,482,900</b>	<b>(\$17,458,000)</b>

