

Five-Year Tuition Strategy Proposal

 Kansas State University 

SGA

Student Governing Association

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INTRODUCTION / STATEMENT OF PURPOSE

Remaining committed to the affordability of education for students is a high priority of all individuals at Kansas State University. Throughout recent history, the university has embodied the values of shared governance among students, faculty, and administrators.

In the fall of 2001, the provost and two Vice Presidents began dialogue with students and faculty by holding 23 campus meetings to address the future of tuition at Kansas State. During the meetings they summarized budget constraints, reviewed tuition benchmarks, discussed possible tuition strategies, and outlined funding priorities. From the discussions a five-year tuition plan was created and agreed upon by all parties. This plan outlined principles, priorities, and projected tuition increases. In each of the four most recent fiscal years, students have sustained and enhanced K-State by enduring substantial increases in tuition and fees. For example, resident undergraduate tuition had increased from \$97.25 per credit hour in Fall 2002 to \$152 per credit hour in Fall 2005. Over that same time period many students have expressed a variety of views about tuition at Kansas State and brainstormed possible ways to meet university needs, while controlling the tuition increase each year. Tuition strategies became a high priority of both students and student leaders during the 2005-2006 Kansas State University Student Governing Association elections.

The Student Senate Special Committee to Study Long-Term Tuition Strategies was created in the fall 2005 by Student Senate Bill 05/06/12. The committee was created in large part due to the cooperation between students and administrators. The student senate special committee was created for the following purposes:

- Examine the current five-year tuition strategy adopted by Kansas State University.
- Establish a set of guidelines to consider for the evaluation of future tuition strategies.
- Develop a proposal to present to Student Senate, Faculty Senate, and University Administration.

PRINCIPLES

Guiding principles are essential to assist in the decision making process when creating and prioritizing initiatives throughout a five-year tuition plan. During the review and proposal process, the committee reviewed principles from the last five-year tuition plan. The committee proposed to keep certain principles intact with no or small modifications, while eliminating principles that have been accomplished or are no longer supported for the next tuition plan. New principles and themes were added to the list identifying what the committee utilized to make decisions. Throughout the five-year tuition plan, we are hopeful that university administration will utilize these principles and themes in making specific funding decisions.

- Overall themes associated with this specific five-year tuition proposal:
 - Predictability
 - Keeping it simple
 - Become more competitive in out-of-state markets
 - Affordability for all students
- New principles associated with this specific five-year tuition proposal:
 - Invest in areas where we get the “biggest bang for our buck”
 - Maximize coordination with other sources of funds
 - Should invest in enhancements that benefit more than one area of focus
 - Should focus on areas that will improve the universities learning environment
 - Should first focus on maintaining quality programs, then work to enhance and add new programs that contribute to the university’s strategic priorities
- Principles from the last five-year tuition proposal that should be modified and remain intact:
 - All students should pay for equipment/technology enhancements and these should be incorporated into tuition rates. *(Modified)*
 - Both resident and nonresident tuition for undergraduate courses should be at the median of the NASULGC universities. *(Modified)*
 - Student Senate should continue to have full responsibility for recommending annual changes to the privilege fee.
 - K-State should offer tuition reduction opportunities for resident and nonresident students to provide and help ensure continuation of the affordability of the university. *(Modified)*
 - K-State should start a tuition reduction program for Graduate Research Assistants during the next five years.
- Principles from the last five-year tuition proposal that should be eliminated:
 - Tuition rates for upper division undergraduate courses should be higher than tuition for lower division courses.

Student Senate Special Committee to Study Long-Term Tuition Strategies
Fall 2005 - Spring 2006

- When an academic college experiences unusually high faculty turnover because of a long-term inability to pay competitive salaries, a surcharge for courses taught by that college should be considered to supplement salaries.
- Veterinary Medicine should continue implementation of a totally linear tuition structure. *(Already Implemented)*
- Tuition rates at the Salina Campus should equal those charged on the Main Campus within three years. *(Already Implemented)*
- To help with faculty and staff recruitment, K-State should start a limited tuition reduction program for dependents of University employees. *(Already Implemented)*

TUITION MODEL

The committee investigated a number of tuition models, including the following:

- Differential Rate
 - A Differential Rate tuition model would charge a higher per credit hour rate for courses above a certain level (in this case, 300 level or above).
- Flat Tuition Rate (aka Guaranteed or Contracted Tuition)
 - A Flat Tuition Rate would charge the same per-credit-hour rate over a four- or five-year period for an individual student. Each year, tuition would rise according to the needs of the university, thus each entering freshmen class would pay a higher rate for four years than the previous freshmen class.
- Predicted Tuition Rate
 - One Predicted Tuition Rate tuition model would increase tuition for the duration of the five-year plan by a specified dollar amount each year.
 - Another Predicted Tuition Rate tuition model would increase tuition for the duration of the five-year plan by a specified percentage rate each year.

After researching and discussing each tuition model and any variances therein, the committee recommends that a Predicted Tuition Rate model be implemented. Specifically, the university should increase tuition for the duration of the five-year plan by \$15.00 per credit hour per year for resident and non-resident undergraduate and graduate students.

The committee's recommendation is based on predictability for all students and creating a simple tuition rate that is easy to understand and administer. Creating a predictable tuition rate will allow students to know what they will be paying for their entire college education. The predictable tuition rate supported in this proposal avoids needless, confusing, and exclusive policy guidelines. By avoiding these policies, all K-State students including in-state vs. out-of-state, underclassmen vs. transfer, and undergraduate vs. graduate students receive the benefits of having an easy, predictable tuition rate.

The committee also believes it to be essential that K-State become more competitive in the out-of-state and graduate student markets. A flat \$15.00 increase per credit hour per year will allow the university to become more competitive in those two markets, while remaining affordable for all interested students.

COLLEGE SPECIFIC FEES

Currently (FY2006), three Kansas State University Colleges charge college specific fees, as outlined below:

College	Purpose	Fee
Architecture, Planning, & Design	Equipment	\$14.00
Business Administration	Faculty Salaries	\$15.00
Engineering	Equipment	\$14.00
Engineering	Faculty Salaries	\$15.00

The committee discussed both the purpose and impact of college specific fees. We recommend that a moratorium be placed on all college specific fee increases, and over the course of the five-year tuition strategy in question, the existing fees be redistributed and built into the base budget through a tuition increase. This redistribution will not affect faculty salary and equipment enhancements provided for by these college specific fees.

According to the information provided to us, redistributing all college specific fees would require an increase of \$4.65 to undergraduate and graduate (both resident and non-resident) per credit hour tuition rates. To accomplish our goal of redistributing the fees, the committee recommends that the university increase the per credit hour rate by \$1.55 per year for a total of three years. It is essential that the redistribution of these fees into tuition create a revenue-neutral situation for those colleges who already assess college specific fees.

For the remaining two years of the five-year Tuition Plan, a portion of the \$1.55 per credit hour increases mentioned above should be allocated by the University Administration, in consultation with the next committee to investigate tuition strategies, to begin addressing the monetary needs of other colleges not listed above.

The committee's recommendation is based on keeping K-State's tuition rate simple. When students attend campus, they should know from the beginning their tuition rate per hour and not be subject to hidden college specific fees. The committee understands that each college faces different monetary challenges related to faculty salaries and lab maintain/enhancements. Overall, all colleges, departments, and majors bring quality and prominence to a degree from Kansas State University. The monetary support that is needed to continue the high quality education, even at the college level, should be an equal investment of all students.

FUNDING INITIATIVES

The committee identified a number of funding initiatives for the next university-wide five-year tuition strategy that may be categorized in the following areas:

- Faculty Salary Enhancements
- Undergraduate Experience Enhancements
- Enhancements to Academic Programs
- Student Compensation Enhancements
- Redistribution of College Specific Fees

For a list of the specific funding initiatives and their associated priority from the committee, please look at Appendix A.

Appendix A should be used as a guiding document for implementing this recommended tuition strategy with reference to funding various tuition initiatives. The committee attempted to present a feasible, yet *rough*, initiatives budget that responds to the projected tuition revenue amount marked for new initiatives.

To further clarify Appendix A, we are providing an explanatory list (in order of priority) of the proposed initiatives:

- Faculty Salary Enhancements
 - Recognizing the need to keep and attract faculty with the high level of research and instruction that students have become accustomed to and rely upon, faculty salary enhancements were unanimously approved as the top priority for new tuition revenue. The committee feels the amount projected will begin to address the pressing issue of salary increases.
- Financial Aid
 - Acknowledging the principal of affordability, financial aid is vital to the survival of our university. The amount projected will enable the university to respond to increased tuition costs more effectively by paralleling financial aid increases with tuition increases.
- Arts and Sciences
 - Arts and Sciences is in dire need of funds for outdated equipment. Although the committee realizes this increase is modest compared to the amount needed to fully address the problems being observed, we feel that it is an adequate first-step. This base budget increase should be targeted toward equipment for undergraduate courses that would maximize the benefit to all undergraduate students.
- Library
 - The Library needs roughly \$500,000 each year due to inflation and the higher cost of periodicals to continue services already being offered.

The committee recognizes the importance of the Library to K-State and recommends continuing its regular services. Although this will only allow the Library to maintain the status quo, it is essential to provide these services.

- Math Learning
 - These funds would provide the initial space renovation and equipment purchases that are needed to launch the new Quantitative Learning Center. The continuing base budget would provide funding to both expand the program to serve more students and to maintain and replace the equipment on a recurring basis, typically every three years.
- Professorial Awards
 - Professorial awards allow the university to reward full professors who are performing at a high level. This group of faculty members is significantly underpaid relative to their peers at comparable institutions, and this funding will aid in retaining our highest performing faculty members. Based on the projected number of awards per year, this amount should adequately address the needs of such an award system.
- Targeted Excellence
 - Students benefit both directly and indirectly from the projects funded through Targeted Excellence. These projects are selected on the basis of their potential to enhance our classroom learning experiences, our research enterprise, and our outreach and engagement with the community. Students benefit directly through the increased quality of the classroom learning environment, as well as the increased number of undergraduate and graduate research experience opportunities. The student research positions, which may be created either as part of the original targeted excellence projects or as part of follow-on externally funded projects, provide both valuable career experience as well as employment. Students benefit indirectly through the enhanced national reputation that the university achieves from the development of novel learning environments and research expertise.
- Graduate Student Compensation
 - Currently, graduate student stipends are not competitive with other institutions. Many Universities are not only providing a higher stipend but a tuition waiver and health insurance program. Graduate student stipend and tuition waiver increases are necessary to continue to attract and retain quality graduate students.
- Chemistry Help Room
 - One of the university priorities is the enhancement of the student learning environment. A large number of students are enrolled in chemistry courses each semester, and the opportunity to receive tutoring is important to the success of many students. This funding will provide support for additional tutors.
- Instructional Technology
 - Student expectations and demand with regard to the accessibility and availability of technology continue to increase every year. Investment in

the latest technology is critical to the continued advancement of the university. This investment of funds includes software, hardware and personnel and will allow the university to continue to be a leader in what we provide to our students. In addition, these funds will be used to maintain and replace technology on an on-going basis.

- Honors Program
 - The university-wide Honors Program was implemented in 2006, and funding for the initiation of this program is required. Funding is also needed to develop and offer events and courses that are central to this program.
- Undergraduate Salaries
 - Undergraduate work is an important part of students' ability to pay for their education; the committee understands that salary increases are vital to K-State students allowing them to keep up with the rising costs associated with funding a higher education. These projected increases will ensure that undergraduate salaries reach a minimum wage of \$6.50 by the end of this five-year tuition plan.
- Freshman Experience
 - K-State is committed to student success. Research has shown that the first-year experience is critical to the success and retention of students in their academic career. Implementation of this program will provide an experience that is similar to those provided at other premier institutions.
- Diversity, DSP
 - Enhancing diversity is one of the priorities of the university. This funding will allow the enrichment of existing multicultural organizations and programs.
- Honor System
 - Honor System increases will allow for a full-time secretary and a general budget increase to respond to the pressing needs of the university in relation to Academic Integrity.
- Leadership Studies
 - Leadership Studies is growing substantially. Although three increases were requested, the committee felt that two base budget increases would begin to address the needs of the program. In future years, the committee recommends that the College of Education increase its commitment to the program.
- International Experience
 - International Experience is an all-university priority. These two increases will allow for more scholarships, etc. to promote study abroad programs to K-State students.

CHILDCARE

The Kansas State University Child Development Center provides quality and affordable childcare services to K-State students and faculty. A recent consultant's presentation to the University reported that the current state of our Child Development Center is an unacceptable and dangerous facility to care for children.

The committee supports the administration's proposal to build a new childcare facility at an estimated capital-construction cost of six to eight million dollars. It is the recommendation of the committee to fund no more than 75% of debt financing for construction of this facility through tuition revenue. The remaining capital needed to operate and finance the facility should be provided through other avenues.

The committee does not support raising tuition over \$15 per year per credit hour to gain additional revenue. Given the current state of the childcare facility, the additional tuition revenue should be taken from initiative areas receiving larger enhancements as proposed in the coming five-year tuition plan.

FUTURE RECOMMENDATIONS

The committee hereby recommends the following for future consideration:

- Creation of a formal committee—The current committee feels it is necessary to institutionalize a committee that would be similar to the Student Senate Special Committee to Study Long-Term Tuition Strategies. The committee should meet every two years, specifically during the fiscal years falling on an odd year. This would allow the committee to have a continuing presence and would ensure that students have an active voice in determining the future of tuition at Kansas State University.
 - Objectives of the committee:
 - Review the accomplishments from the previous two fiscal years, specifically in relationship to the recommendation made by past committees.
 - Re-analyze/identify areas of concerns, relating to the tuition rate and funding initiatives, for the three coming fiscal years.
 - Recommend a tuition rate for the fourth and fifth fiscal years covered under a rolling proposed five-year tuition plan. This would allow students to have a continual understanding of what tuition will cost at Kansas State.
 - Recommend and prioritize funding initiatives for the fourth and fifth fiscal years covered under a rolling proposed five-year tuition plan. These funding initiatives should be submitted to the committee by the President, Provost, Vice President of Institutional Advancement, and Vice President of Administration and Finance.
 - A finalized proposal/recommendation should be delivered by March 1 during the appropriate fiscal year.
 - Committee Membership:
 - The composition of the committee should include the following twelve voting members:
 - Eight students, including the Student Body President, Student Senate Chair, one graduate student, and five other students appointed by the committee co-chairs and approved by student senate
 - Faculty Senate President
 - Provost designate
 - Vice President for Institutional Advancement designate
 - Vice President for Administration and Finance designate
 - The committee should be co-chaired by the current Student Body President and current Student Senate Chair.
 - Members should be appointed by mid-September during the appropriate fiscal year.

This committee should begin meeting in FY 2009.

FY 2007 TUITION

Although this tuition proposal affects FY 2008 - FY 2012, the previous five-year tuition strategy expires in FY 2007. Thus, the committee needed to address plans for FY 2007, the final year of the existing five-year plan, with University Administration.

The University Administration, in continuance of its commitment during the last five-year cycle, wishes to keep tuition and fee increases below 10%. In addition to the 10% increase, however, the Student Governing Association requested that graduation fees, transcript fees, and Career and Employment Services fees be consolidated into tuition. To accomplish this goal, another tuition increase of approximately 0.9% had to occur.

Furthermore, in response to significantly increased natural gas prices, the University Administration is going to introduce a \$2 per credit hour Utility Surcharge. This surcharge would increase tuition approximately 1.1%, bringing the final tuition increase to approximately 12% for undergraduate residents in FY 2007. If and when utility rates decline to certain amounts, the University Administration has agreed to remove the Utility Surcharge \$1 per credit hour at a time.

COMMITTEE MEMBERSHIP

Name	Position	College	E-Mail
Pat Bosco	Dean of Student Life	N/A	bosco@ksu.edu
*Michael Burns	Student Body President	Agriculture	mburns@ksu.edu
Ruth Dyer	Associate Provost	Engineering	rdyer@ksu.edu
Kelsey Frasier	CC Coordinator (SGA)	Agriculture	kfrasier@ksu.edu
Tom Herald	Faculty Senate President	Agriculture	therald@ksu.edu
Colleen Loo	Student Senator (SGA)	Arts & Sciences	colleenl@ksu.edu
William Lopez	Student Senator (SGA)	Business	wslopez@ksu.edu
*Tyson Moore	Student Senate Chair	Engineering	jtmoore@ksu.edu
Daniel Nibarger	Student Senator (SGA)	Graduate School	dtn3333@ksu.edu
Brandon Sager	Student Senator (SGA)	Engineering	bsager@ksu.edu
Bruce Shubert	Associate VP A&F	N/A	bshubert@ksu.edu

OTHER CONTACTS

Name	Position	E-Mail
Bob Krause	Vice President for Institutional Advancement	vpia@ksu.edu
Duane Nellis	Provost	dnellis@ksu.edu
Tom Rawson	Vice President for Administration and Finance	tmr@ksu.edu

* Denotes co-chairpersons of the committee.

Kansas State University FY 2008 - FY 2012 Tuition Revenue Enhancement Plan (based on \$15 per increase each year)

		Final Base Addition
Faculty Salary Improvement	Faculty Salary Enhancements Professorial Awards	\$3,400,000
Improving the Undergraduate Experience	Financial Aid Math Learning Enhancement Chemistry Help Room Honors Program and System First Year Experience Initiative Diversity Initiatives Leadership Studies & Service Learning International Experience	\$2,405,000
Enhancing Academic Programs	College of Arts & Sciences Enhancements Additional Library Funding Expanding the Targeted Excellence Program Instructional Technology Support	\$8,210,000
Student Compensation Improvement	Graduate Student Compensation Improvement Undergraduate Student Wage Increase	\$1,700,000
College Specific Needs	Phase out of Engineering, Architecture and Business Fees Additional support for other colleges	\$3,115,000
Total Base addition in FY 2012		\$18,830,000