

UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS AGENDA ITEM SUMMARY

BOARD MEETING: April 30, 2008

COMMITTEE: Executive Committee

AGENDA ITEM: Undergraduate Tuition, 2008-2009 Academic Year  
and 2009 Summer Session

BACKGROUND: At its April 11<sup>th</sup> meeting, the Board of Visitors set 2008-2009 tuition for the graduate programs, and fees for all students. The Board agreed that the Executive Committee would act on the undergraduate tuition for the Academic Division and The University of Virginia's College at Wise after final actions on the 2008-2010 Appropriation Act, particularly in regards to the Tuition Moderation Incentive Fund (TMIF). Governor Kaine's amendments were released on April 14<sup>th</sup>, resulting in no change to the terms of the TMIF proposed by the General Assembly.

DISCUSSION: The TMIF allocates general funds to provide an incentive for colleges and universities to keep in-state undergraduate tuition and educational and general (E&G) fee increases at or below three percent in 2008-2009 and 2009-2010. The TMIF allows an additional one percent increase, provided that the revenues generated from this additional increase are allocated to increase financial aid for in-state undergraduates. For the Academic Division, the general fund incentive is \$1,580,000, equivalent to about a 3.1 percent tuition increase; for the College at Wise, the incentive is \$120,000.

In October 2007, the University submitted a Six Year Financial Plan, including a long-range tuition projection, to the state. This long-range tuition plan was developed to generate needed revenue, coupled with state general fund investments, to meet priorities approved by the Board (salary increases, AccessUVa, deferred maintenance, enrollment growth, Commission on the Future of the University initiatives), as well as to address certain unavoidable cost increases. The graduate and professional tuition and fee proposals approved by the Board on April 11<sup>th</sup> are consistent with the October 2007 plan.

The following chart summarizes the incremental in-state undergraduate tuition revenues and the state general fund investment as projected in the Six Year Plan, as proposed in accordance with the TMIF, and as the senior administration recommends for your consideration today.

	<u>2008-2009</u>
<u>2007 Six Year Plan</u>	
In-state undergraduate tuition increase	9.9%
yielding tuition revenues of:	\$ 5,940,000
General Fund investment	\$ 11,100,000
Total	\$ 17,040,000
<u>Under TMIF</u>	
In-state undergraduate tuition increase	4.0%
yielding tuition revenues of:	\$ 2,400,000
General Fund investment	\$ 6,100,000
Total	\$ 8,500,000
<u>Proposal</u>	
In-state undergraduate tuition increase	9.9%
yielding tuition revenues of:	\$ 5,940,000
General Fund investment	\$ 4,500,000
Total	\$ 10,440,000

For 2008-2009, the TMIF yields \$8.5 million less than projected under the 2007 Six Year Plan and nearly \$2 million less than under the proposal brought forward to you today. Our proposal will still result in \$6.6 million less in available new state revenues to meet the planned expenditures under the 2007 Six Year Plan. The budget to be considered in June will make up for the difference in general funds by utilizing more of our private funds. The administration recommends that the University forfeit the incentive proposed under the TMIF in order to increase undergraduate tuition at the rate projected last October. It is important to note that the TMIF incentive is a one-time allocation of general funds with no guaranty that those funds will become part of the permanent base budget of the University. This is why we recommend the higher tuition increase which will provide on-going resources to address the University's highest priority initiatives.

We propose 2008-2009 tuition and educational and general (E&G) fees for a Virginian undergraduate of \$7,498, an increase of 9.9 percent or \$677, as projected in the 2007 Six Year Financial Plan. The price of education (tuition, required fees, housing, and dining) for a Virginian undergraduate student will increase \$1,185 or 7.3 percent over 2007-2008. The Board approved the housing rate in February and the dining rate and required fees at the April 11<sup>th</sup> meeting.

We propose 2008-2009 tuition and E&G fees for a non-Virginian undergraduate of \$27,798, an increase of 6.6 percent

or \$1,727, as projected in the 2007 Six Year Financial Plan. The price of education (tuition, required fees, housing, and dining) for a non-Virginian undergraduate student will increase \$2,235 or 6.3 percent over 2007-2008.

AccessUVa, approved by the Board of Visitors in February 2004, ensures that a University education remains affordable for all students who qualify for admission, regardless of ability to pay. This proposal will require an incremental allocation from institutional resources of more than \$5 million for Access UVa; an amount that will be reflected in the 2008-2009 budget to be presented for Finance Committee consideration in June.

Corresponding rates for Summer Session and the School of Continuing and Professional Studies are outlined in the attached resolution.

The University of Virginia's College at Wise recommends a \$104 (3.0 percent) increase to \$3,589 in tuition and mandatory educational and general fees for in-state students for 2008-2009. The College further recommends a \$314 (2.1 percent) increase to \$15,463 in tuition and required fees for out-of-state students. The 2007 Six Year Plan for the College at Wise had projected a 7.5 percent increase in tuition and E&G fees, bringing tuition and E&G fees to \$3,746 for Virginians and \$16,285 for non-Virginians. The College expects to receive the general fund incentive of \$120,000 for increasing its in-state tuition and E&G fees by no more than the three percent guideline in the TMIF.

**ACTION REQUIRED:** Approval by the Finance Committee and by the Board of Visitors

**APPROVAL OF INCREASE IN TUITION, REQUIRED FEES, AND OTHER CHARGES FOR THE ACADEMIC DIVISION**

**RESOLVED** that the tuition and required fees and other charges applicable to the Academic Division be approved as shown below, effective July 1, 2008.

	Virginian				Non-Virginian			
	2007-08 Approved	Amount of Increase	Percent of Increase	2008-09 Proposed	2007-08 Approved	Amount of Increase	Percent of Increase	2008-09 Proposed
<b>REGULAR SESSION:</b>								
<b>Undergraduate School - Tuition and E&amp;G Fees</b>	\$ 6,821	\$ 677	9.9%	\$ 7,498	\$ 26,071	\$ 1,727	6.6%	\$ 27,798
<b>SPECIAL SESSION:</b>								
<b>School of Continuing and Professional Studies Tuition Rates:</b>								
Bachelor of Interdisciplinary Studies (per sem.)	\$ 3,118	\$ 180	5.8%	\$ 3,298	\$ 11,100	\$ 520	4.7%	\$ 11,620
Undergraduate Per Hour	\$ 218	\$ 15	6.9%	\$ 233	\$ 371	\$ 15	4.0%	\$ 386
Undergraduate Distance Learning Per Hour	\$ 267	\$ 15	5.6%	\$ 282	\$ 337	\$ 20	5.9%	\$ 357
Study Abroad (per semester) 3-7 hours	n/a	n/a	n/a	\$ 3,038	n/a	n/a	n/a	\$ 1,970
Study Abroad (per semester) 8-15 hours	n/a	n/a	n/a	\$ 4,653	n/a	n/a	n/a	\$ 4,885
<b>2009 Summer Session and 2009 January Term:</b>								
Undergraduate Per Semester Hour	\$ 218	\$ 15	6.9%	\$ 233	\$ 800	\$ -	0.0%	\$ 800
<b>Other Charge:</b>								
Application Fee - International Studies Programs	\$ -	n/a	n/a	\$ 90	\$ -	n/a	n/a	\$ 90

**APPROVAL OF INCREASE IN TUITION, REQUIRED FEES AND OTHER CHARGES FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE**

**RESOLVED** that the tuition and required fees and other charges applicable to the University of Virginia's College at Wise be approved as shown below, effective July 1, 2008:

	Virginian				Non-Virginian			
	2007-08 Approved	Amount of Increase	Percent of Increase	2008-09 Proposed	2007-08 Approved	Amount of Increase	Percent of Increase	2008-09 Proposed
<b>Full-time Students (12 hrs or more per semester)</b>								
Tuition and Required E&G Fees	\$ 3,485	\$ 104	3.0%	\$ 3,589	\$ 15,149	\$ 314	2.1%	\$ 15,463
Auxiliary Fees	\$ 2,666	\$ 184	6.9%	\$ 2,850	\$ 2,666	\$ 184	6.9%	\$ 2,850
Total Tuition and Required Fees	\$ 6,151	\$ 288	4.7%	\$ 6,439	\$ 17,815	\$ 498	2.8%	\$ 18,313
Students taking more than 18 credit hours per semester must pay for the additional hours at the tuition rates listed below:								
<b>Other Charges</b>								
Off-Campus Instruction per hour	\$ 141	\$ 3	2.1%	\$ 144	\$ 618	\$ 11	1.8%	\$ 629
Non-Credit Courses per unit	\$ 62	-	0.0%	\$ 62	\$ 188	-	0.0%	\$ 188
Application Fee	\$ 25	-	0.0%	\$ 25	\$ 25	-	0.0%	\$ 25
Graduation Fee	\$ 100	-	0.0%	\$ 100	\$ 100	-	0.0%	\$ 100

Registration Fee for part-time students will be \$5 per semester hour.

**RESOLVED FURTHER** that the Executive Vice President and Chief Operating Officer is authorized to approve reduced tuition rates for residents of Kentucky and Tennessee who live in counties that are within a 50-mile radius of The University of Virginia's College at Wise and who are enrolled at the College in accordance with Section 23-7.4:2.E of the Code of Virginia.