Ball State University
Tuition and Fees

Public Hearing
June 5, 2013
Overview

- Approach to Tuition Setting
- Proposed Tuition and Mandatory Fees
- Other Fee Changes
- Higher Education Cost and Funding
- Meeting the Goals & Objectives
Ball State is:

**Distinctive**

An *increasingly selective* institution, focused primarily on a high-quality, undergraduate experience for **Hoosiers**

**Accountable**

Strategic plans with over 100 *measurable outcomes* that are aligned with **state priorities**

**Lean**

Intense focus on *operating efficiencies*
Tuition Setting

- Goal: Strive to **keep tuition and fees at the lowest levels** possible while maintaining student access and providing a **high-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 or improve the 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

Consider Indiana Commission for Higher Education’s Non-binding tuition recommendation – 2% each year of the biennium
## Proposed Tuition & Mandatory Fees

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

<table>
<thead>
<tr>
<th></th>
<th>In-State</th>
<th>Out-of-State</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Academic Year</strong></td>
<td><strong>Increase</strong></td>
<td><strong>Increase</strong></td>
</tr>
<tr>
<td>2012-13</td>
<td>2013-14</td>
<td>2012-13</td>
</tr>
<tr>
<td>$8,980</td>
<td>$9,160</td>
<td>$23,650</td>
</tr>
<tr>
<td></td>
<td>$180</td>
<td>$474</td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>2013-14</td>
<td>2014-15</td>
<td>2013-14</td>
</tr>
<tr>
<td>$9,160</td>
<td>$9,344</td>
<td>$24,124</td>
</tr>
<tr>
<td></td>
<td>$184</td>
<td>$486</td>
</tr>
<tr>
<td></td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>
## Proposed Tuition & Mandatory Fees

### Full-time (9 hours) On-Campus Graduate

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Increase</th>
<th></th>
<th>Academic Year</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td></td>
<td></td>
<td>2012-13</td>
<td></td>
</tr>
<tr>
<td>In-State</td>
<td>$8,328</td>
<td>$252</td>
<td>$9,580</td>
<td>$252</td>
</tr>
<tr>
<td></td>
<td>$252</td>
<td>3.0%</td>
<td>$486</td>
<td>2.5%</td>
</tr>
<tr>
<td>2013-14</td>
<td>$8,580</td>
<td>$180</td>
<td>$20,262</td>
<td>$486</td>
</tr>
<tr>
<td></td>
<td>$180</td>
<td>2.1%</td>
<td>$414</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Base increase of 2%; Graduate Credit Hour fee (on-campus only) increases an additional $5 per credit hour
New Non-Mandatory Fees

- **Program Fees:**
  - **Journalism and Telecommunications** - $125 per semester ($75/summer) effective Fall 2013; $138 per semester ($83/summer) effective Fall 2014
  - **Study Abroad** - $100 for Ball State and Exchange programs; $350 for Consortia and Direct Enroll programs effective Fall 2013

- **Other Non-Mandatory Fees:**
  - **Transportation fee** (assessed only to main campus students not residing in a University Residence Hall or Apartment) - $20 to $50 per semester (based on total credit hours) effective Fall 2013
    - Proposed decrease in parking fees next year will partially offset this fee
Other Fee Changes

<table>
<thead>
<tr>
<th>Program:</th>
<th>Current Rates</th>
<th>Effective 2013-14</th>
<th>Effective 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>College of Architecture and Planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>hours ≤ 6</td>
<td>$ 250</td>
<td>$ 250</td>
<td>$ 275</td>
</tr>
<tr>
<td>hours &gt; 6</td>
<td>$ 500</td>
<td>$ 500</td>
<td>$ 550</td>
</tr>
<tr>
<td>Nursing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fall/Spring</td>
<td>$ 125</td>
<td>$ 125</td>
<td>$ 138</td>
</tr>
<tr>
<td>Summer</td>
<td>$ 75</td>
<td>$ 75</td>
<td>$ 83</td>
</tr>
<tr>
<td>Intensive English Institute</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semester (14 Week)</td>
<td>$ 5,220</td>
<td>$ 5,720</td>
<td>$ 6,220</td>
</tr>
<tr>
<td>1/2 Semester (7-Week)</td>
<td>$ 2,610</td>
<td>$ 2,860</td>
<td>$ 3,110</td>
</tr>
<tr>
<td>Course:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Hour:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glass*</td>
<td>N/A</td>
<td>$ 100</td>
<td>$ 110</td>
</tr>
<tr>
<td>Music / MCOB</td>
<td>$ 10</td>
<td>$ 10</td>
<td>$ 11</td>
</tr>
<tr>
<td>Per Course:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laboratory</td>
<td>$ 30</td>
<td>$ 30</td>
<td>$ 33</td>
</tr>
<tr>
<td>Glass*</td>
<td>$ 300</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Glass course fee changes from a per course fee to a per credit hour fee effective Fall 2013

This is the first increase for these fees in three years
Higher Education Cost & Funding

What is the true cost?

What are the trends in public funding?

What is the return on investment?

What is Ball State’s fiscal environment?
What is the True Cost?

- Tuition and Fee Charges, **Minus**
  - Scholarships
  - Federal Financial Aid
  - State Financial Aid
  - Institutional Financial Aid
  - Private Financial Aid

- **Equals** Net Tuition and Fee Charges

- **60%** of Ball State’s first-time, full-time undergraduate students receive grants or scholarships; the average aid is $9,752
- **87%** receive some form of financial aid
What are the Trends in Public Support?

Share of State Revenues Appropriated to Higher Education

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>9.8%</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>9.2%</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>8.4%</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>6.9%</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>6.9%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>6.5%</td>
<td>(Projected)</td>
</tr>
</tbody>
</table>

Source: National Center for Higher Education Management Systems
FY11-12 State Operating Appropriations and Student Aid per FTE for Public Institutions

In the past few years Indiana has ranged from 41st to 45th lowest in the nation (as recently as 2005 they were 32nd).

Indiana could increase its funding by 30% and 27 states would still rank ahead of us.
Shift in Funding – With little or no growth in state appropriations, a larger percentage of revenue is coming from student fees and other sources.
University is Also a Consumer

- With reductions in state funding and unavoidable price increases, the University has relied on budget reductions (not just tuition increases) to fund its operations.

- Representative estimated price increases for next year
  - 5% - Healthcare
  - 13% - Natural Gas
  - 5% - Sewer
  - 8% - Water
  - 14% - Indiana Public Employees Retirement Fund Plan
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
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 bachelor’s 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
- 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
Expenditures Versus Inflation

Cumulative Percentage Increase 2001-02 to 2012-13

Adjusted for ordinary inflation, Ball State spends less now than we did in 2001
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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 five years: **16,416 students** have worked on **1,019 immersive learning** projects in 75 of Indiana’s 92 counties
  - The percentage of incoming freshman holding **academic honors diplomas** has increased by 32.7 percent, from 46.8 percent in 2006-07 to **62.1 percent in 2011-12**
  - **Retention** for first year students has increased from 74.5 percent in 2006-07 to **79.4 percent in 2011-12**
How Others View Us

- 54 nationally ranked or recognized academic programs
- *Chronicle of Higher Education* says Ball State has the 6th highest improvement in graduation rates of any public research university
- *U.S. News and World Report* ranks us in the top 20 in “2013 Best Online Bachelor’s Programs”
- BSU recognized as national leader in New and Emerging Media
- Immersive Learning cited by peers in national publications
Meeting the Goals and Objectives

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Increase in Financial Aid

Ball State can't predict all of the variables for 2013-14; but we have budgeted a 11.85% increase in University financial aid (a component of the red line).
Meeting the Goals and Objectives

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### How Does BSU’s 2012 - 13 Tuition Compare To Other Universities?

<table>
<thead>
<tr>
<th>University</th>
<th>Tuition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Illinois University</td>
<td>$13,066</td>
</tr>
<tr>
<td>Central Michigan University</td>
<td>$10,950</td>
</tr>
<tr>
<td>Bowling Green State University</td>
<td>$10,514</td>
</tr>
<tr>
<td>Ohio University-Main Campus</td>
<td>$10,282</td>
</tr>
<tr>
<td>Western Michigan University</td>
<td>$ 9,982</td>
</tr>
<tr>
<td>University of Akron Main Campus</td>
<td>$ 9,863</td>
</tr>
<tr>
<td>Kent State University at Kent</td>
<td>$ 9,672</td>
</tr>
<tr>
<td>University of Toledo</td>
<td>$ 9,275</td>
</tr>
<tr>
<td>Eastern Michigan University</td>
<td>$ 9,026</td>
</tr>
<tr>
<td><strong>Ball State University</strong></td>
<td><strong>$ 8,980</strong></td>
</tr>
<tr>
<td>University at Buffalo</td>
<td>$ 7,989</td>
</tr>
<tr>
<td>Notre Dame University</td>
<td>$42,971</td>
</tr>
<tr>
<td>Rose-Hulman Institute of Technology</td>
<td>$41,478</td>
</tr>
<tr>
<td>DePauw University</td>
<td>$38,750</td>
</tr>
<tr>
<td>Wabash College</td>
<td>$33,950</td>
</tr>
<tr>
<td>Butler University</td>
<td>$33,138</td>
</tr>
<tr>
<td>Indiana University-Bloomington</td>
<td>$10,033</td>
</tr>
<tr>
<td>Purdue University-Main Campus</td>
<td>$ 9,900</td>
</tr>
<tr>
<td><strong>Ball State University</strong></td>
<td><strong>$ 8,980</strong></td>
</tr>
<tr>
<td>IUPUI</td>
<td>$ 8,605</td>
</tr>
<tr>
<td>Indiana State University</td>
<td>$ 8,098</td>
</tr>
</tbody>
</table>
Meeting the Goals and Objectives

- Maintain a growth in expenditures that is below or at the growth in appropriate expenditure indices
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National Data Validates Efficiencies

- **Low administrative staffing and growth rates:**
  - Professional staff per 100 students is 30% below peer benchmark

- **Low health care costs:**
  - BSU contributes 9% less than the State for an employee choosing family coverage; 74% of our employees have migrated to consumer-driven plans

- **Low energy costs:**
  - Cost per sq. ft. is 31% below national average

- **High productivity (high graduation rates and low total expenses):**
  - Highest productivity of any Indiana public university and more productive than expected
Productivity: Actions Taken to Cut Costs

- Implemented hiring freeze/delays
- Limited salary increases
- Reduced pension contributions
- Restructured health care benefits
- Reduced overtime costs
- Decreased maintenance costs
- Reduced funding for travel
- Delayed repair/rehabilitation projects
- Implemented geothermal project
- Joined several purchasing consortiums
- Educated more students without adding additional space
- Increased space utilization
- Generated additional external resources
- Restructured tuition
- Reduced minimum credit hours for most degrees
- Conducted academic program reviews
- Implemented print management policy
- Renegotiated labor contract
- Accelerated wellness initiative
- Increased summer usage of campus
- Reduced hardware and software licensing expenses
- Reduced energy expenses through conservation and operations
Actions Impact Affordability

FY 2011-12 Expenditures Per FTE
(actual and what we would have spent if we hadn’t taken the cost-cutting actions that make us more efficient than national/state peers)

Actions result in $2,648 in tuition savings for every student

External studies show that Ball State is well below national and state averages in expenses in these key areas

Actual expenditures per full-time student

Without staffing savings
Without salary savings
Without healthcare savings
Without energy savings

$13,000
$13,500
$14,000
$14,500
$15,000
$15,500
$16,000
$16,500
$17,000
$17,500
Summary/Questions

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