



Ball State University Tuition and Fees

Public Hearing

May 31, 2011

*Ball State University
Education Redefined*



Overview

- ▣ Tuition Restructuring
- ▣ Tuition Setting
- ▣ Proposed Fees
- ▣ Higher Education Cost and Funding
- ▣ Meeting the Goals & Objectives



Tuition Restructuring

- Not part of tuition-setting
 - But by necessity has to be implemented at the same time
 - Today's presentation will focus on "annual increase" – other changes will affect individual students differently (mainly part-time, graduate, and off-campus)
- Not part of a budget reduction exercise
 - Task force has been involved for about two years
 - Incorporates student input and concerns

BSU fee-structure is not as complex as some institutions, but has aspects that are not in line with changing technologies and strategic directions



Goals of Restructuring

- Primary restructuring would be revenue neutral
- Simplify the fee schedule
- Adapt to changing technologies and facilitate demand for hybrid schedules (e.g., taking both on- and off-campus courses) without financial penalties
- Shorten time-to-degree completion
 - More options for students to take increased hours without additional charge
 - Provides more affordable classes in the summer
- Reduce the cost for full-time, on-line degree seekers
- Eliminate inequities in tuition charges associated with brackets
- Align costs and revenues for more expensive courses and programs



Primary Actions

- Restructured tuition
 - Undergraduate: all hours added together (on- and off- campus), one bracket (12 to 18 hours) - hours below and above the bracket are a per-credit hour charge
 - Graduate: per credit hour charge
- More closely aligned revenue and expenses
 - Increase graduate tuition relative to undergraduate
 - Implement fees for certain courses or programs with higher than average costs



Full-Time, Undergraduate, Hoosier

2010-11 Tuition & Mandatory Fees	Current Fee Structure	New Fee Structure
Tuition		
Base Tuition	\$7,508	\$6,402
Student Services Fee		\$1,180
Non-Resident Fee	\$0	\$0
tuition sub total	\$7,508	\$7,582
Mandatory Fees		
Technology Fee	\$368	\$320
Health Care Fee	\$158	\$152
Recreation Fee	\$180	\$180
Undergraduate Course Fee	\$20	
mandatory fees sub total	\$726	\$652
Total Tuition and Mandatory Fees		
Resident	\$8,234	\$8,234

Both based on 2010-11 fees (2011-12 rate increase not factored in)



New Non-Mandatory Fees

- ▣ Program Fees:
 - Nursing \$125 per semester (\$75/summer)
 - CAP \$500/\$250 (full-time/part-time) for all students
 - ▣ Currently \$410/\$205; applies only to first year students and architecture majors
- ▣ Course Fees:
 - Business: \$10 per credit hour
 - Music: \$10 per credit hour
 - Laboratory courses: \$30 per course (some exceptions)



Tuition Setting

- **Goal:** Strive to **keep tuition and fees at the lowest levels possible while maintaining student access and providing a quality educational experience** for bright and curious students

- **Objectives:**
 - Maintain a growth in expenditures that is below or at the growth in appropriate expenditure indices
 - Maintain quality of the student experience and achieve strategic plan goals
 - Maintain existing offset in terms of financial aid
 - Consider our relationship relative to other universities' tuition
 - Demonstrate review of current expenditures and proposed cost saving strategies



Proposed Tuition & Mandatory Fees

Full-time (12 to 18 credit hours) On-Campus Undergraduate

In-State

<u>Academic Year</u>		<u>Increase</u>	
2010-11	2011-12	Dollar	Percent
\$8,234	\$8,558	\$324	3.9%

<u>Academic Year</u>		<u>Increase</u>	
2011-12	2012-13	Dollar	Percent
\$8,558	\$8,980	\$422	4.9%

Out-of-State

<u>Academic Year</u>		<u>Increase</u>	
2010-11	2011-12	Dollar	Percent
\$21,686	\$22,538	\$852	3.9%

<u>Academic Year</u>		<u>Increase</u>	
2011-12	2012-13	Dollar	Percent
\$22,538	\$23,650	\$1,112	4.9%



Proposed Tuition & Mandatory Fees

Full-time (9 hours) On-Campus Graduate

In-State

<u>Academic Year</u>		<u>Increase</u>	
2010-11	2011-12	Dollar	Percent
\$7,262	\$7,924	\$662	9.1%

<u>Academic Year</u>		<u>Increase</u>	
2011-12	2012-13	Dollar	Percent
\$7,924	\$8,328	\$404	5.1%

Out-of-State

<u>Academic Year</u>		<u>Increase</u>	
2010-11	2011-12	Dollar	Percent
\$17,122	\$18,832	\$1,710	10.0%

<u>Academic Year</u>		<u>Increase</u>	
2011-12	2012-13	Dollar	Percent
\$18,832	\$19,776	\$944	5.0%



Higher Education Cost & Funding

What is the true cost?

Who pays?

What are the cost drivers?

What is the return on investment?



What is the True Cost?

- Tuition and Fee Charges, **Minus**

- Scholarships
- Federal Financial Aid
- State Financial Aid
- Institutional Financial Aid
- Private Financial Aid

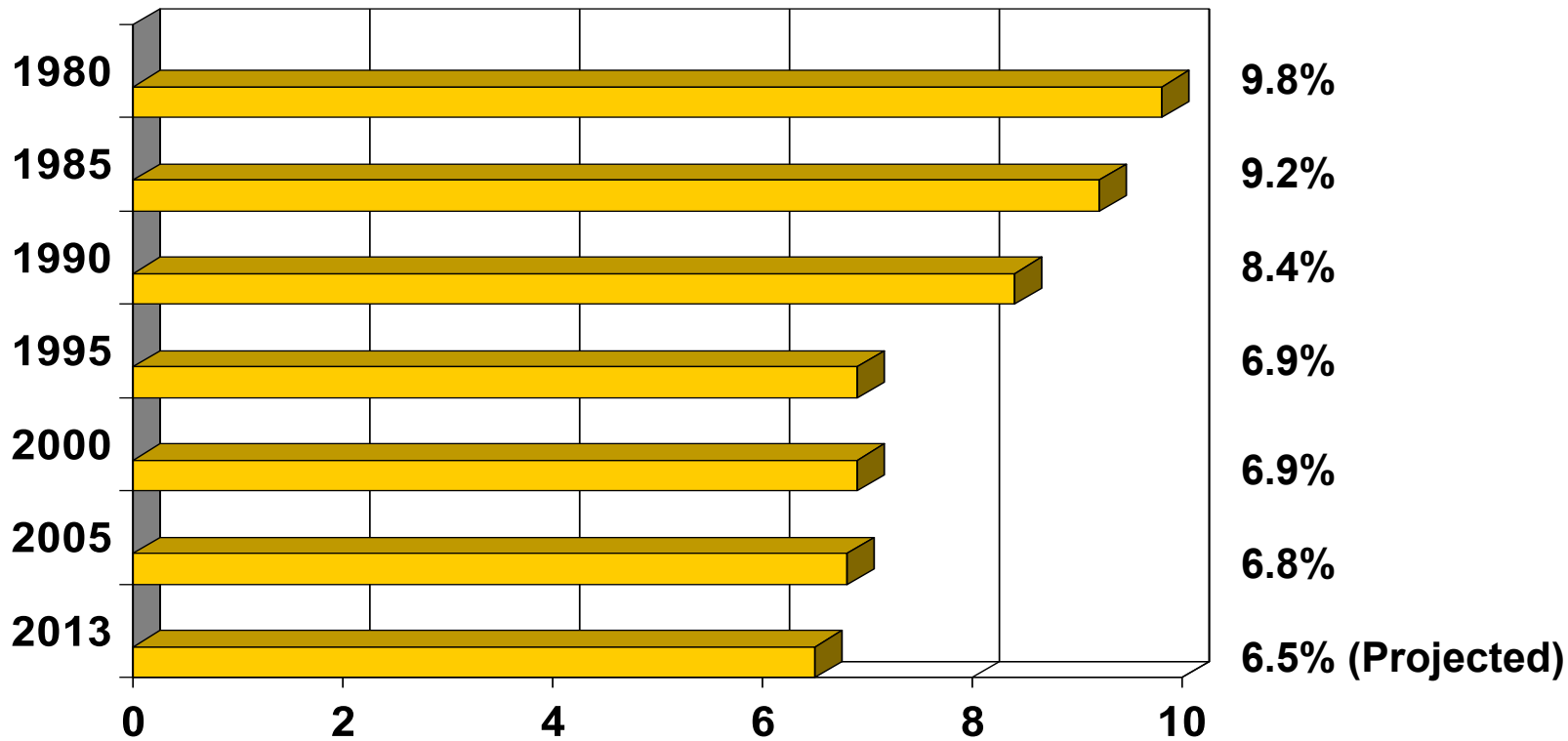
- **54%** of Ball State's first-time, full-time undergraduate students **receive grants or scholarships**; the **average aid is \$9,039**
- **84%** receive some **form of financial aid**

- **Equals** Net Tuition and Fee Charges



What Are Trends in Public Support?

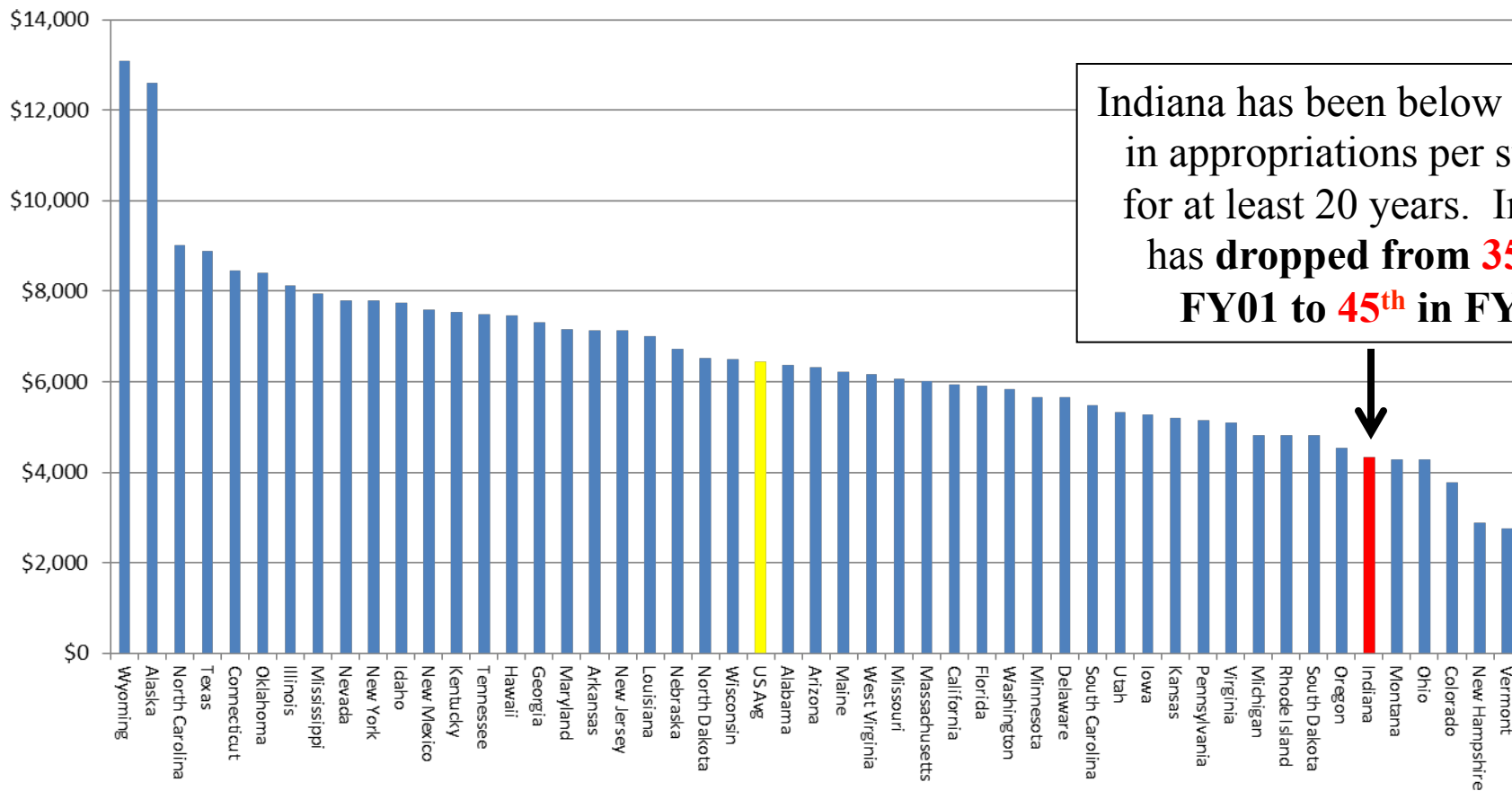
Share of State Revenues Appropriated to Higher Education



Source: National Center for Higher Education Management Systems



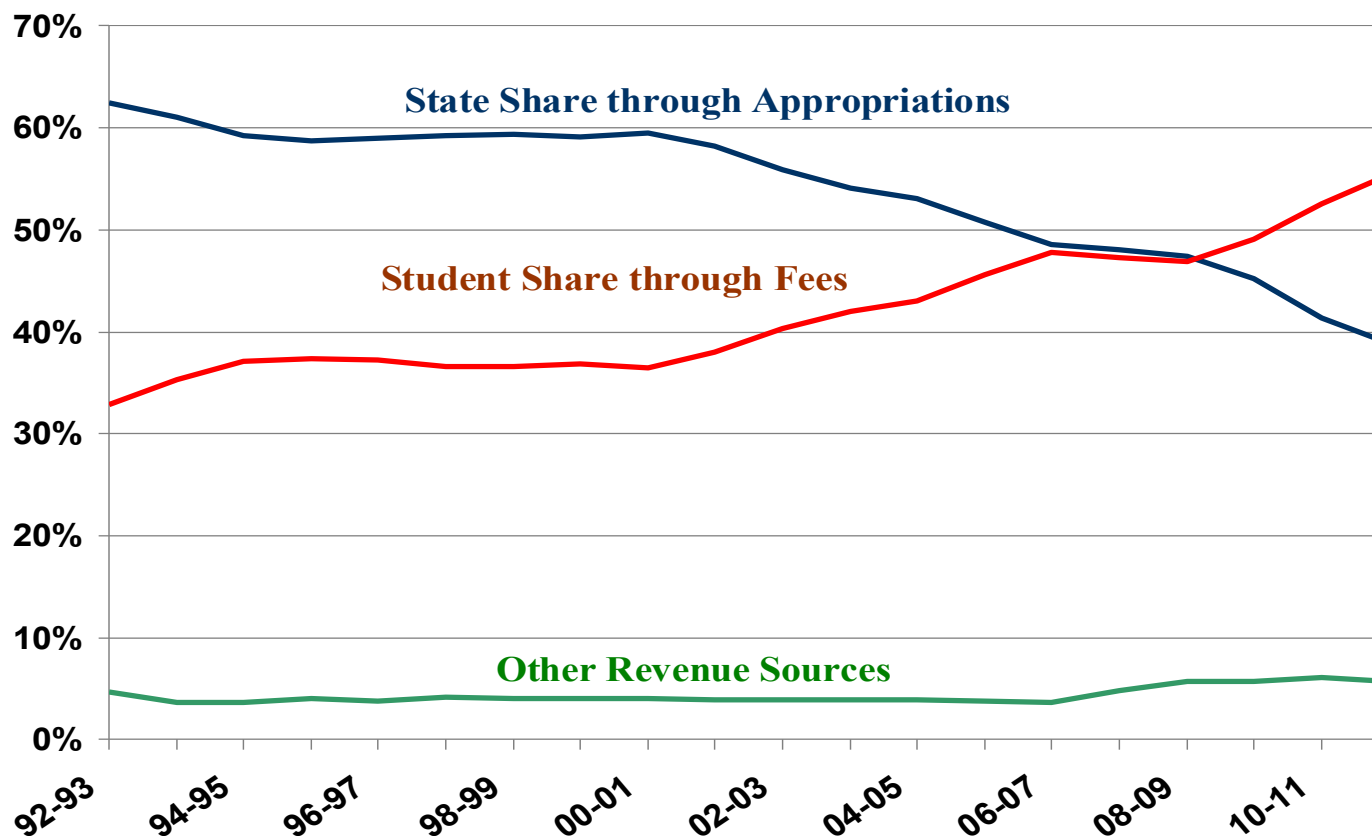
Appropriations Per Student (2010)



Indiana has been below average in appropriations per student for at least 20 years. Indiana has dropped from **35th** in FY01 to **45th** in FY10



Trends In Revenue at BSU



Shift in Funding – With little or no growth in state appropriations, a larger percentage of revenue is coming from student fees and other sources.

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What are the Cost Drivers?

Expectations of High Achieving Students

Increasing Demand

University's Strategic Plan Elements

Technology & Scientific Equipment

Favorable Student Faculty Ratio

Student Financial Aid

Competitive Salaries & Benefits

Utilities, Supplies, and Equipment

Facilities Repair and Renewal



University is also a Consumer

- Before cutting budgets to fund these and other increasing costs, the University had to deal with a disconnect:
 - Loss in state operating appropriations is approximately \$13 million
 - Tuition revenue from proposed annual increase is approximately \$11 million

- Representative estimated price increases for next year
 - 10% - Healthcare
 - 13.5% - Natural Gas
 - 5% - Sewer
 - 8% - Water
 - 23% - Indiana Public Employees Retirement Plan



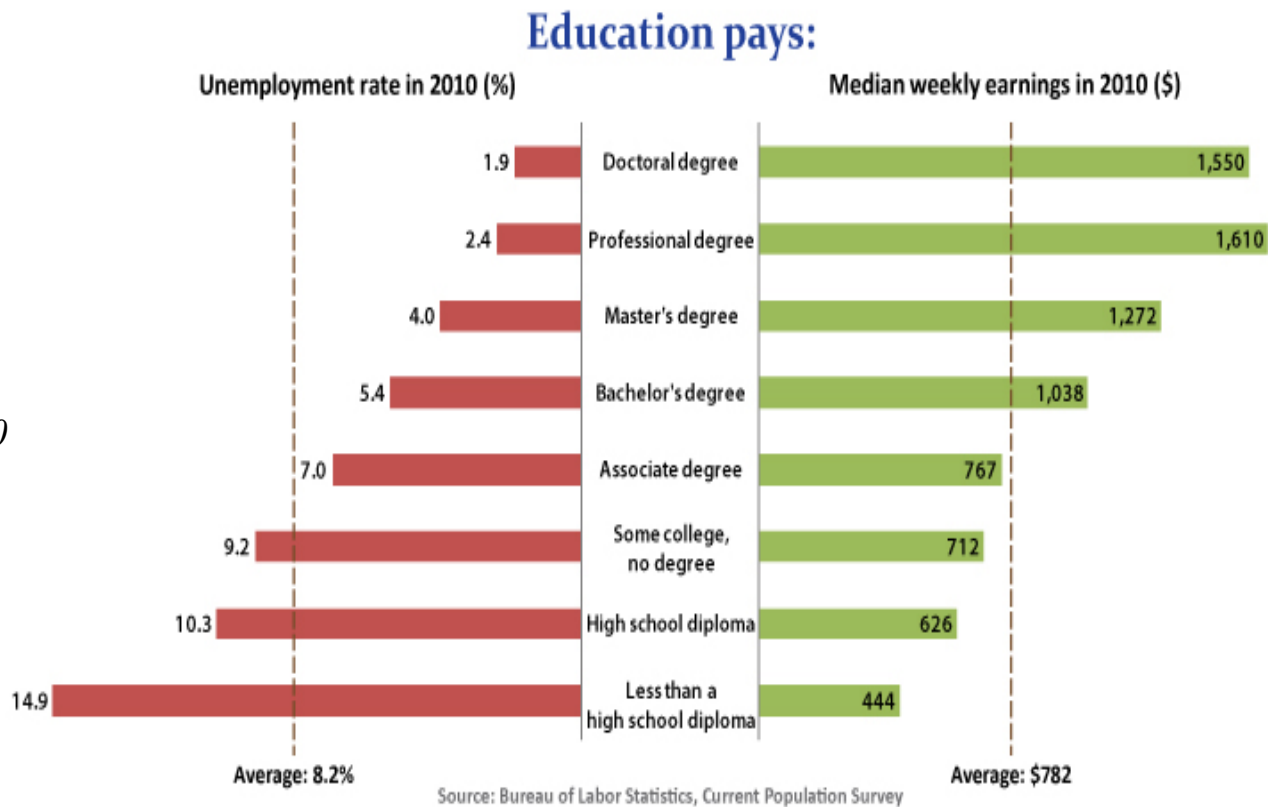
What is the Return on Investment?

The unemployment rate for individuals with at least a bachelor's degree is consistently about half the unemployment rate for high school graduates

- *CollegeBoard, Education Pays 2010*

Having a bachelors degree is worth approximately \$1.6 million more in lifetime earnings than a high school degree

- *Georgetown University Center on Education and the Workforce*



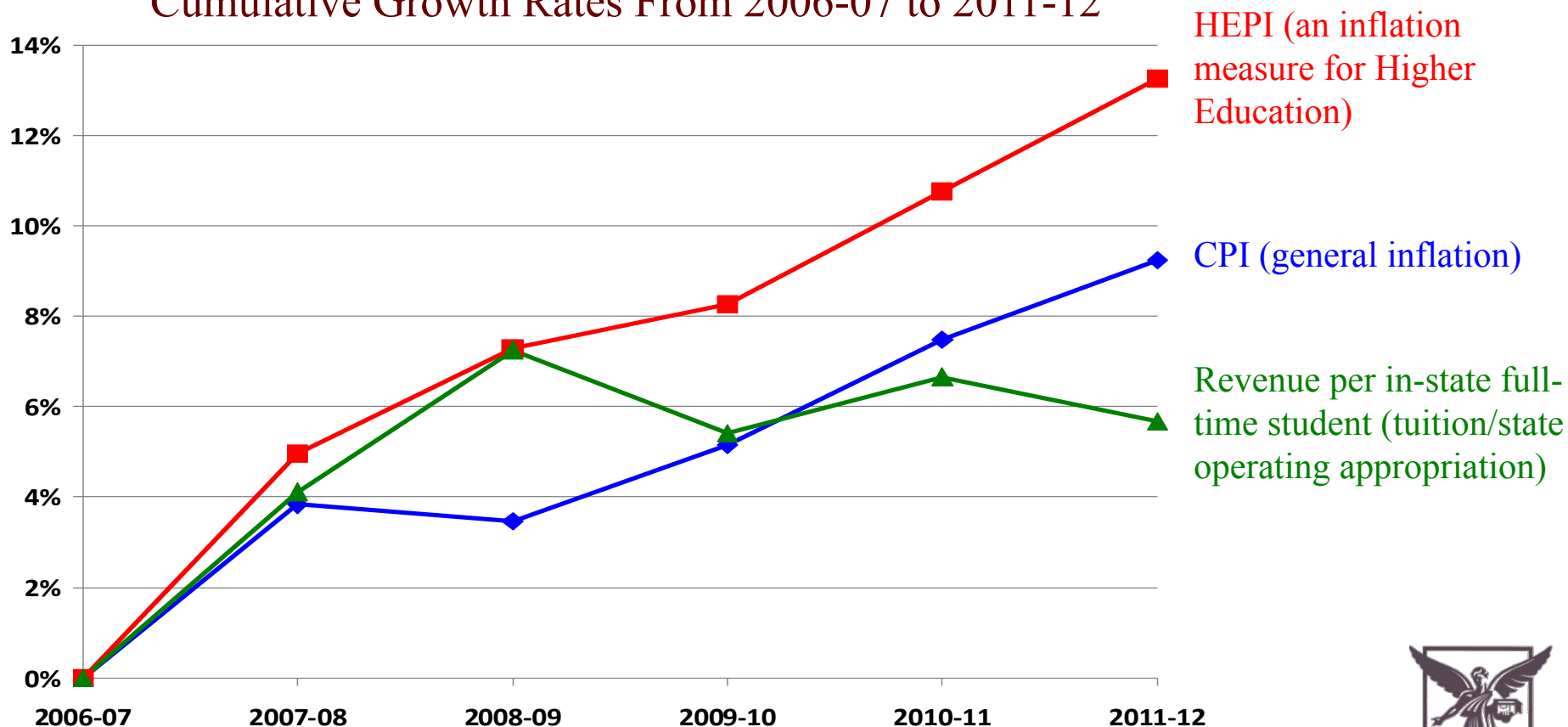
Meeting the Goals and Objectives

- **Maintain a growth in expenditures that is below or at the growth in appropriate expenditure indices**
- Maintain quality of the student experience and achieve strategic plan goals
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Revenue Versus Inflation

Cumulative Growth Rates From 2006-07 to 2011-12



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Strategic Plan Success

- Largely through budget reductions and reallocations, significant resources have been invested in Strategic Plan initiatives
- Results:
 - In the past three years, **8,187 students** have worked on **514 immersive learning projects** in **69 of Indiana's 92 counties**
 - Percentage of incoming freshman holding **academic honors diplomas** has **increased by 15.5 percent**
 - **Retention** for first year students has **increased from 74.6 to 79.7 percent**
 - **Average SAT score is up 53 points**



How Others View Us

- **28 nationally ranked** or recognized programs
- *U.S. News & World Report* ranks us **20th among “up-and-coming”** colleges and universities for 2010
- *Chronicle of Higher Education* says Ball State has the **6th highest improvement in graduation rates** of any public research university
- Carnegie Foundation for the Advancement of Teaching elevated Ball State’s classification to **research university, high research activity**
- BSU recognized as **national leader in New and Emerging Media**
- **Immersive Learning** cited by peers in national publications

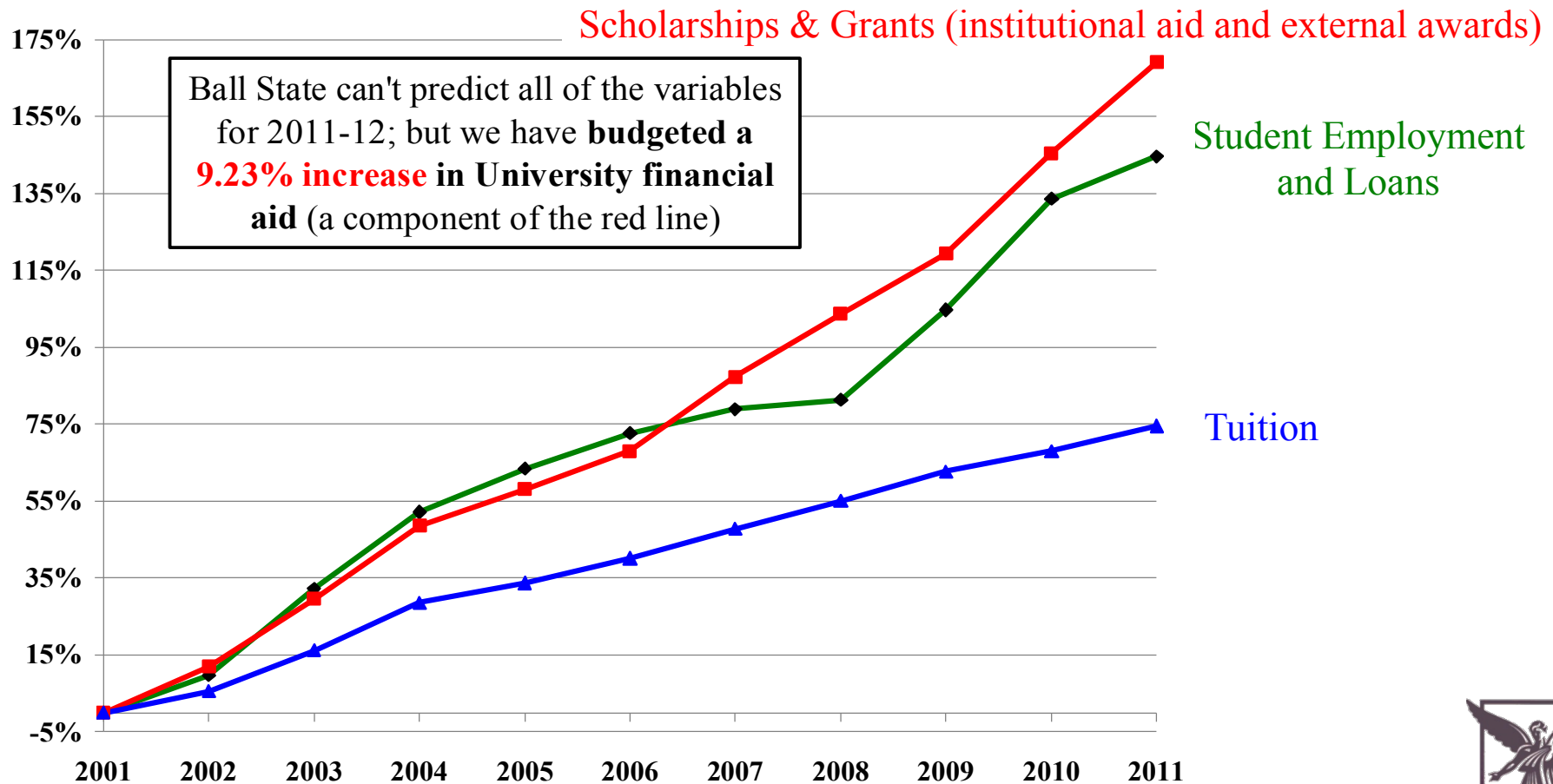


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Increase in Financial Aid



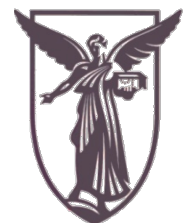
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How Does BSU's 2010 - 11 Tuition Compare To Other Universities?

<u>MAC Schools</u>	<u>Amount</u>	<u>Indiana Schools</u>	<u>Amount</u>
Miami University	\$ 12,786	University of Notre Dame	\$ 39,919
Northern Illinois University	\$ 10,214	Rose-Hulman Institute of Technology	\$ 36,270
Bowling Green State University	\$ 9,704	DePauw University	\$ 34,905
Ohio University	\$ 9,603	Wabash College	\$ 31,050
University of Akron	\$ 9,247	Butler University	\$ 30,558
Kent State University at Kent	\$ 9,030	Purdue University-Main Campus	\$ 9,070
Western Michigan University	\$ 9,006	Indiana University-Bloomington	\$ 9,028
Central Michigan University	\$ 8,932	Ball State University	\$ 8,234
University of Toledo	\$ 8,491	IUPUI	\$ 7,885
Eastern Michigan University	\$ 8,378	Indiana State University	\$ 7,714
Ball State University	\$ 8,234		



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Lean Organizations Leave Little to Cut

- **Low administrative staffing and growth rates:**
 - Professional staff per 100 students is 12.3% below Indiana average and 26% below national average; among Indiana public universities, the lowest growth rate in number of administrators per 100 students
- **Low health care costs:**
 - BSU contributes 17.6% less than the State for an employee choosing family coverage; 57.4% of our employees have migrated to consumer-driven plans
- **Low capital costs:**
 - Debt ratio and square footage per FTE student is lower than the state average
- **Low energy costs:**
 - Cost per sq. ft. is 32% below national average
- **High productivity (high graduation rates and low total expenses):**
 - Highest productivity of any Indiana public university and more productive than expected



Representative Cost Savings/Avoidance

▣ **Compensation - \$19 million**

- Hiring freeze/delay; eliminated some positions; limited/no salary increases over the past three years
- New initiatives to reduce costs of workers compensation and overtime
- Significantly restructured health benefits; reduced contribution to alternate pension plan for new employees

▣ **Facilities Maintenance - \$3 million**

- Cost per square foot has decreased steadily since 2002

▣ **Academic Initiatives - \$1 million**

- Efficiencies that do not significantly impact the educational experience

▣ **Other Expenses - \$12 million**

- Budget increases for travel, supplies, and equipment have been 0% in 10 of the last 12 years (inflation would call for at least a 30% increase)
 - ▣ Multiple initiatives to reduce expenses

▣ **Utilities - \$3 million**

- Innovative geothermal initiative (when completed)
- Various programs to increase efficiencies and reduce expenses



Summary/Questions

Strive to **keep tuition and fees at the lowest levels possible while maintaining student access and providing a quality educational experience** for bright and curious students

