The Role of Tuition in Funding Higher Education

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Executive Summary

• Purpose:
  – Comparative analysis between UNLV and its peer institutions on the function of tuition in higher education finance

• Scope:
  – What control over tuition do institutions have?
  – How much of the tuition charged actually goes back to the institution?
  – What are the implications?
Executive Summary

• Methods:
  – Literature review and initial research framed the topics to analyze
  – Data collected from universities and brief questionnaires sent to university staff

• Findings:
  – Nevada’s system of tuition control and authority is fairly unique among peers and creates special circumstances
Analysis

I. Tuition Control and Retention
II. State Tax Appropriations
III. Student Residency
IV. Financial Aid
I. Tuition Control and Retention

- NSHE Board of Regents controls amount of tuition charged

- 2/3 of registration fees goes into the state general fund
  - This offsets state appropriations from the general fund
  - Increased tuition decreases appropriations from the general fund

- Is this unique?

- Yes... mostly.
I. Tuition Control and Retention

- Sent two open-ended sets of questions to staff in the budget/finance offices of 14 peer institutions
  - First questionnaire: 13 responses
  - Second questionnaire: 12 responses

- Results:
  - New Mexico’s tuition control and retention structure is similar
  - Texas is a hybrid
  - All others control and retain tuition

- What does this mean?
II. State Tax Appropriations

Change in Tuition and FTE Appropriations -
FY 06/07 through FY 09/10

State Tax Appropriation Source: Grapevine Project
(http://www.grapevine.ilstu.edu)
Tuition Source: Common Data Sets

URI not included due to no response to information request
Oregon non included due to appropriations not specified in
Grapevine Project report
II. State Tax Appropriations

State Tax Appropriations per FTE - FY 06/07

State Tax Appropriations per FTE - 09/10 (estimated)

State Tax Appropriation Source: Grapevine Project (http://www.grapevine.ilstu.edu)

URI not included due to no response to information request
Oregon non included due to appropriations not specified in Grapevine Project report
### III. Student Residency

#### Resident versus Non-resident Students and Tuition

<table>
<thead>
<tr>
<th>Institution</th>
<th>% Resident undergrads</th>
<th>% Non-resident undergrads</th>
<th>Base Resident Undergrad Tuition</th>
<th>Base Non-Resident Undergrad Tuition</th>
<th>Ratio of Non-Resident to Resident Tuition</th>
<th>Region</th>
<th>State Population (Census Bureau, 2008)</th>
<th>State Population Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Univ. of Rhode Island</td>
<td>61.00%</td>
<td>39.00%</td>
<td>$7,454</td>
<td>$23,552</td>
<td>$3.20:$1</td>
<td>East</td>
<td>1,050,788</td>
<td>Low</td>
</tr>
<tr>
<td>Univ. of Oregon</td>
<td>70.00%</td>
<td>30.00%</td>
<td>$5,202</td>
<td>$18,759</td>
<td>$3.60:$1</td>
<td>West</td>
<td>3,790,060</td>
<td>Middle</td>
</tr>
<tr>
<td>Univ. of Oklahoma-Norman</td>
<td>74.00%</td>
<td>26.00%</td>
<td>$2,830</td>
<td>$10,814</td>
<td>$3.80:$1</td>
<td>Mid-West</td>
<td>3,642,361</td>
<td>Middle</td>
</tr>
<tr>
<td>Univ. of Connecticut</td>
<td>77.00%</td>
<td>23.00%</td>
<td>$7,632</td>
<td>$23,232</td>
<td>$3.00:$1</td>
<td>East</td>
<td>3,501,252</td>
<td>Low</td>
</tr>
<tr>
<td>Univ. of Nevada-Las Vegas</td>
<td>81.90%</td>
<td>18.10%</td>
<td>$4,200</td>
<td>$16,540</td>
<td>$3.90:$1</td>
<td>West</td>
<td>2,600,167</td>
<td>Low</td>
</tr>
<tr>
<td>New Mexico State Univ.</td>
<td>83.00%</td>
<td>17.00%</td>
<td>$3,540</td>
<td>$13,522</td>
<td>$3.80:$1</td>
<td>West</td>
<td>1,984,356</td>
<td>Low</td>
</tr>
<tr>
<td>Univ. of Nevada-Reno</td>
<td>83.50%</td>
<td>16.50%</td>
<td>$4,200</td>
<td>$16,540</td>
<td>$3.90:$1</td>
<td>West</td>
<td>2,600,167</td>
<td>Low</td>
</tr>
<tr>
<td>Oklahoma State Univ.</td>
<td>84.00%</td>
<td>16.00%</td>
<td>$3,941</td>
<td>$14,295</td>
<td>$3.60:$1</td>
<td>West</td>
<td>3,790,060</td>
<td>Middle</td>
</tr>
<tr>
<td>Univ. of Louisville</td>
<td>87.00%</td>
<td>13.00%</td>
<td>$7,944</td>
<td>$19,272</td>
<td>$2.30:$1</td>
<td>Mid-West</td>
<td>4,269,245</td>
<td>Middle</td>
</tr>
<tr>
<td>George Mason Univ.</td>
<td>90.00%</td>
<td>10.00%</td>
<td>$5,526</td>
<td>$20,490</td>
<td>$3.70:$1</td>
<td>East</td>
<td>7,769,089</td>
<td>High</td>
</tr>
<tr>
<td>Washington State Univ.</td>
<td>92.00%</td>
<td>8.00%</td>
<td>$7,088</td>
<td>$18,164</td>
<td>$2.60:$1</td>
<td>West</td>
<td>6,549,224</td>
<td>High</td>
</tr>
<tr>
<td>Univ. of South Florida</td>
<td>96.90%</td>
<td>3.10%</td>
<td>$3,917</td>
<td>$16,634</td>
<td>$4.20:$1</td>
<td>South</td>
<td>18,328,340</td>
<td>High</td>
</tr>
<tr>
<td>Univ. of California-Santa Cruz</td>
<td>97.00%</td>
<td>3.00%</td>
<td>$8,878</td>
<td>$21,669</td>
<td>$3.00:$1</td>
<td>West</td>
<td>36,756,666</td>
<td>High</td>
</tr>
<tr>
<td>Univ. of Houston</td>
<td>98.00%</td>
<td>2.00%</td>
<td>$5,213</td>
<td>$13,643</td>
<td>$2.60:$1</td>
<td>South</td>
<td>24,326,974</td>
<td>High</td>
</tr>
<tr>
<td><strong>MEDIAN</strong></td>
<td><strong>83.80%</strong></td>
<td><strong>16.30%</strong></td>
<td><strong>$5,208</strong></td>
<td><strong>$18,082</strong></td>
<td><strong>$3.60:$1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tuition and Residency Source: Common Data Sets
IV. Financial Aid

Average Undergraduate Financial Aid Package and Undergraduate Base Tuition

Tuition and Financial Aid Source: Common Data Sets
Discussion

• When the economy falters:
  – State tax appropriations decrease
  – Tuition increases

• NSHE’s commitment to low tuition creates a dilemma
  – Reluctance to raise tuition and place burden on students
  – If tuition doesn’t increase, burden is placed on institution

• Because 2/3 of tuition supports general fund, actual tuition increases to institution are below the rate of inflation
Recommendations

• Institutional control of tuition
  – Levels
  – Revenues

• Institutional responsibility
  – Accountability
  – Transparency
Lessons Learned

- Further research
  - Inclusion of all peer institutions
  - Price sensitivity of tuition
  - Comparison between "sister" institutions to examine relevance of UNLV/UNR relationship

- Focus
- Questionnaire
- Timing
- Definition of and delineation between "tuition" and "fees"
Questions

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