



# **Board of Regents University System of Georgia**

**Tuition, Fees and Allocations  
April 15, 2014**

*"Creating A More Educated Georgia"*

# Fiscal Year 2014 Amended

## FY 2014 Amended

### State General Funds:

Maintenance and Operations	\$ 957,910
Equipment Upgrades to the Peachnet Infrastructure	<u>1,400,000</u>
<b>Total FY 2014 Amended Recommendations</b>	<b>\$ 2,357,910</b>

### G.O. Bonds:

A) Redirect \$3,530,000 unissued bonds from Haynes Hall (Middle Georgia College) to design an academic building at Georgia Gwinnett College (\$1,100,000) and MRR (\$2,430,000)

B) Redirect \$4,000,000 for Fort McPherson to GBA

# Agenda Item #1

**Approval:** Fiscal Year 2014 Amended Budget

**Recommended:** That the Board approve the allocation of state appropriations for the FY 2014 amended budget.



# FY 2015 Tuition, Fees and Allocations

*"Creating A More Educated Georgia"*

# Fiscal Year 2015 Operating Budget

## FY 2014 State Funds Budget

\$ 1,883,128,792

Enrollment Change (Semester Credit Hours down 2.74%)	\$	0
Maintenance and Operations		9,019,889
Health Insurance and Retirees		14,432,627
TRS & ERS Retirement Increase		12,909,388
Payback Projects Retired (Georgia Southern Dorm)		1,014,809
Reduce Funding for Georgia Gwinnett College		(1,375,000)
Merit-Based Pay and Employee Recruitment/Retention Initiatives		<u>11,368,766</u>
<b>Formula Subtotal</b>	<b>\$</b>	<b>47,370,479</b>

### Other Items:

Graduate Medical Education (Current Base = \$3,275,000)		2,000,000
GALILEO Enhancements		2,500,000
All Other Items		<u>4,088,493</u>
<b>Other Request Items Subtotal</b>	<b>\$</b>	<b>8,588,493</b>

**Increase State General (Cash) Funds ~(-2.97%)**

**55,958,972**

## FY 2015 State Funds Budget

\$ 1,939,087,764

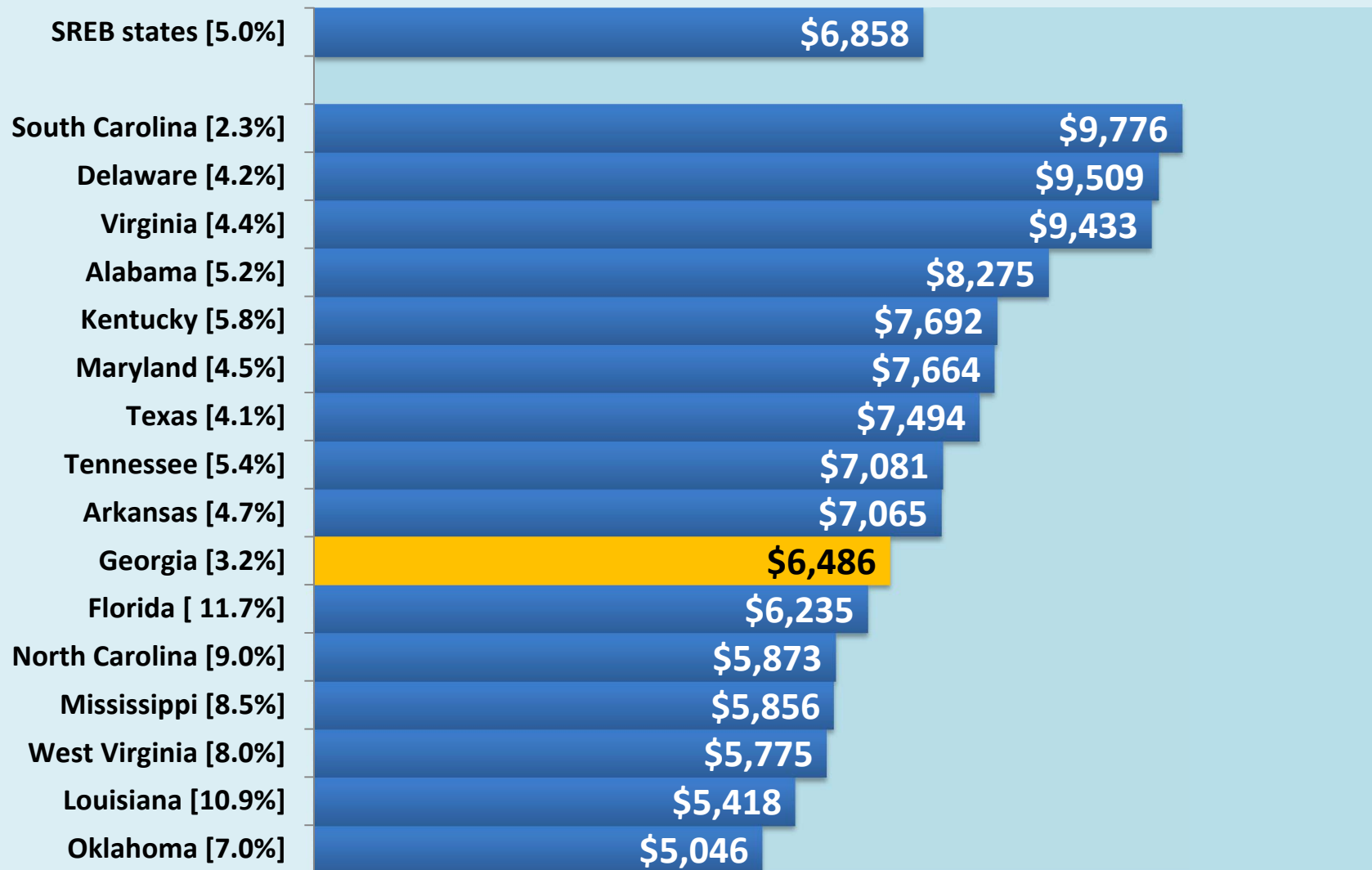
# FY 2015 Capital Summary

	<u>Request</u>	<u>Final</u>
Major Repair and Renovation	\$ 80,000,000	\$ 40,000,000
Equipment	14,900,000	14,900,000
Construction	69,350,000	54,200,000
Small Capital Projects	32,450,000	44,850,000
Planning	6,300,000	6,600,000
Other Items	11,900,000	43,700,000
Georgia Public Libraries	24,225,000	6,780,000
Digital Broadband - PeachNet	0	2,500,000
Georgia Research Alliance	0	8,970,000
Georgia Public Telecommunications Comm.	<u>0</u>	<u>1,360,000</u>
<b>Total – Capital Outlay (G.O. Bonds)</b>	<b>\$239,125,000</b>	<b>\$223,860,000</b>

# Tuition Considerations

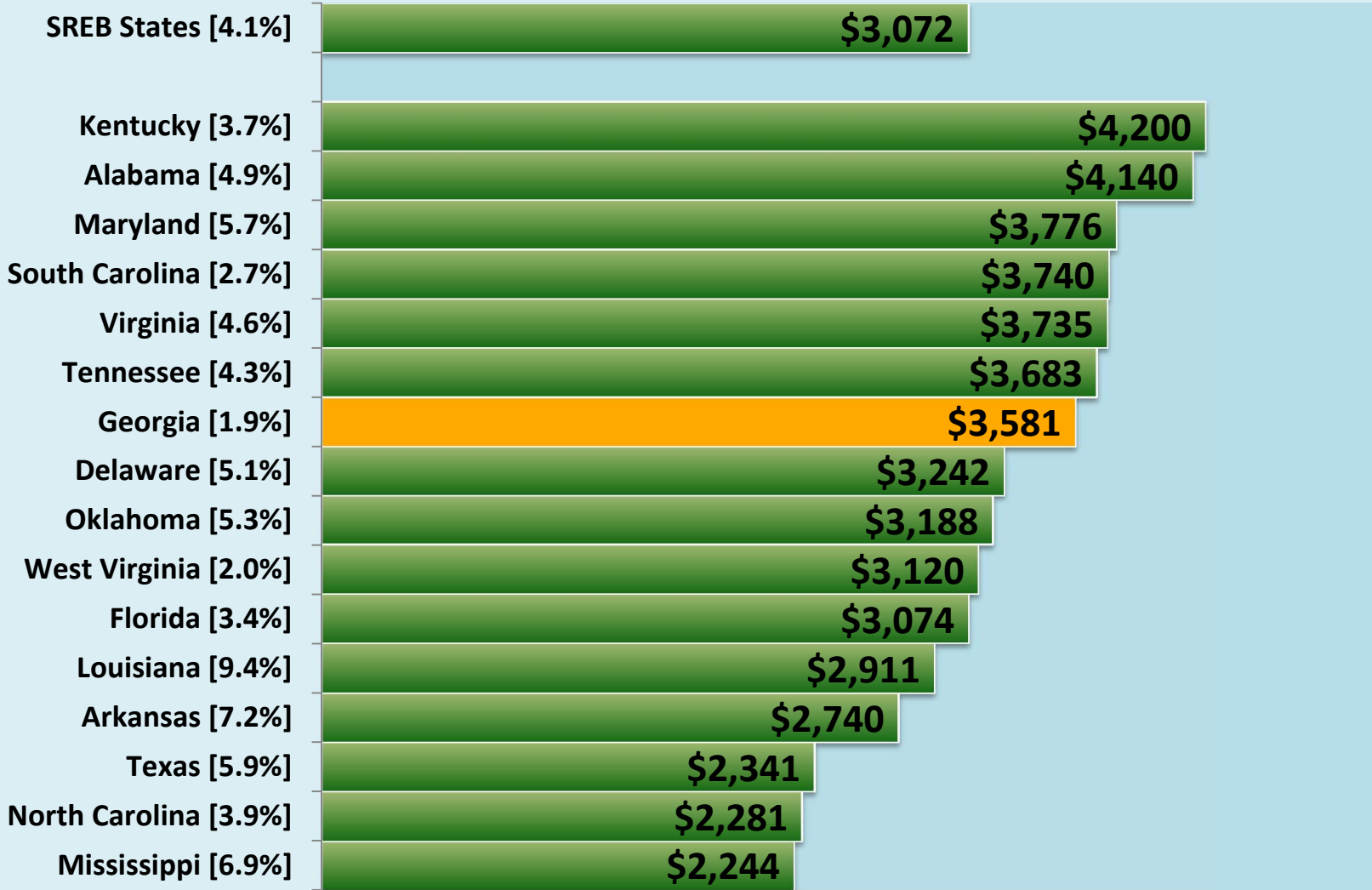
- Affordability
- Market Demand
- Maintain State Fund – Tuition Balance/Partnership
  - State Funds Increased by 2.97%
- Peer Institutions and Out-of-State Pricing Sensitivity
  - National Competition Among Research Institutions

## Public Four-Year Colleges and Universities Annual Tuition and Required Fees for In-State Undergraduates, 2012-2013

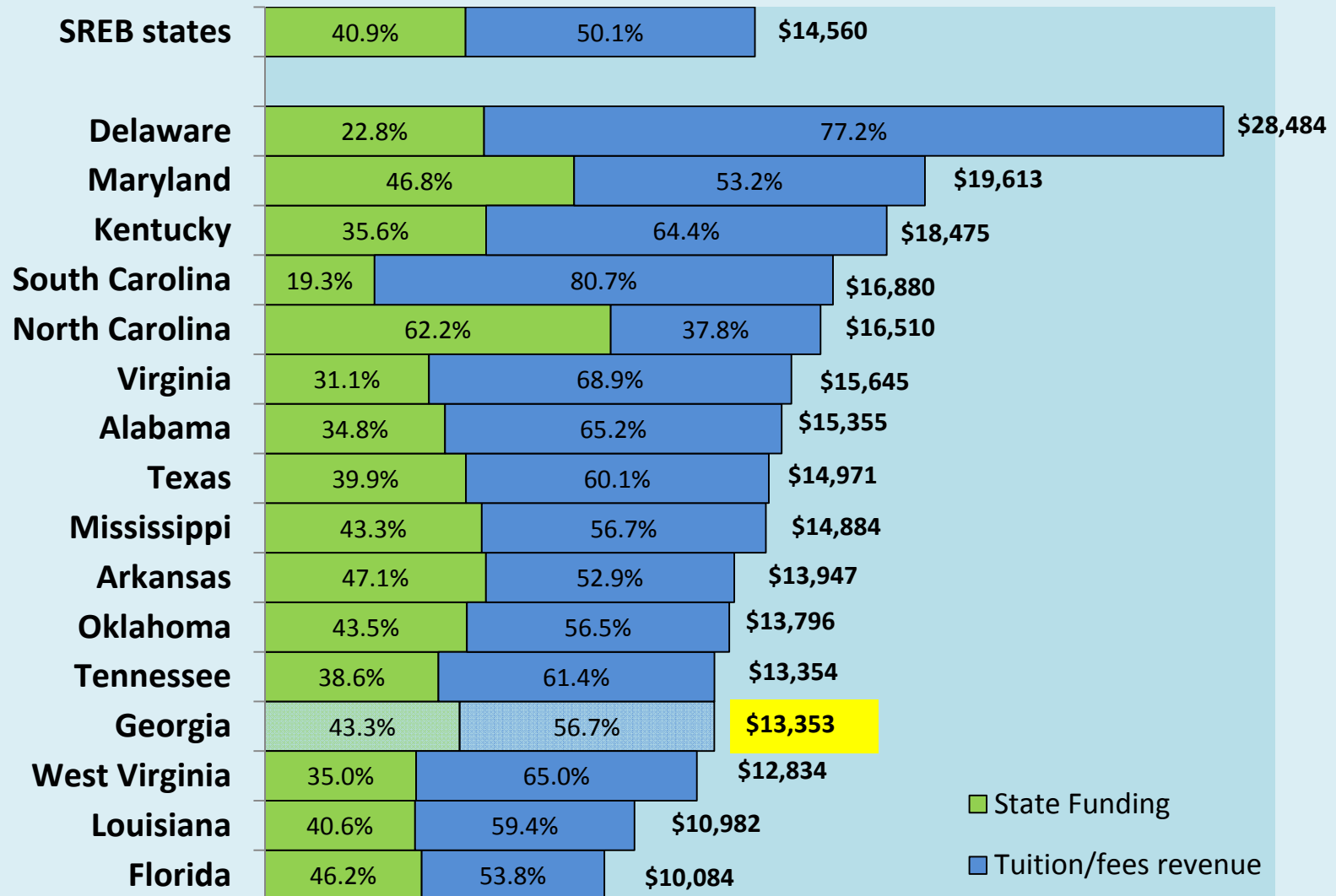




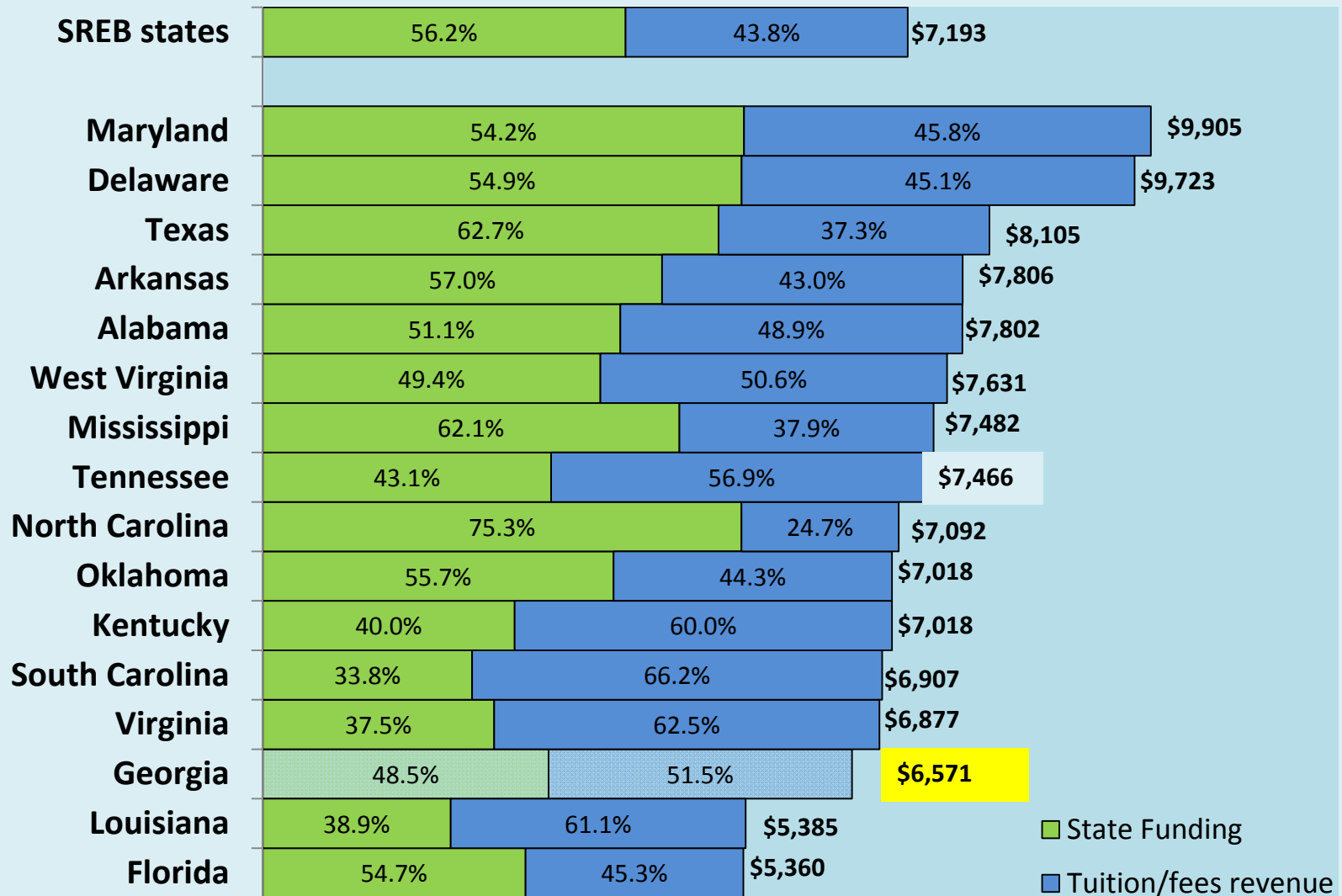
# Public Two-Year Colleges and Universities Annual Tuition/Required Fees for In-State Undergraduates, 2012-2013



## Public Four-Year Colleges and Universities Appropriations per All Student FTE By Source, 2012-13



## Public Two-Year Colleges and Universities Appropriations per All Student FTE By Source, 2012-13



# Tuition – Undergraduate

## Appendix IA

- Recommend a 2.5% Increase for 27 Institutions
- Applies to both In-State and Out-of-State Students
- Same rate of increase as two prior years (FY13 and FY14)
- Impact on In-State Students (per semester):
  - Regional Universities – \$62
  - State Universities – \$58 to \$85
  - State Colleges – \$32 to \$43
- Impact on Out-of-State Students (per semester): \$123 to \$309

# Tuition – Undergraduate

## Appendix IA

- Research Universities
  - Continuation of Differential Tuition Increases
  - Market-Driven and Comparability to Peer Institutions
  - High Demand – Top 20 Schools
- Out-of-State Rates were set in consultation with institutions, recognizing price sensitivity

# Tuition – Undergraduate

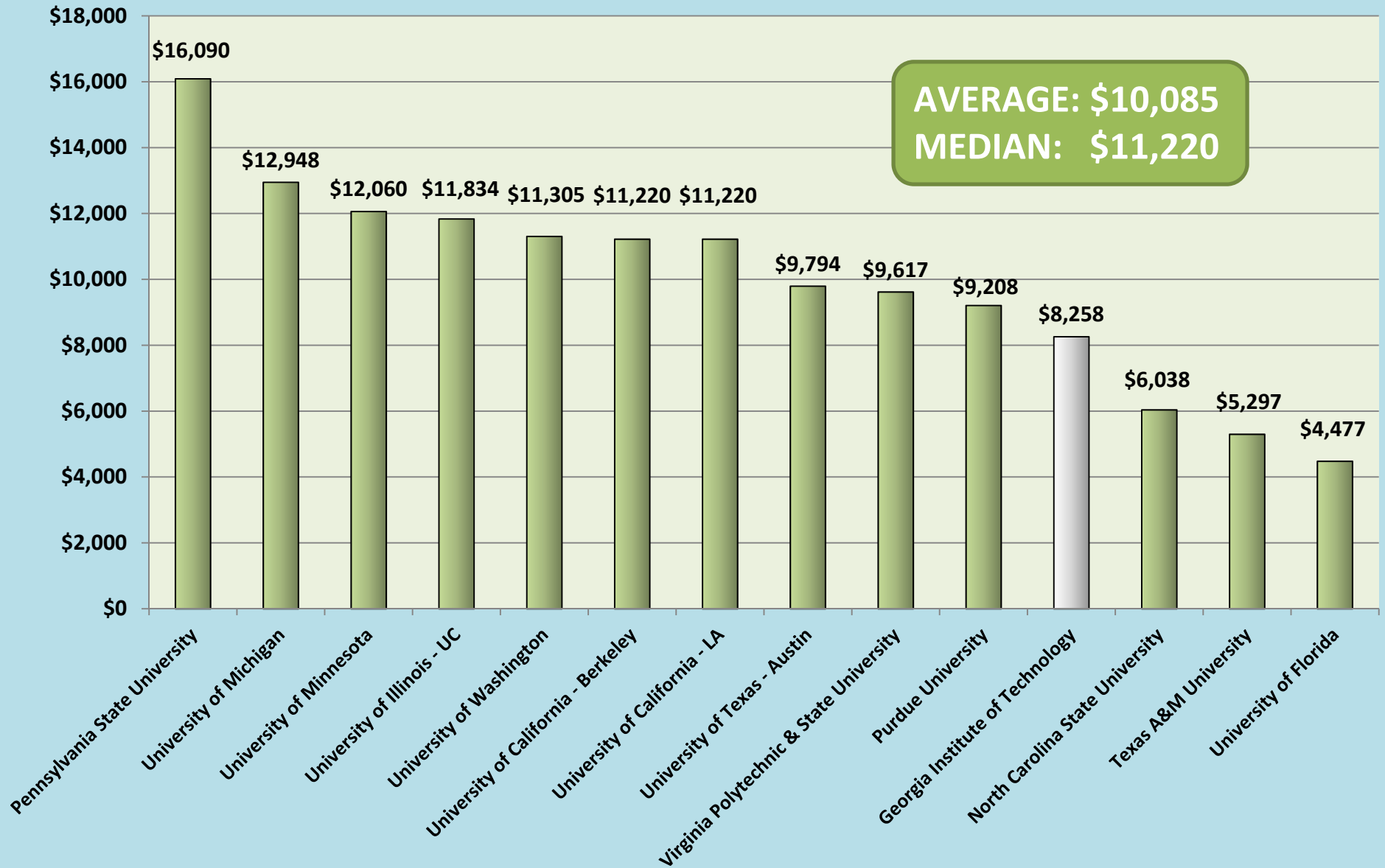
## Appendix IA

- Impact on In-State Students (per semester):
  - Georgia Tech - 9.0% (\$372)
  - University of Georgia - 7.0% (\$281)
  - Georgia State – 4.0% (\$156)
  - Georgia Regents University – 4.0% (\$155)
- Impact on Out-of- State Students (per semester):
  - Georgia Tech - 2.7% (\$372)
  - University of Georgia – 2.1% (\$281)
  - Georgia State - 1.2% (\$156)
  - Georgia Regents University - 1.2% (\$155)

# Undergraduate Demand at Research Institutions (Fall 2013)

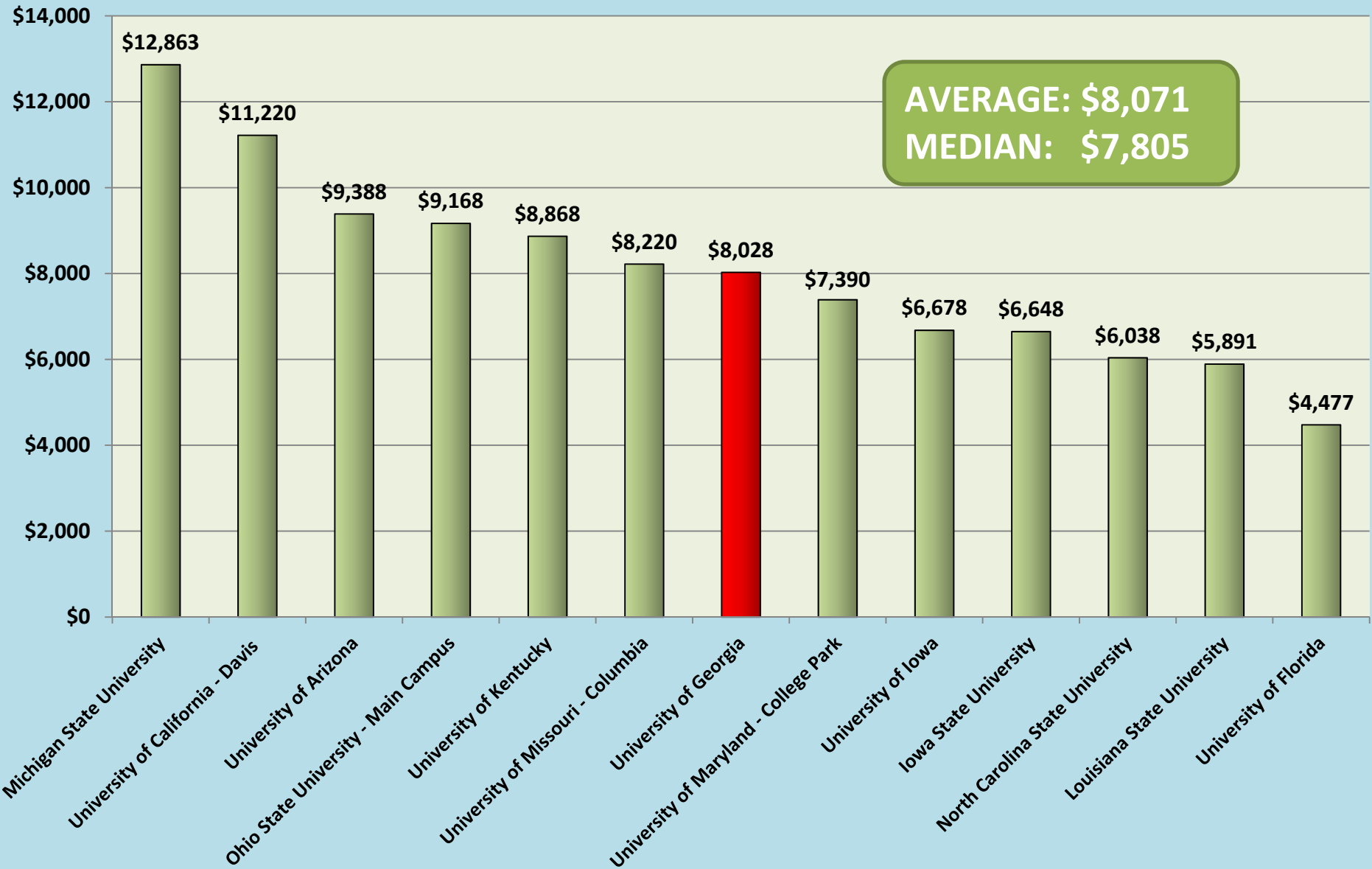
Institution	# of Freshman Applications	# of Entering Freshman	Ratio of Applicants to Entering Freshman
Georgia Institute of Technology	17,669	2,673	6.6 x
Georgia State University	13,500	3,224	4.2 x
University of Georgia	20,647	5,182	4.0 x
Georgia Regents University	2,147	730	2.9 x

# Georgia Institute of Technology Comparison of Peer In-State Annual Tuition (2013-2014)





# University of Georgia Comparison of Peer In-State Annual Tuition (2013-2014)



# Tuition – Graduate

## Appendix IB

Institutions assess the market and demand when requesting changes to graduate tuition rates.

- Graduate Programs: ~ 3% Increase to Base Tuition for 9 Institutions Offering Graduate Instruction, 6% at the University of West Georgia and No Increase for 4 Institutions
- Research Institutions – Increases range from 4% to 9%
  - Surveyed Research Institutions
  - Provided Flexibility Up to 9%
  - Peer Institutions and Market
- Professional Programs – Rates based on nationally competitive, professional programs

# Tuition – eCore Rate

## Appendix IB

In an effort to increase access and accessibility, eCore was launched in fall 2002, providing students the ability to complete core requirements online.

- eCore rate is being reduced from \$189/hour to \$169/hour as a step toward making it a high-quality and affordable option for Georgians seeking core courses
- eCore is also aggressively pursuing open source textbook solutions for all 24 eCore courses. Ten will be in place as of summer 2014 and fifteen by fall 2014.
- Goal to have the free textbook solution in place for all of eCore by fall of 2015
- New focus will result in growth in enrollments and scale, providing more opportunities to reduce costs

## Agenda Item #2

**Approval:** Fiscal Year 2015 Tuition

**Recommended:** That the Board approve the tuition rates for FY 2015, to become effective fall semester 2014. Recommended tuition rates appear in Appendix IA (Undergraduate Tuition) and Appendix IB (Graduate and Professional Programs).

## Agenda Item #3

**Approval:** Remove policy language pertaining to the Guaranteed Tuition Plan

**Recommended:** That the Board approve to remove policy language pertaining to the Guaranteed Tuition Plan, specifically Approval to Revise *Policy Manual*, Section 7.3.1.1, Definitions, Remove *Policy Manual*, Section 7.3.1.2, The Guaranteed Tuition Plan, and Remove *Policy Manual*, Section 7.3.1.3, Continuing Tuition Rate

# Mandatory Student Fees

## Appendix II

- Instructions provided October 2013
  - Prior Commitments of Multi-year Fee Plans
  - Increases to Sustain Existing PPVs
  - Mandatory fee requests that did not meet either of the conditions required approval from VC of Fiscal Affairs and a strong business case
- 18 Institutions Submitted Mandatory Fee Requests
  - 42 Fee Requests (*35 increases, 3 new and 4 decreases/redirects*)
  - 30 Fee Changes Recommended (*24 increases, 2 new, 4 decreases/redirects*)
  - Of the 24 Increases: 7 PPV, 5 Multi-Year, 8 Athletics, 4 Other
- Staff Review
  - Business Case/Financial Need
  - Students Approval and Involvement
  - Existence of Significant Fund Balance/Reserves

# Elective Fees Requiring Board Approval

## (Page 12)

Board approval required for elective fees and special charges required to be paid by all full-time, undergraduate students or all undergraduate students in a specific degree program, except specific course fees for supplementary costs.

### **Recommend approval for dining fees at:**

- Fort Valley State University (no increase)
- Kennesaw State University (increases \$3 - \$21)
- College of Coastal Georgia (increase of \$5)

# Housing and Food Service Fees Requiring Board Approval (Page 13)

- Board Policy 7.3.2.2 requires Board approval for housing fees and food service fees that support debt service. The institutions listed on page 13 charge housing and/or food services fees that support one or more public private venture.
- The recommended increases average ~3% and from 0% to 9%
- Rates vary by room type and meal plan.  
The actual plans and rates will be published on the USG website.



# Agenda Item #4

**Approval:** Fiscal Year 2015 Mandatory Fees and Elective Fees Requiring Board Approval

**Recommended:** That the Board approve the proposed mandatory student fees for FY 2015 for institutions of the University System of Georgia, to become effective fall semester 2014. Recommended mandatory student fees appear in Appendix II.

**Recommended:** That the Board approve the elective fee requests for Fort Valley State University, Kennesaw State University, and College of Coastal Georgia as outlined on page 12. These elective fee requests require Board approval based on Board policy 7.3.2.2.

**Recommended:** That the Board approve the housing and food service fee increases that support debt service as outlined on page 13. Board Policy 7.3.2.2 requires Board approval for housing fees and food service fees that support debt service.

# Allocations

## Appendix III (A–C)

- Chancellor – Budget Hearings with All Institutions
- No new funding was provided for institutions with growth
- Allocations address 11 institutions enrollment increases and 20 institutions with enrollment declines
- Allocation strategy appropriates funding for growth base on institutional priorities from presidents and mitigates reductions after assessing impact on institutions on a case by case basis
- Merit Funds Allocated in Proportion to Salary with few exceptions
- M&O Allocated Based on Square Footage
- Fringe Benefits (Health and Retirement) Follow Personnel
- Capital based on legislative intent (Appendix IV)

# Agenda Item #5

**Approval:** Fiscal Year 2015 Budget Allocations

**Recommended:** That the Board approve the allocation of state appropriations for FY 2015 among institutions and operating units of the University System of Georgia as outlined in Appendix III (B – C). **All allocations are pending signature of HB 744 by the Governor.**

**Recommended:** That the Board approve the FY 2015 Capital Budget totaling \$223,860,000 as outlined in Appendix IV.

# Salary and Wage Administration

- Salary Increase Appropriation - \$11.4 Million in State Funds (<1%)
- Allocation to All Institutions
- Institutions May Augment State Funds Using Other Appropriate Fund Sources
- Salary Increases Awarded Based on Merit:
  - Recruitment and Retention
  - Market and Compression Issues
  - Promotions and Reclassifications
- No Across the Board Increases
- All Increases Must Be Well Documented
- Administrators Earning > \$100,000 – No more than 4%
- Salary Increases >10% - Prior Approval from Chancellor

# Agenda Item #6

**Approval:** Fiscal Year 2015 Salary and Wage Policy

**Recommended:** That the Board approve the fiscal year 2015 salary and wage administration policy for the University System of Georgia.