

MEMORANDUM

November 21, 2024

Academic Year 2025-26 Guidelines for Institutional Review and Recommendation of Tuition and General Fee Adjustments

The Utah Board of Higher Education sets tuition and general fee schedules for Utah System of Higher Education institutions each spring. The Board asks institutional presidents and boards of trustees to review institutional requests and recommend tuition and fee adjustments that are reasonable, justifiable, and ensure value for all Utah students. Each institution's board of trustees chair or designee will present recommendations to the Board as part of tuition and fee deliberations on March 27, 2025.

<u>Utah Code 53B-7-101</u> requires the Board to recommend the minimum tuition, resident and nonresident, for each institution, which is considered necessary to implement the Board's budget recommendation. That same section of code also allows the Board to fix the tuition, fees, and charges for each institution at the levels the Board finds necessary to meet budget requirements. <u>Board Policy R-510</u> further establishes processes for annual Board tuition reviews, rate setting, and model approvals.

Annual Tuition Review

Each year, the Commissioner's staff prepares annual tuition review material as a resource for the Board and institution leadership. This material includes budgeted expenses, current tuition and fee rates, peer comparisons, average student financial aid, inflation indices, median income, average net cost, and instructional costs per student and award.

Institution Matching Funds

Annual legislative appropriations to degree-granting institutions are typically set to support the cost of compensation increases, and internal service fund rate increases at a 3/1 ratio, meaning that the state supports 75% of expected costs, and degree-granting institutions must cover the remaining 25% share. Traditionally, that 25% share of institution 'matching funds' has been sourced to revenue generated through tuition increases. Annual legislative appropriations to technical colleges fully cover the expected compensation increases and internal service fund rate increases; therefore, no institution match is required of technical colleges.

Prohibited Sources of Increase

Tuition and fee increases must not be intended to generate revenue to offset previously enacted Board tuition/fee freezes or access/affordability measures (e.g., FY 2024 tuition/fee freeze or FY 2025 application fee elimination, etc.). Also, tuition and fee increases must not be intended to generate revenue to offset legislative budget reductions or reallocations. Above-match tuition and fee increase proposals without accompanying net-neutral offsets will also be closely examined by the Office of the Commissioner in the context of these prohibitions, out-year inflation expectations, institutional parity, and other factors.

Technical Colleges Tuition

Technical colleges are required by statute to offer programs at low-cost tuition to adult students and no tuition to secondary students. Tuition rates at technical colleges range from \$85 to \$120 per credit hour. Additionally, technical colleges do not typically charge general student fees, but course fees are charged in connection with consumable items.

Commissioner's Recommendation

The Commissioner recommends the Board review, approve, and direct the Office of the Commissioner to distribute the attached guidelines to institutional boards of trustees.

Attachment

Attachment 1 – Academic Year 2025-26 Guidelines for Institutional Review and Recommendation of Tuition and General Fee Adjustments