

Proposed Tuition and Fee Rates for 2018-19

FINANCE AND RESOURCE MANAGEMENT COMMITTEE

March 12, 2018

Development of 2018-19 Tuition and Fee Rates

The university has traditionally developed tuition and fee proposals in February and March of each year, with final rates submitted to the Board of Visitors in late March or April. This process allowed the university to incorporate the impact of legislative actions taken during the General Assembly session into the tuition and fee proposals. Finalizing these rates at the March-April Board of Visitors meeting helps students plan for the financial costs of the upcoming academic year and allows the University Scholarships and Financial Aid Office to deliver timely and effective financial aid award information to current and prospective students.

The 2018 General Assembly session adjourned on March 9, 2018. A final 2018-20 biennial budget was not agreed to, and state budget negotiations continue to take place. However, based on the university's current understanding of the range of incremental General Fund support that the university may receive in 2018-19, the university recommends moving forward with tuition and fee recommendations to provide students and families with pricing information in a timely manner. With that understanding, the following tuition and fee recommendation is proposed to address the university's estimated 2018-19 resource needs.

Attached Schedules 1 – 7 provide a summary of all tuition and fee rates proposed for 2018-19, including any increase/decrease from the prior year.

Tuition

The defined state process envisions utilizing the Six-Year Financial Plans that are developed in accordance with state guidelines and approved by the Board as the framework for the development of tuition and Educational & General (E&G) fees, given certain assumptions about General Fund support provided by the General Assembly. However, development of tuition and fee recommendations for the coming year must consider the actual level of support proposed by the commonwealth and nongeneral fund cost assignments when available. The university has worked to balance these criteria in developing the proposed annual 2018-19 rates shown below. Semester rates equal one-half of annual rates.

<u>Full-Time Students</u>	<u>2017-18 Charge</u>	<u>Proposed 2018-19</u>
<u>Undergraduate</u>		
Resident	\$ 11,093	\$ 11,420
Nonresident	28,273	29,104
<u>Graduate</u>		
Resident On-Campus	12,935	13,310
Nonresident On-Campus	26,069	26,825
Resident Off-Campus	14,319	14,734
Nonresident Off-Campus	27,906	28,715

Impact of Student Financial Aid Programs

As reported to the Board in November 2017, the university maintains a robust student financial aid program to ensure access and affordability of the institution's programs. Consistent with this, it is important to remember that the proposed charges represent the gross amount assessed to students and may be offset by one of the university's various financial assistance programs, including the Funds For the Future program, which shelters returning undergraduate students from tuition increases at increasing levels dependent upon income, and by new investments that expand the overall student financial aid program. The university continues to make strategic investments into student financial aid programs that support low- to middle-income students and support enrollment management strategies.

Part-Time Students

Part-time tuition charges for all student categories are derived from the full-time rate and are directly related to the number of credit hours taken. For tuition calculation purposes, the full-time undergraduate semester rate is divided by twelve credit hours and the full-time graduate student semester rate is divided by nine hours. The proposed per hour charges for 2018-19 are:

	<u>2017-18</u> <u>Charge</u>	<u>Proposed</u> <u>2018-19</u>
<u>Undergraduate</u>		
Resident	\$462.25/hour	\$475.75/hour
Nonresident	1,178.00/hour	1,212.75/hour
<u>Graduate</u>		
Resident On-Campus	718.50/hour	739.50/hour
Nonresident On-Campus	1,448.25/hour	1,490.25/hour
Resident Off-Campus	795.75/hour	818.50/hour
Nonresident Off-Campus	1,550.50/hour	1,595.25/hour

Special Tuition Rates

Summer and Winter Session Rate

The Higher Education Opportunity Act of 2011 outlines several objectives that seek to expand access to and enhance the completion of degrees across the commonwealth's higher education system. Increasing year-round utilization of facilities and advancing opportunities for degree completion during non-traditional academic time periods is an important strategy to supporting these objectives. To position the university for continued innovation in non-traditional session enrollment growth, in 2012-13 the university shifted the assessment of undergraduate tuition to a per credit hour basis at a ten percent discount of the regular session hourly rates for those students enrolled on-campus. For 2018-19, the university proposes to continue this assessment methodology for the Winter and Summer sessions. This approach provides a financial incentive for students to complete their degree at an accelerated pace and offers improved flexibility for faculty to innovate academic offerings during these non-traditional sessions.

The proposed per hour charges for Winter and Summer 2019 are:

<u>Undergraduate On-Campus</u>	<u>2017-18 Charge</u>	<u>Proposed 2018-19</u>
Resident	\$416.25/hour	\$428.25/hour
Nonresident	1,060.00/hour	1,091.00/hour

Veterinary Medicine

When the Virginia-Maryland Regional College of Veterinary Medicine was formed, the two states agreed to provide equal contributions (per Virginia and Maryland student) to the instructional operating budget. It was also agreed that both Virginia and Maryland students would pay the same resident tuition rate. The tuition agreement has been sustained since the first class was admitted. Until 1996-97 only residents of Virginia and Maryland were admitted for study in the professional veterinary medicine curriculum.

Effective for the Fall 1996, the enrollment policy was modified to admit ten nonresident students (i.e. non-Virginia and non-Maryland residents) per year until fully implemented in the Fall of 1999. This change did not affect the enrollment totals for Virginia or Maryland. For 2018-19, the enrollment plan envisions 40 nonresident students in the entering cohort.

Each year the tuition proposal is reviewed with the Virginia-Maryland Regional College of Veterinary Medicine Budget and Program Review Board (established to review the college's budget and comprised of representatives from Virginia Tech and the University of Maryland). The university, in conjunction with the Budget and Program Review Board, proposes to increase the tuition rates for all veterinary medicine students for 2018-19. The current and proposed annual tuition rates are displayed below:

	<u>2017-18 Charge</u>	<u>Proposed 2018-19</u>
Virginia-Maryland Students	\$ 20,810	\$ 21,372
Nonresident Students	48,005	49,301

Virginia Tech Carilion School of Medicine

The Board of the Virginia Tech Carilion School of Medicine (VTCSOM), currently an independent non-profit entity, set tuition for 2018-19 at its February 26, 2018 meeting. The 2018-19 medical education tuition rate displayed below is recommended for ratification by the Virginia Tech Board of Visitors, to be implemented upon the School's integration as a college of Virginia Tech on July 1, 2018.

	<u>Proposed 2018-19</u>
Medical Education	\$ 51,818

Program Specific Online Graduate Tuition Rates

For select online graduate programs with significant demand beyond the commonwealth's borders and the capacity for growth, the university has developed a tiered set of tuition rates that apply to all students in each program. These rates ensure coverage of the direct and indirect cost of instruction and satisfy state policy requiring that nonresident students be assessed at least the average cost of education. This rate structure is organized into three tiers; market assessment and review of program costs determine each program's rate tier. Students are also assessed the basic E&G fees (Library and Technology). Because they are 100 percent online, these programs are not assessed the Commonwealth Facility and Equipment Fee assessment.

The proposed per credit hour tiered tuition rates and the approved programs in each tier are summarized below:

<u>Program Specific Online Graduate Tuition</u>	<u>2017-18 Charge</u>	<u>Proposed 2018-19</u>
<u>Tier 1 Rate</u> Master of Information Technology	\$ 925	\$ 950
<u>Tier 2 Rate</u> Master of Natural Resources Master of Agriculture and Life Sciences (a)	875	900
<u>Tier 3 Rate</u> Graduate Certificate in Local Government Management	775	800

(a) Online Master of Agriculture and Life Sciences will transition from Tier 3 to Tier 2 beginning in Fall 2018.

Professional Masters and Certificate Pilot Tuition Rate

To support the strategic goal of increasing the number of students enrolled in professional masters and certificate programs (PM&C), specifically at sites outside of the Blacksburg campus, the university proposes piloting a residency-neutral tuition rate for select hybrid and seat-based graduate programs. Programs approved for this rate will display market demand that extends beyond the commonwealth, generate net revenue above the direct and indirect cost of instruction (therefore, above the average cost of education), and generate enrollment without financial aid or discounting. In some cases, a program-specific supplemental fee may also be approved. Tuition will be assessed on a per-credit basis for all credits enrolled. For 2018-19, the following program is approved to pilot a residency-neutral tuition rate:

<u>Professional Masters and Certificate Tuition Rate</u>	<u>Proposed 2018-19</u>
Evening MBA Data Analysis and Applied Statistics (DAAS)	\$1,025

Special Tuition Rate for Elementary and Secondary School Personnel

The original policy regarding special tuition rates for elementary and secondary school personnel was approved in 1984 and allowed public school teachers to attend graduate classes at Virginia Tech on a reduced tuition schedule for purposes of recertification. Recertification is a statewide requirement that can strengthen the total education system. The original policy underscored the university's commitment to improving the quality of elementary and secondary education through the continued education of elementary and secondary school teachers.

In January 1989 the Board of Visitors approved a revised policy. Teachers, counselors, administrators, and supervisors employed by elementary and secondary school systems in the Commonwealth of Virginia could enroll in graduate classes, both on-campus and at off-campus locations, and pay approximately 60 percent of the authorized tuition rate. The Board of Visitors also expanded the policy in two ways. First, all elementary and secondary school personnel became eligible for the reduced tuition rate. Second, all graduate hours qualify for the plan, not just recertification hours. Further, elementary and secondary school personnel may enroll in an unlimited number of graduate courses for the purpose of recertification or for an advanced degree.

In February 1999 the Board of Visitors approved an expansion of the special tuition rate to include undergraduate-level courses for vocational teachers who do not have a bachelor's degree.

In 2015-16, the Board of Visitors established a 25 percent discount, resulting in a special tuition rate for elementary and secondary school personnel of 75 percent of the corresponding campus tuition rates (excludes professional and executive programs). Continuing the 25 percent discount for 2018-19 is recommended.

The following table shows the proposed special rates for Elementary and Secondary School Personnel per credit hour for 2018-19 Virginia residents:

	<u>2017-18 Charge</u>	<u>Proposed 2018-19</u>
Undergraduate	\$347.00/hour	\$357.00/hour
Graduate		
Blacksburg Campus	539.00/hour	555.00/hour
Extended Campus	597.00/hour	614.00/hour

Special Tuition Rate for Study-Abroad Programs

Providing the opportunity for students to study abroad is an important strategy in strengthening the international programs of Virginia Tech. The Board of Visitors has previously approved a special tuition rate for students who participate in the various study-abroad programs operated

by the university. The special tuition rate reflects instructional services that all students receive, but excludes the cost of on-campus services.

In 2008-09 the study abroad rate was 80 percent of the on-campus tuition rates. The university proposes to continue the special tuition rate for study-abroad programs. Consistent with prior years, the special tuition rate for study abroad would not apply for students studying at the Center for European Studies and Architecture.

The following table shows the proposed special rates for study-abroad programs per credit hour for 2018-19:

	<u>2017-18</u> <u>Charge</u>	<u>Proposed</u> <u>2018-19</u>
Undergraduate		
Resident	\$370.00/hour	\$381.00/hour
Nonresident	942.00/hour	970.00/hour
Graduate		
Resident	575.00/hour	592.00/hour
Nonresident	1,159.00/hour	1,192.00/hour

Educational and General Fees

Technology Service Fee

In accordance with the language in the 1998 Appropriation Act, the university implemented an Educational and General technology service fee effective with the 1998 fall semester. The fee is currently \$74 per academic year. Part-time students pay half the full-time rate. The technology service fee is paid by all students. A \$2 increase in the technology service fee is recommended for 2018-19. For 2018-19, the technology service fee will be \$76 per academic year or \$38 per semester for full-time students.

Library Fee

Beginning in Fall 2013, the university instituted an annual fee to support a robust scholarly environment to advance academic achievement. The library fee supports comprehensive library resources, online access to library resources for enrolled students, and enhancements to student library services. The fee is currently \$96 per year. Part-time students pay half of the full-time rate. A \$3 increase in the Library fee is recommended for 2018-19. For 2018-19, the library fee will be \$99 per academic year or \$49.50 per semester for full-time students.

Commonwealth Facility and Equipment Fee

The 2003 General Assembly required the establishment of a capital fee to be assessed to all nonresident students at institutions of higher education for 2003-04 to pay a portion of the debt service on bonds issued under the 21st Century Debt Program issued for construction of new facilities on campus. The 2004 General Assembly increased the nongeneral fund portion of lease payments for the 2004-06 allocation of equipment under the Higher Education Equipment Trust fund and stipulated the source of the nongeneral funds be an increase in fees for

nonresident students at public institutions of higher education starting in 2005-06. Part-time students pay one-half the full-time rate. The Commonwealth Facility and Equipment fee of \$604 is paid by all nonresident students. No change in the Commonwealth Facility and Equipment fee is proposed for 2018-19.

Immigration Services Fee

To support the administrative costs associated with immigration services provided to degree seeking international students and improvements to those services, both undergraduate and graduate, the university proposes an Immigration Services Fee of \$275 per semester for 2018-19. This fee will help support costs uniquely associated with the administration of international student enrollment including academic and financial verification, immigration regulation, Student and Exchange Visitor Program System (SEVIS) reporting requirements, financial processing fees, and compliance with United States Government regulations. International students on a domestic campus will be assessed the fee. For international Graduate students on assistantship, the fee will be remitted under Section 4-2.01b.6 of the Virginia Appropriation Act in recognition of their service to the University. This fee will be phased-in starting with new international students enrolling in Fall 2018.

Average Cost of Education

The Commonwealth of Virginia has a well-established methodology for computing the per student educational cost for colleges and universities. This process identifies the average educational cost for all undergraduate and graduate students, including part-time and full-time students taking classes at both on-campus and off-campus locations. The Average Cost of Education does not include professional programs such as veterinary medicine.

Until 2004, the Average Cost of Instruction was utilized as the measure of per student instructional cost. The Average Cost of Instruction identified the instructional cost components within the Educational and General appropriation and computed an average instructional cost.

In 2004, a new state policy replaced the Average Cost of *Instruction* with the Average Cost of *Education*. The Average Cost of Education is the instructional funding need generated by the base budget adequacy model. The Average Cost of Education is not comparable to the Average Cost of Instruction due to the differences in methodology.

The Average Cost of Education now serves as the basis for ensuring that nonresident undergraduate and graduate students cover at least 100 percent of the average cost of their education as the General Assembly instructed colleges and universities in the 1991 legislative session. Nonresident tuition and mandatory E&G fee rates for the upcoming academic year are examined against the Average Cost of Education in the prior year to insure they cover 100 percent of the Average Cost of Education. Commonwealth policy continues to allow the university to recover the full cost from nonresidents as a group.

Because the State Council of Higher Education for Virginia does not compute the Average Cost of Education until July, the following table presents Virginia Tech's estimate of the Average Cost of Education and coverage percentages by student category for 2018-19. The Average Cost of Education is estimated to be \$18,974. The proposed Virginia Tech nonresident tuition and mandatory E&G fees are 151 percent of the Average Cost of Education and are in compliance

with state tuition policy. Average percentages of the Cost of Education by individual student category are summarized in the following schedule.

	<u>2017-18</u>		<u>2018-19 Proposed</u>	
	<u>Amount</u>	<u>% of Average</u>	<u>Amount</u>	<u>% of Average</u>
Estimated Average Cost of Education	\$ 18,418		\$ 18,974	
<u>Undergraduates*</u>				
Residents	11,263	61%	11,595	61%
Nonresidents	28,443	154%	29,279	154%
<u>Graduates*</u>				
Residents	13,105	71%	13,485	71%
Nonresidents	26,239	142%	27,000	142%
<u>Residency</u>				
Residents		62%		62%
Nonresidents		150%		151%

* Amounts include proposed tuition and E&G fees. The nonresident facility and equipment fee is not comparable to the Average Cost of Education.

Excess Credit Hour Surcharge

The 2006 General Assembly (§ 23-7.4F Code of Virginia) required the establishment of a surcharge to be assessed to all resident undergraduate students beginning in the semester after 125 percent of credit hours required for baccalaureate degrees have been completed.

This applies to students entering on or subsequent to August 1, 2006. The surcharge amount is the difference between the Average Cost of Education and the in-state undergraduate tuition and mandatory E&G fees. In effect, the surcharge requires the student to pay the Average Cost of Education once they have exceeded 125 percent of degree requirements.

The following table displays the actual 2017-18 surcharge amount and an estimated surcharge amount for 2018-19 based on Virginia Tech's estimate of the Average Cost of Education for 2018-19 and the proposed 2018-19 tuition and mandatory E&G fees included in this package.

	<u>2017-18 Charge</u>	<u>Estimated 2018-19*</u>
Average Cost of Education	\$ 18,734	\$18,974
In State Undergraduate Tuition and E&G Fees	11,263	11,595
Surcharge-Annual	7,471	7,379
Surcharge Per Credit Hour	311	307

*The Average Cost of Education for 2018-19 is an estimated value pending SCHEV's computation in July 2018.

Comprehensive Fee

In 2017-18, students attending Virginia Tech paid a Comprehensive Fee totaling \$1,967 to support seven different services. The Student Activity Fee, the Health Service Fee, the Athletic Fee, the Transportation Services Fee, the Recreational Sports Fee, the Student Services Fee, and the Student Cultural Activities Fee are consolidated into one fee in order to streamline the process for collecting and accounting for these charges. The \$1,967 per student fee is the lowest Comprehensive Fee charged by any four-year institution in Virginia. Comprehensive fees at the other five doctoral institutions range from \$2,141 to \$5,538. Individual descriptions and recommended amounts for 2018-19 are below for each component of the Comprehensive Fee.

Student Activity Fee

Full-time students currently pay \$326 annually for the Student Activity Fee, which covers the maintenance and operation of the student centers, student programs, and supports student activities as determined by the Student Budget Board. Part-time students pay one-half of this fee. After considering available resources, including incremental revenue from enrollment growth, a \$5 decrease in the Student Activity Fee is recommended for 2018-19. Incremental revenue will support planned compensation programs, adjustments to fringe benefit rates, personnel costs, utility costs, student affairs support services, Cultural and Community Center assistant directors, increased student organization funding, and operating costs. If approved, the current \$326 per year charge will be replaced by a \$321 annual, or \$160.50 per semester, charge in the 2018-19 academic year.

Health Service Fee

Full-time students currently pay \$425 per year for normal medical and nursing attention and counseling services provided by Schiffert Student Health Services, Cook Counseling Center, and Virginia Tech Rescue Squad operations. Part-time students pay one-half of this fee. After considering available resources, including incremental revenue from enrollment growth, a \$22 increase in the Health Service Fee is recommended for 2018-19. This increase is needed to cover planned compensation programs, adjustments to fringe benefit rates, seven additional counselors and a psychiatric nurse practitioner for Cook Counseling, Schiffert Health Center salary adjustments and allergy clinic licensed practical nurse, utility costs, student affairs support services, and operating costs. If approved, the current \$425 per year charge will be replaced by a \$447 annual, or \$223.50 per semester, charge in the 2018-19 academic year.

Athletic Fee

Full-time students currently pay \$308 per year, to support a portion of the athletic program operations. Part-time students pay one-half of this fee. After considering available resources, including incremental revenue from enrollment growth, a \$9 increase in the Athletic Fee is recommended for 2018-19. This increase is needed to cover facility and maintenance costs, athlete medical costs, employee healthcare, and inflationary pressures on non-revenue sports and activities. The student fee revenue covers the costs of athletic administration and sponsoring intercollegiate varsity sports that do not generate revenue. This fee entitles students to free admissions into sporting events, while recognizing that student seating is limited thus not guaranteed. If approved, the current \$308 per year charge will be replaced by a \$317 annual, or

\$158.50 per semester, charge in the 2017-18 academic year. Based on the university's understanding, the 2018-19 Athletic fee recommendation is in compliance with § 23-1.2 of the Code of Virginia.

Transportation Services Fee

Students enrolled at Virginia Tech have unlimited access to bus transportation provided by the Blacksburg Transit System through a contract the university negotiates with the Town of Blacksburg each year. In the current year, students pay \$137 per year for unlimited ridership and for the services of the Office of Alternative Transportation. Part-time students pay one-half of the fee. An estimated four million student trips on the Blacksburg Transit will occur in 2017-18. In addition to the convenience for students, the bus system and alternative transportation programs save the university considerable resources by lowering requirements for on-campus parking. After considering available resources, including incremental revenue from enrollment growth, a \$28 increase in the Transportation Services Fee is recommended for 2018-19. This is due to the need for increased service levels in high density areas, enhanced transit service routes, transit contract increases, the university's portion of a regional bike share program, planned compensation programs, adjustments to fringe benefit rates, personnel costs, and operating costs. For 2018-19, the current \$137 per year charge is recommended to increase to \$165 annually, or \$82.50 per semester.

Recreational Sports Fee

Full-time students currently pay \$322 annually for the Recreational Sports Fee, which supports debt retirement, maintenance, operations, intramural and extramural sports club programs, and recreational activities. Part-time students pay one-half of the full-time fee. After considering available resources, including incremental revenue from enrollment growth, a \$9 decrease in the Recreational Sports Fee is recommended for 2018-19. Incremental revenue will support planned compensation programs, adjustments to fringe benefit rates, personnel costs, utility costs, student affairs support services, equipment maintenance operations, outdoor fitness park, and operating costs. For 2018-19, the current \$322 per year charge is recommended to decrease to \$313 annually, or \$156.50 per semester.

Student Services Fee

Full-time students currently pay \$268 annually for the Student Services Fee, which supports Career Services; non self-supporting student services components of the Hokie Passport Office, including the cost of new student IDs; the Division of Student Affairs; and the campus wireless network.

After considering available resources, including incremental revenue from enrollment growth, a \$9 increase for the Career Services fee component is recommended for 2018-19 to cover planned compensation programs, personnel costs, adjustments to fringe benefit rates, increased utility costs, employer relations assistant, part-time wage support, graduate assistant, software for internship and mentorship programs, increases in operating costs, and career event expenses. A \$10 increase is recommended for the Wireless fee component to cover network infrastructure renewal. A \$2 increase is recommended for the Student Affairs fee component to cover additional student conduct personnel. The Hokie Passport component is proposed to remain unchanged. For 2018-19, the current \$268 charge is recommended to increase to

\$289 annually, or \$144.50 per semester, fee in the 2018-19 academic year. Part-time students pay one-half of this fee.

Student Cultural Activities Fee

Full-time students currently pay \$181 annually for the Student Cultural Activities Fee, which supports the presence and practice of the arts across campus for all students, and provides free or greatly reduced admission to enrolled students. Part-time students pay one-half of this fee. After considering available resources, including incremental revenue from enrollment growth, an \$8 decrease in the Student Cultural Activities Fee is recommended for 2018-19. Incremental revenue will support planned compensation programs, adjustments to fringe benefit rates, utility costs, and operating costs. If approved, the current \$181 charge will be replaced with a \$173 annual, or \$86.50 per semester, fee in the 2018-19 academic year.

Summary of Comprehensive Fee

	2017-18 Charge Annual Fee	Proposed 2018-19 Annual Fee
Student Activity Fee	\$ 326	\$ 321
Health Service Fee	425	447
Athletic Fee	308	317
Transportation Services Fee	137	165
Recreational Sports Fee	322	313
Student Services Fee	268	289
Student Cultural Activities Fee	181	173
Total	<u>\$1,967</u>	<u>\$2,025</u>

Room and Board Charges

The university's Residential and Dining Programs serve students by providing on-campus housing and dining services. Generally, all entering freshmen must live on campus, and housing is available on a limited basis for returning students who choose to live on campus. The university establishes optional room and board rates based on a derivation of the Board-approved fee to appropriately reflect costs for Summer Session and summer conferences. All students living on campus must select a meal plan, with the exception of students who elect to reside in the Oak Lane – Phase IV housing development; off-campus students may elect to participate in one of the meal plan programs.

Room Fees

An average 2.3 percent increase is proposed to cover planned compensation programs, adjustments to fringe benefit rates, personnel costs, utility costs, student affairs costs, facility renovation projects, residential facilities planning, operating costs, and facility maintenance. Northern Virginia Gallery proposed rates include local operating alignments. The proposed room rates by location and room type are listed below:

	2017-18 Charge Annual Fee	Proposed 2018-19 Annual Fee
Double Occupancy:		
Lower Quad (Pre-1983)	4,818	4,930
Payne Park - Traditional - Double	5,302	5,424
Main Campbell & Newman - Double	5,432	5,558
Hillcrest - Double	5,840	5,976
Cochrane Hall	5,998	6,136
Ambler Johnston & O'Shaughnessy - Traditional	6,166	6,308
Payne Park - Suite - Double	6,390	6,538
Payne Park - Large Suite - Double	6,544	6,696
Upper Quad (Pearson & New Residence Hall)	6,596	6,748
New Residence Hall West - Double	6,694	6,848
East & West Ambler Johnston - Private Bath	7,074	7,238
East & West Ambler Johnston - Efficiency	7,164	7,330
Single Occupancy:		
Payne Park - Traditional - Single	7,248	7,416
Main Campbell & Newman - Single	7,378	7,548
Hillcrest - Single	7,940	8,124
Payne Park - Suite - Single	8,814	9,018
New Residence Hall West - Single	9,120	9,330
Other:		
Special Purpose Housing	6,014	6,154
Graduate Life Center, Donaldson Brown - Double	6,694	6,848
Oak Lane IV	7,180	7,346
Graduate Life Center, Donaldson Brown - Single	9,120	9,330
The Gallery (NOVA) – 4-Person Unit	6,080	6,460
The Gallery (NOVA) – 3-Person Unit	7,304	7,480
The Gallery (NOVA) – 2-Person Unit	8,038	8,140

Living Learning Community Fee

The Living Learning Community Fee is an optional charge for students participating in a Living Learning Community in Lee Hall, East & West Ambler Johnston, Pritchard Hall, and Harper Hall. These dormitories offer unique living and learning opportunities to the student residents who choose to pay the optional program fee of \$100 annually. The fee supports the cost of operating the program. No increase in fee is recommended for 2018-19, and programming will be offered in one additional residence hall: O'Shaughnessy Hall.

Residential Telecommunications Fee

All students living on campus pay the Residential Telecommunications Fee, which supports residential cable television service, wired network connectivity, and high-performance wireless network coverage. Residential students currently pay \$394 annually for telecommunication services. No increase in fee is recommended for 2018-19.

Board Fees

Students living on-campus currently have a choice of three types of flexible meal plans. The Flex Plan operates like a debit account with a designated amount for the purchase of food in the dining facilities. Students are able to increase their Flex account balance during the year by depositing cash to their Flex accounts. Consistent with the purchasing power of traditional meal plans, the intent of annual rate changes for the Flex Plans is to hold overall purchasing power constant year-to-year.

A 3.8 percent increase is proposed for board fees to cover increased food costs, planned compensation programs, personnel costs, adjustments to fringe benefit rates, increased salary compensation, utility costs, student affairs support services, facility maintenance and renovation projects, dining capital project planning, and operating costs. The proposed board rates by meal plan program are listed below:

	2017-18 Charge <u>Annual Fee</u>	Proposed 2018-19 <u>Annual Fee</u>
Major Flex Plan	\$3,478	\$3,610
Mega Flex Plan	3,728	3,870
Premium Flex Plan	3,988	4,140

Campus Fees

Specialized campus fees are designed to cover costs that are unique to a specific campus. These fees are charges established for a specific campus which are beyond regular tuition and fees and are equal for students, both resident and nonresident.

Northern Virginia Center Student Services Fees

The comprehensive fee, which supports a number of on-campus services, is not charged to off-campus students. However, students attending courses at the Northern Virginia Center benefit from several of these services including the infrastructure and use of the wireless network, as well as the issuance and use of student identification cards. Full-time students currently pay \$132 annually for the Northern Virginia Center Student Services Fee. A \$10 increase is recommended for the wireless network component to cover network infrastructure refreshment. If approved, the current \$132 charge will be replaced with a \$142 annual, or \$71 per semester, fee in the 2018-19 academic year. Part-time students would pay one-half of this fee.

Virginia Tech Carilion School of Medicine Student Services Fees

Medical students attending courses at the VTCSOM in Roanoke benefit from several of the traditional comprehensive fee services including the infrastructure and use of the wireless network, as well as the issuance and use of student identification cards. These students will also have access to health and wellness services and student government activities. Upon integration with Virginia Tech as of July 1, 2018, students at the VTCSOM will be assessed the following fees:

	<u>Proposed 2018-19 Annual Fee</u>
VTCSOM Student Services Fee	\$142
VTCSOM Health Services Fee	425
VTCSOM Student Government/Activity Fee	185

Fee Rates for the Steger Center for International Scholarship

The Steger Center for International Scholarship (formerly known as the Center for European Studies and Architecture) in Riva San Vitale, Switzerland, opened in the Fall of 1993. The Center serves as a resident educational facility for Virginia Tech students from many academic programs. Providing the opportunity for students to study abroad is an important strategy in strengthening the international programs of Virginia Tech, an objective of both the university and the Commonwealth.

For purposes of financing the operations of the Center, two separate programs are maintained. First, all instructional costs are accounted for in the Educational and General program of the University Division. Second, the housing, dining, and student activity auxiliary enterprise programs are recorded within the university's Residential and Dining Hall System. The Ferrari Foundation, the university's Swiss subsidiary corporation, manages the day-to-day activities of the Center.

Students attending the Steger Center for International Scholarship are assessed the same tuition as on-campus students, and it is recommended that this tuition policy continue.

For housing and dining services at the Center, the proposed fees are higher than on-campus rates to reflect the higher cost of living at the Center. Students are not required to pay the on-campus Comprehensive Fee while studying abroad. Students currently pay a \$100 Steger Center student activity fee, which provides students with community-building social and recreational events and activities. The university proposes no increase in the student activity fee for the 2018-19 academic year and no increase in the room and board fee based on the facility's operating costs. If approved, Steger Center students will pay a \$100 Student Activity Fee and \$7,100 per semester for room and board. The university proposes the following semester rates for Virginia Tech students:

	<u>2017-18 Charge Semester Rate</u>	<u>Proposed 2018-19 Semester Rate</u>
Steger Center Student Activity Fee	\$ 100	\$ 100
Steger Center Room & Board Costs	7,100	7,100

Washington-Alexandria Architecture Center Fee

To support the cost of operations and ensure the quality of the Washington-Alexandria Architecture Center (WAAC), the college recommends that a supplemental fee be assessed to Virginia Tech and WAAC Consortium students in residence at the center on a per-semester basis. This Educational & General fee will help manage the cost of instructional facilities and

equipment and support students in their academic efforts in the robust curricular environment of the WAAC. No change in the fee is recommended for 2018-19, as shown below:

	2017-18 Charge <u>Semester Fee</u>	Proposed 2018-19 <u>Semester Fee</u>
Full-time	\$300	\$300
Part-time	150	150

Supplemental Program Fees

Supplemental Program Fees are designed to cover costs that are unique to a specific discipline. To maintain the intent of the Commonwealth's funding policies regarding the collection and allocation of tuition revenues, Program Fees are charges established for a specific program which are beyond regular tuition and fees and are equal for students, both resident and nonresident.

Architecture + Design Fee

Architecture, industrial design, interior design, and landscape architecture students in the School of Architecture + Design need access to appropriate studio equipment, academic programming, and technology. Since Fall 2008, the university has recognized this differential cost of instruction for students with majors in the School of Architecture + Design through a supplemental program fee. This fee supports costs that are unique to Architecture + Design students including: the updating, equipment, and materials for instructional studios, student projects, quality enhancements, and operational support of instructional studios. No change in the supplemental fee is recommended for students admitted prior to Fall 2018. For students admitted in Fall 2018, an annual fee of \$1,500 is recommended, as displayed below. The new rate will be fully implemented over four years.

	2017-18 <u>Annual Fee</u>	Proposed 2018-19 <u>Annual Fee</u>
<u>Entered Prior to Fall 2018</u>		
Full-time	\$949.00	\$949.00
Part-time	474.50	474.50
<u>Entering Fall 2018</u>		
Full-time	N/A	1,500
Part-time	N/A	750

Building Construction Fee

To ensure that the Myers Lawson School of Construction has adequate resources to staff, equip, and enhance the provisions of the Building Construction program, an annual program fee is proposed to recognize the differential cost of instruction for students in the Building Construction major. This fee is important for ensuring the necessary resources to support costs unique to Building Construction students and continued program quality including the continuing need for modernization of equipment and instrumentation for instructional space and student

projects, staffing needs of the BUILD lab, required upgrades to lab space, and adequate staff support to ensure the effective maintenance of equipment and technology in the daily operation of the lab. No change in the supplemental fee is recommended for students admitted prior to Fall 2018. For students admitted in Fall 2018, an annual fee of \$1,500 is recommended, as displayed below. The new rate will be fully implemented over four years.

	<u>2017-18 Annual Fee</u>	<u>Proposed 2018-19 Annual Fee</u>
<u>Entered Prior to Fall 2018</u>		
Full-time	\$775	\$775
Part-time	387.50	387.50
<u>Entering Fall 2018</u>		
Full-time	N/A	1,500
Part-time	N/A	750

Engineering Fee

To ensure that engineering students continue to receive a state-of-the-art education in a quality learning environment, the university began recognizing the higher cost of instruction in the College of Engineering (COE) through the establishment of a supplemental fee in fall 2007. This fee supports costs that are unique to College of Engineering students including: the continuing need for modernization of instrumentation and materials for instructional laboratories and student projects, instructional space costs, effective maintenance of instrumentation and technology, quality enhancements, and operation of the instructional laboratories. No change in the supplemental fee is recommended for students admitted prior to Fall 2018. For students admitted in Fall 2018, an annual fee of \$2,000 is recommended, as displayed below. The new rate will be fully implemented over four years.

	<u>2017-18 Annual Fee</u>	<u>Proposed 2018-19 Annual Fee</u>
<u>Entered Prior to Fall 2018</u>		
<u>Undergraduate</u>		
Full-time	\$775	\$775
Part-time	387.50	387.50
<u>Graduate</u>		
Full-time	1,049	1,049
Part-time	525	525
<u>Entering Fall 2018</u>		
<u>Undergraduate and Graduate</u>		
Full-time	N/A	2,000
Part-time	N/A	1,000

Pamplin College of Business Fee

Delivering a high-quality business education requires the resources to address costs unique to the Pamplin College of Business. To ensure continued excellence in the Pamplin College of Business, a per-credit hour fee was established in 2013-14 to provide dedicated resources to be utilized exclusively for the Pamplin College of Business. For 2018-19, the university recommends establishing a new rate of \$75 per credit hour fee, to be phased in over four years beginning with 1000 level courses.

	2017-18 <u>Charge</u>	Proposed <u>2018-19</u>
2000, 3000, and 4000 Level Courses	\$25/hour	\$25/hour
1000 Level Courses	N/A	\$75/hour

Agriculture Fee

To ensure that the College of Agriculture has adequate resources to deliver cutting-edge, high-quality instruction and maintain critical laboratory facilities and equipment, an annual program fee is proposed for students in the College of Agriculture. An annual fee of \$750 is proposed for students entering in Fall 2018, and will be phased-in over the next four years to all students in the college, as displayed below:

	2017-18 Charge <u>Annual Fee</u>	Proposed 2018-19 <u>Annual Fee</u>
<u>Entering Fall 2018</u>		
<u>Undergraduate and Graduate</u>		
Full-time	N/A	\$750
Part-time	N/A	375

Course Specific Charges

The university may establish course specific charges for study abroad costs, field trips, course materials, laboratory cost, or other extraordinary costs tied to individual courses. The university avoids establishing course charges for materials and laboratory charges in programs with specialized program fees.

Graduate Degree Program Fees

Specialized graduate degree programs provide a valuable service by meeting targeted educational and professional development needs. Because both the academic units and the university have added costs associated with providing high demand specialized graduate degree programs, specialized graduate program fees address these incremental college and university costs required to deliver high quality programs. To maintain the intent of the commonwealth's funding policies regarding the collection and allocation of tuition revenues, Specialized Graduate Program Fees are charges established for a specific graduate program,

potentially at a specific location, beyond regular tuition and fees and are equal for students, both resident and nonresident.

Veterinary Medicine Facility Fee

Capital improvements have enhanced the College of Veterinary Medicine instructional space. Increased and enhanced facilities were necessary for the recruitment and retention of high-quality faculty and students. All Veterinary Medicine students are assessed a facility fee. Proceeds from the facility fee will be used exclusively for College of Veterinary Medicine instructional space improvements. A \$50 reduction in the fee is recommended for 2018-19, as displayed below.

	2017-18 <u>Charge</u>	Proposed <u>2018-19</u>
Veterinary Medicine Facility Fee	\$1,250	\$ 1,200

Master of Public Health (MPH) Fee

The MPH fee provides resources for program-specific course development, faculty and leadership support, and instructional needs. No increase in the fee is proposed for 2018-19. Part-time students pay one-half of the fee.

	2017-18 <u>Annual Fee</u>	Proposed 2018-19 <u>Annual Fee</u>
Full-time	\$525	\$525
Part-time	262.50	262.50

Master of Business Administration Fee

The Master of Business Administration (MBA) program fee, aligns pricing of the Virginia Tech MBA program and provides funding for the college's academic program, expanded recruitment efforts, and enhanced career placement services for students.

The fee is not assessed to Executive MBA or Professional MBA students (which have separate rate structures). Both On and Off campus students pay this fee. No increase is proposed for 2018-19, as presented below:

	2017-18 <u>Charge</u>	Proposed <u>2018-19</u>
MBA	\$175/hour	\$175/hour

Master of Science in Business Administration (MSBA) Fee

To ensure the Pamplin College of Business MSBA programs in Business Analytics (BA) and Hospitality & Tourism Management (HTM) are positioned to deliver high-quality instruction, recruit a diverse pool of high-caliber students, and provide experiential learning opportunities and career services to graduating students, the university proposes recognizing the differential cost of the MSBA-BA and MSBA-HTM programs through the assessment of a supplemental E&G program fee. This fee will be assessed on a per-credit hour basis for each credit hour taken by the student. No increase is proposed for 2018-19, as presented below:

	<u>2017-18 Charge</u>	<u>Proposed 2018-19</u>
Business Analytics (BA), Hospitality & Tourism Management (HTM)	\$175/hour 175/hour	\$175/hour 175/hour

Professional & Executive Model Graduate Degree Program Fees

While similar to specialized graduate program fees, the industry standard for this type of professional education program is to be quoted in terms of a total cost, for the entire program period. Programs generally span from 12 to 24 months. A new multi-year total cost is developed for each incoming cohort. The annual program fees are established as the difference between applicable tuition and fees and the total cost during the cohort period. The program fee for a cohort's second year is established when tuition and fee rates are established for that year; this can be impacted by various factors including cost assignments by the General Assembly, but are designed to honor the previously quoted total cost of the entire program period. Each Executive Model program and its total cost proposal are summarized below.

Professional Master of Business Administration (PMBA) Supplemental Fee

The PMBA program is intended for experienced working professionals to complete an MBA on a part-time basis in an accelerated format. The program is designed on the cohort model with face-to-face weekend classes (in Richmond and Roanoke) while leveraging online technology for supplemental instructional delivery to provide flexibility for busy working professionals to complete the program over a two-year period. A \$2,000 increase in the total program cost is proposed for resident students entering in the Fall 2018 cohort. No change to the total program cost is proposed for nonresident students entering in the Fall 2018 cohort. The charges for the Professional MBA program are displayed in the table below.

	<u>Two-Year Program Cost</u>	<u>2017-18 Charge</u>	<u>Proposed 2018-19</u>	<u>Placeholder 2019-20</u>
<u>Fall 2017 Cohort</u>				
PMBA Total Cost – Resident	\$40,500	\$20,475	\$20,025	
Less: Off-campus Tuition & Fees		<u>(14,489)</u>	<u>(14,909)</u>	
PMBA Fee – 2017 Resident		5,986	5,116	
PMBA Total Cost – Nonresident	63,180	29,455	33,725	
Less: Off-campus Tuition & Fees		<u>(28,680)</u>	<u>(29,494)</u>	
PMBA Fee – 2017 Nonresident		775	4,231	
<u>Fall 2018 Cohort</u>				
PMBA Total Cost – Resident	\$42,500		\$17,909	\$24,591
Less: Off-campus Tuition & Fees			<u>(14,909)</u>	<u>TBD</u>
PMBA Fee – 2018 Resident		N/A	3,000	TBD
PMBA Total Cost – Nonresident	63,180		\$32,494	\$30,686
Less: Off-campus Tuition & Fees			<u>(29,494)</u>	<u>TBD</u>
PMBA Fee – 2018 Nonresident		N/A	3,000	TBD

Executive Graduate Programs

For new cohorts beginning in 2016-17 in the Ph.D. in Executive Business Research and Executive Master of Natural Resources, the university established an Executive Graduate tuition & fee structure comprised of Executive Graduate tuition, the technology fee, the library fee, a facility & equipment fee, and a program-specific supplemental fee. Continuing this structure for 2018-19 is recommended. Full-Time semester rates are one-half of the full-time annual rates.

	<u>2018-19</u>
Executive Graduate Tuition (Full-Time)	\$28,715
Technology Fee	76
Library Fee	99
Facility & Equipment Fee	<u>604</u>
Executive Graduate Tuition and Fees	\$29,494
Part-Time Per Credit Hour Executive Graduate Tuition	\$1,595.25

Executive Master of Natural Resources (XMNR) Supplemental Fee

In 2010-11, the College of Natural Resources expanded the existing Master of Natural Resources program delivered in the National Capital Region by adding an executive format cohort. The program is an accelerated graduate degree for working professionals with significant management experience. Each new cohort is established with Executive Graduate tuition & fees (residency neutral) and an XMNR program fee for all students to achieve the proposed total program cost summarized below.

	<u>Total Program Cost</u>	<u>Spring 2018</u>	<u>Summer 2018</u>	<u>Proposed Fall 2018</u>
<u>Spring 2018 Starting Cohort</u>				
XMNR Total Cost	\$48,000	\$18,340	\$11,946	\$17,714
(less) Executive Graduate Tuition & Fees		<u>(14,340)</u>	<u>(7,946)</u>	<u>(14,747)</u>
XMNR Fee – 2018 Cohort		4,000	4,000	2,967
	<u>Total Program Cost</u>	<u>Proposed Spring 2019</u>	<u>Summer 2019</u>	<u>Fall 2019</u>
<u>Spring 2019 Starting Cohort</u>				
XMNR Total Cost	\$48,000	\$18,747	\$12,171	\$17,082
(less) Executive Graduate Tuition & Fees		<u>(14,747)</u>	<u>(8,171)</u>	<u>TBD</u>
XMNR Fee – 2019 Cohort		4,000	4,000	TBD

PhD in Executive Business Research (ExPhD)

The Pamplin College of Business launched a new Ph.D. in Business with a concentration in Executive Business Research that started in Fall 2016. The program is administered through the College's Falls Church facility in the National Capital Region and provides business professionals with rigorous training in analytical and research techniques, exposure to the scholarly literature in business, and dissertation research experience that is translational in nature. The ExPhD degree program is a three-year doctoral program with a plan of study that includes enrollment in most, but not all, summer, fall, winter, and spring semesters. The degree is marketed as a total fixed cost program, with a goal of assessing the initial cohort \$40,000 per year per student for a total cost of \$120,000. Each new cohort will be established with Executive Graduate tuition & fees and a per credit hour ExPhD program fee for all students to achieve the proposed total cost summarized below. This program fee will be assessed on a per credit hour basis in order to provide flexibility in a student's plan of study. No increase to the total cost proposed for third cohort of the program that starts in Fall 2018.

	Total Program Cost	Year 1 Cost	Year 2 Cost	Year 3 Cost
<u>Fall 2016 Cohort</u>				
ExPhd Total Program Cost	\$120,000	\$40,000	\$40,000	\$40,000
(less) Executive Graduate T&F		<u>(32,141.75)</u>	<u>(30,139)</u>	<u>(32,699.25)</u>
ExPhd Program Fee Estimated Total		7,858.25	9,861	7,300.75
ExPhd Program Fee - Per Credit		374	519	365

	Total Program Cost	Year 1 Cost	Year 2 Cost	Year 3 Cost
<u>Fall 2017 Cohort</u>				
ExPhd Total Program Cost	\$120,000	\$40,000	\$40,000	\$40,000
(less) Executive Graduate T&F		<u>(31,791.75)</u>	<u>(32,699.25)</u>	<u>(TBD)</u>
ExPhd Program Fee Estimated Total		8,208.25	7,300.75	TBD
ExPhd Program Fee - Per Credit		410.25	365	TBD

	Total Program Cost	Year 1 Cost	Year 2 Cost	Year 3 Cost
<u>Fall 2018 Cohort</u>				
ExPhd Total Program Cost	\$120,000	\$40,000	\$40,000	\$40,000
(less) Executive Graduate T&F		<u>(32,699.25)</u>	<u>(TBD)</u>	<u>(TBD)</u>
ExPhd Program Fee Estimated Total		7,330.75	TBD	TBD
ExPhd Program Fee - Per Credit		365	TBD	TBD

Parking Fee

The General Assembly directed institutions of higher education to organize parking services as an auxiliary enterprise operation in 1989. The expenditure of General Fund dollars for the maintenance or improvement of parking lots and facilities was prohibited. Accordingly, Virginia Tech established the Parking Services Auxiliary Enterprise at the beginning of fiscal year 1989-90 and instituted a fee for faculty, staff, and students who parked in campus lots.

The increases below are necessary to cover planned compensation programs, adjustments to fringe benefit rates, personnel costs, utility costs, facility and maintenance costs, and operating costs. The university also proposes to continue to provide a parking rate discount to encourage car-pooling and remote lot parking in an effort to reduce the amount of vehicular traffic on campus. Annual student parking fees at other Virginia doctoral institutions for 2017-18 range from \$240 to \$750 for students, dependent upon the type and proximity of parking facilities.

<u>Parking Permit Type</u>	<u>2017-18 Charge</u>	<u>Proposed 2018-19</u>	<u>Increase</u>	
			<u>\$</u>	<u>%</u>
Commuter/Graduate Student	\$289	\$289	\$0	0%
Commuter/Graduate Student Premium	N/A	389	N/A	N/A
Faculty/Staff	312	338	26	8%
Residential Student	399	419	20	5%

History of Tuition Legislation in Virginia

The period of 1989 to the present has been one of significant change in the level of state support, tuition policies, and rates. The substantial growth in tuition continues to be a source of increasing concern to institutions of higher education, students, parents, and state officials.

During the period of 1989 to 1996, tuition increased dramatically across the Commonwealth due to the decline in General Fund support for higher education. At Virginia Tech, undergraduate tuition increased by 49 percent for resident students and 91 percent for nonresident students in the six-year period 1989-90 to 1995-96, a direct result of six rounds of reductions in state General Fund support.

In 1994 the Appropriation Act included language which established tuition rate growth caps of 3 percent for resident students and 7.5 percent for nonresident students for each year of the biennium. For 1996-97 through 1998-99, the Appropriation Act included language to freeze tuition for Virginia undergraduates at the 1995-96 level. The 1999 General Assembly approved a 20 percent reduction in tuition and mandatory Educational and General fees for Virginia undergraduate students and offset the reduction in revenue by providing new General Fund support. The 2000 Appropriation Act included language to continue tuition and mandatory Educational and General fees at 1999-00 levels for Virginia undergraduate students during the 2000-02 biennium.

To address state revenue shortfalls, language in the 2002 Appropriation Act provided authority to increase tuition and mandatory Educational and General fees for Virginia undergraduate students by 9 percent. The 2003 General Assembly allowed for the annualization of the Spring 2003 tuition increases and limited increases in tuition and mandatory Educational and General

fees for Fall 2003 for Virginia undergraduate students to 5 percent plus nongeneral fund cost assignments.

The authority granted by the 2004 General Assembly continues, and establishes that “The Board of Visitors . . . of institutions of higher education may set tuition and fee charges at levels they deem to be appropriate for all resident student groups based on, but not limited to, competitive market rates, provided that the total revenue generated by the collection of tuition and fees from all students is within the nongeneral fund appropriation for educational and general programs provided in the act.”

Effective July 1, 2006, the university entered into a management agreement with the Commonwealth of Virginia. A critical element of this agreement is the reaffirmation of the Board of Visitors’ authority to establish tuition and fee rates. This rate setting authority, coupled with the sum sufficient revenue authority to establish nongeneral fund appropriations as provided in the management agreement, provides a much more stable environment for planning and establishment of future tuition and fee rates.

For 2007-08, the 2007 General Assembly established a Tuition Incentive for allocation to institutions contingent upon limiting the increase of tuition and E&G fees for in-state undergraduate students to 6 percent plus in-state undergraduate financial aid. The 2008 General Assembly continued the incentive fund concept to encourage institutions to limit the in-state undergraduate tuition and E&G fee increases to 3 percent for E&G operations and 1 percent for student financial aid in 2008-09.

Language included in the 2009 budget, and continued in 2010, reiterated the intent of the federal American Recovery and Reinvestment Act of 2009 (ARRA) to “mitigate the need to raise tuition on in-state students at public colleges and universities.” As a result of this Act, the University division received over \$11 million in funding in 2009-10. This funding came along with an understanding, expressed verbally by state budget-writers, that higher education institutions would use ARRA funding to mitigate the need to increase tuition to Virginia residents beyond 5 percent.

The Governor’s Commission on Higher Education, Reform, Innovation, and Investment introduced the Higher Education Opportunity Act of 2011 at the start of the 2011 General Assembly. In this legislation, institutional tuition and fee-setting authority is retained by the Board of Visitors. However, total tuition and fee revenue is limited to the aggregate cost of education for all enrolled students, minus state General Fund support. The model does allow for exclusion of Virginia resident tuition and fee revenue directed towards financial aid, an institution’s nongeneral fund share of the state mandated salary and fringe increases, improving faculty salary competitiveness, and unavoidable cost increases to ensure flexibility and inclusion of specific institutional characteristics, missions, and goals. The university is in compliance with this test; thus, the Board of Visitors retains the authority to set tuition and fee levels.

Summary of Tuition and Fee Rates

A summary of the recommended tuition rates is shown on Schedules 1 and 2, and a summary of fees is attached on Schedules 3 and 4. Finally, the total of all mandatory costs for students to attend Virginia Tech is detailed on Schedule 5 for undergraduate students, Schedule 6 for graduate students, and Schedule 7 for professional degree students.

RECOMMENDATION:

That the proposed tuition and fee rates be approved, effective Fall Semester 2018 including ratification of the 2018-19 Tuition and Fee rates for the Virginia Tech Carilion School of Medicine. This approval is based on the assumption that the final outcome of the General Assembly will materially align with the University's planning assumptions for revenues and expenses; therefore, the Board reserves the right to reconsider the 2018-19 tuition and fee rates based on the budget decisions of the Special Session of the General Assembly.

March 25, 2018

Schedule 1

**VIRGINIA TECH
2018-19 TUITION RECOMMENDATIONS
SUMMARY OF ANNUAL CHARGES**

RECOMMENDATION

	2017-18 Charge	Proposed 2018-19	Rate Increase	
			\$	%
Undergraduate Students				
Resident	\$11,093	\$11,420	\$327	2.9%
Nonresident	28,273	29,104	831	2.9%
Graduate Students				
On-Campus Programs				
Resident	12,935	13,310	375	2.9%
Nonresident	26,069	26,825	756	2.9%
Off-Campus Programs				
Resident	14,319	14,734	415	2.9%
Nonresident	27,906	28,715	809	2.9%
Veterinary Medicine				
Virginia/Maryland	20,810	21,372	562	2.7%
Out-of-State Non-Maryland	48,005	49,301	1,296	2.7%
VTC School of Medicine	N/A	51,818	N/A	N/A

VIRGINIA TECH
2018-19 SPECIAL TUITION RATES
SUMMARY OF HOURLY RATES

	2017-18 Charge	Proposed 2018-19	Increase	
			\$	%
<u>Regular Part-Time Students</u> (a)				
<u>Undergraduate Students</u>				
Resident	\$462.25	\$475.75	\$13.50	2.9%
Nonresident	1,178.00	1,212.75	34.75	2.9%
<u>Graduate Students</u>				
On-Campus Programs				
Resident	718.50	739.50	21.00	2.9%
Nonresident	1,448.25	1,490.25	42.00	2.9%
Off-Campus Programs				
Resident	795.75	818.50	22.75	2.9%
Nonresident	1,550.50	1,595.25	44.75	2.9%
<u>Summer and Winter Sessions</u>				
On-Campus Programs				
Undergraduate Resident	416.25	428.25	12.00	2.9%
Undergraduate Nonresident	1,060.00	1,091.00	31.00	2.9%
<u>Online Graduate</u>				
<u>Tier 1</u>	925.00	950.00	25.00	2.7%
Master of Information Technology (MIT)				
<u>Tier 2</u>	875.00	900.00	25.00	2.9%
Master of Natural Resources (MNR)				
Master of Agriculture and Life Sciences (OMALS) (b)				
<u>Tier 3</u>				
Graduate Certificate in Local Government Mgt (LGMC)	775.00	800.00	25.00	3.2%
<u>Professional/ Executive Graduate</u>				
Evening MBA, Data Analysis and Applied Statistics (DAAS)	N/A	1,025.00	N/A	N/A
Executive Graduate Tuition Rate (XMNR, BXBR)	1,550.50	1,595.25	44.75	2.9%
<u>School Personnel</u>				
Undergraduate Resident	347.00	357.00	10.00	2.9%
Graduate Resident				
Blacksburg Campus	539.00	555.00	16.00	3.0%
Extended Campus	597.00	614.00	17.00	2.8%
<u>Study Abroad Programs</u> (c)				
Undergraduate Resident	370.00	381.00	11.00	3.0%
Undergraduate Nonresident	942.00	970.00	28.00	3.0%
Graduate Resident	575.00	592.00	17.00	3.0%
Graduate Nonresident	1,159.00	1,192.00	33.00	2.8%

(a) Part-time tuition charges for all student categories are derived from the full-time rate and are directly related to the number of credit hours taken. For tuition calculation purposes, the full-time undergraduate semester rate is divided by 12 credit hours and the full-time graduate student semester rate is divided by 9 hours.

(b) Online Master of Agriculture and Life Sciences will transition from Tier 3 to Tier 2 beginning in Fall 2018.

(c) Tuition rates for study abroad do not include students studying at the Steger Center for International Scholarship

Presentation Date: March 25, 2018

VIRGINIA TECH
2018-19 FEE RECOMMENDATIONS
SUMMARY OF ANNUAL CHARGES

	2017-18 Charge	Proposed 2018-19	Increase	
			\$	%
<u>Educational and General Fee</u>				
Technology Service Fee	\$ 74	\$ 76	\$ 2	2.7%
Library Fee	96	99	3	3.1%
Commonwealth Facility and Equipment Fee (Nonresident Student)	604	604	0	0.0%
Immigration Services Fee (International Students)	N/A	550	N/A	N/A
<u>Comprehensive Fee</u>				
Student Activity Fee	326	321	-5	-1.5%
Health Service Fee	425	447	22	5.2%
Athletic Fee	308	317	9	2.9%
Transportation Services Fee	137	165	28	20.4%
Recreational Sports Fee	322	313	-9	-2.8%
Student Services Fee	268	289	21	7.8%
Student Cultural Activities Fee	181	173	-8	-4.4%
Total Comprehensive Fee	1,967	2,025	58	2.9%
<u>Campus Fees</u>				
Northern Virginia Center Student Services	132	142	10	7.6%
VTCSOM Student Services Fee	N/A	142	N/A	N/A
VTCSOM Health Services Fee	N/A	425	N/A	N/A
VTCSOM Student Govt/Student Activity Fee	N/A	185	N/A	N/A
Steger Center Student Activity Fee	100	100	0	0.0%
Steger Center (Room & Board)	7,100	7,100	0	0.0%
Washington-Alexandria Architecture Center Fee	300	300	0	0.0%
<u>Room Fees</u>				
Double Occupancy:				
Lower Quad (Pre-1983 Dormitories)	4,818	4,930	112	2.3%
Payne Park - Traditional - Double	5,302	5,424	122	2.3%
Main Campbell & Newman - Double Occupancy	5,432	5,558	126	2.3%
Hillcrest - Double Occupancy	5,840	5,976	136	2.3%
Cochrane Hall	5,998	6,136	138	2.3%
Ambler Johnston and O'Shaughnessy - Traditional Double	6,166	6,308	142	2.3%
Payne Park - Suite - Double	6,390	6,538	148	2.3%
Payne Park - Suite - Double (Large Suite)	6,544	6,696	152	2.3%
Upper Quad (Pearson & New Cadet Hall)	6,596	6,748	152	2.3%
New Residence Hall West - Double Occupancy	6,694	6,848	154	2.3%
East & West Ambler Johnston - Private Bath Double	7,074	7,238	164	2.3%
East & West Ambler Johnston - Efficiency Double	7,164	7,330	166	2.3%
Single Occupancy:				
Payne Park - Traditional - Single	7,248	7,416	168	2.3%
Main Campbell & Newman - Single Occupancy	7,378	7,548	170	2.3%
Hillcrest - Single Occupancy	7,940	8,124	184	2.3%
Payne Park - Suite - Single	8,814	9,018	204	2.3%
New Residence Hall West - Single Occupancy	9,120	9,330	210	2.3%
Other:				
Special Purpose Housing	6,014	6,154	140	2.3%
Graduate Life Center at Donaldson Brown - Double	6,694	6,848	154	2.3%
Oak Lane IV	7,180	7,346	166	2.3%
Graduate Life Center at Donaldson Brown - Single	9,120	9,330	210	2.3%
The Gallery (NOVA) - 4-Person Unit	6,080	6,460	380	6.3%
The Gallery (NOVA) - 3-Person Unit	7,304	7,480	176	2.4%
The Gallery (NOVA) - 2-Person Unit	8,038	8,140	102	1.3%
Living Learning Community Fee	100	100	0	0.0%
Residential Telecommunications Fee	394	394	0	0.0%
<u>Board Fees</u>				
Major Flex Plan	3,478	3,610	132	3.8%
Mega Flex Plan	3,728	3,870	142	3.8%
Premium Flex Plan	3,988	4,140	152	3.8%

VIRGINIA TECH
2018-19 SUPPLEMENTAL PROGRAM FEES

All charges are academic year unless otherwise noted.

		2017-18 Charge	Proposed 2018-19	Increase	
				\$	%
<u>Program Fees</u>					
<u>Architecture + Design</u>					
Undergraduate & Graduate Returning Fall 2018	Full-time	\$ 949	\$ 949	0	0.0%
	Part-time	474.50	474.50	0	0.0%
Undergraduate & Graduate Entering Fall 2018	Full-time	N/A	1,500	N/A	N/A
	Part-time	N/A	750.00	N/A	N/A
<u>Building Construction</u>					
Undergraduate Returning Fall 2018	Full-time	775	775	0	0.0%
	Part-time	387.50	387.50	0	0.0%
Undergraduate Entering Fall 2018	Full-time	N/A	1,500	N/A	N/A
	Part-time	N/A	750	N/A	N/A
<u>Engineering</u>					
Undergraduate Returning Fall 2018	Full-time	775	775	0	0.0%
	Part-time	387.50	387.50	0	0.0%
Graduate Returning Fall 2018	Full-time	1,049	1,049	0	0.0%
	Part-time	525	525	0	0.0%
Undergraduate & Graduate Entering Fall 2018	Full-time	N/A	2,000	N/A	N/A
	Part-time	N/A	1,000	N/A	N/A
<u>Pamplin College of Business</u>					
Undergraduate 2000-4000 Level Courses	Per Credit Hour	25	25	0	0.0%
Undergraduate 1000 Level Courses	Per Credit Hour	N/A	75	N/A	N/A
<u>Agriculture</u>					
Undergraduate and Graduate Entering Fall 2018	Full-time	N/A	750	N/A	N/A
	Part-time	N/A	375	N/A	N/A
<u>Specialized Graduate Degree Programs</u>					
Veterinary Medicine Facility Fee		1,250	1,200	(50)	-4.0%
Master of Public Health	Full-time	525	525	0	0.0%
	Part-time	262.50	262.50	0	0.0%
Master of Business Administration (MBA)	Per Credit Hour	175	175	0	0.0%
Master of Science in Business Administration (MSBA) Concentrations in Business Analytics (BA) and Hospitality & Tourism Management (HTM)	Per Credit Hour	175	175	0	0.0%
<u>Executive Model Graduate Degree Programs (a)</u>					
Professional MBA					
Fall 2017 Cohort					
Resident	Full-time	5,986	5,116	(870)	-14.5%
	Per Credit Hour	249.50	213		
Nonresident	Full-time	775	4,231	3,456	445.9%
	Per Credit Hour	32.50	176.50		
Fall 2018 Cohort					
	Full-time	N/A	3,000	N/A	N/A
	Per Credit Hour	N/A	125	N/A	N/A
Executive Master of Natural Resources (XMNR)					
Spring 2018 Cohort					
		8,000	2,967	(5,033)	-62.9%
Spring 2019 Cohort					
		N/A	8,000	N/A	N/A
Executive PHD in Business Concentration in Business Research (ExPHD)					
Fall 2016 Cohort					
	Per Credit Hour	519	365	(154)	-29.7%
Fall 2017 Cohort					
	Per Credit Hour	410.25	365	(45)	-11.0%
Fall 2018 Cohort					
	Per Credit Hour	N/A	365	N/A	N/A

(a) Executive Model Graduate Degree Program fees are designed to balance the difference between the quoted price (for a multi-year program) and actual tuition and fees.

Presentation Date: March 25, 2018

Schedule 5

VIRGINIA TECH
TOTAL COST TO STUDENTS
Comparison of 2017-18 and 2018-19 Annual Charges

UNDERGRADUATE STUDENTS

	2017-18 Charge	Proposed 2018-19	Increase	
			\$	%
<u>Resident</u>				
Tuition	\$11,093	\$11,420	\$327	2.9%
Educational and General Fee	170	175	5	2.9%
Subtotal Tuition and E & G Fee	<u>11,263</u>	<u>11,595</u>	<u>332</u>	<u>2.9%</u>
Comprehensive Fee	<u>1,967</u>	<u>2,025</u>	<u>58</u>	<u>2.9%</u>
Total All Residents	<u>13,230</u>	<u>13,620</u>	<u>390</u>	<u>2.9%</u>
Room (Lower Quad Dorms & Telecommunications Fee) ^(a)	5,212	5,324	112	2.1%
Board (Major Flex Plan) ^(a)	<u>3,478</u>	<u>3,610</u>	<u>132</u>	<u>3.8%</u>
Subtotal Room and Board	<u>8,690</u>	<u>8,934</u>	<u>244</u>	<u>2.8%</u>
Total Cost for Residents Living on Campus	<u>21,920</u>	<u>22,554</u>	<u>634</u>	<u>2.9%</u>
<u>Nonresident</u>				
Tuition	28,273	29,104	831	2.9%
Educational and General Fee	774	779	5	0.6%
Subtotal Tuition and E & G Fee	<u>29,047</u>	<u>29,883</u>	<u>836</u>	<u>2.9%</u>
Comprehensive Fee	<u>1,967</u>	<u>2,025</u>	<u>58</u>	<u>2.9%</u>
Total All Nonresidents	<u>31,014</u>	<u>31,908</u>	<u>894</u>	<u>2.9%</u>
Room (Lower Quad Dorms & Telecommunications Fee) ^(a)	5,212	5,324	112	2.1%
Board (Major Flex Plan) ^(a)	<u>3,478</u>	<u>3,610</u>	<u>132</u>	<u>3.8%</u>
Subtotal Room and Board	<u>8,690</u>	<u>8,934</u>	<u>244</u>	<u>2.8%</u>
Total Cost for Nonresidents Living on Campus	<u>39,704</u>	<u>40,842</u>	<u>1,138</u>	<u>2.9%</u>

(a) The majority of freshmen are housed in Lower Quad dorms and choose the Major Flex Plan.

Presentation Date: March 25, 2018

VIRGINIA TECH
TOTAL COST TO STUDENTS
Comparison of 2017-18 and 2018-19 Annual Charges

	<u>2017-18</u> <u>Charge</u>	<u>Proposed</u> <u>2018-19</u>	<u>Increase</u>	
			<u>\$</u>	<u>%</u>
<u>GRADUATE STUDENTS</u>				
On-Campus Programs				
<u>Resident</u>				
Tuition	\$12,935	\$13,310	\$375	2.9%
Educational and General Fee	<u>170</u>	<u>175</u>	<u>5</u>	<u>2.9%</u>
Subtotal Tuition and E & G Fee	13,105	13,485	380	2.9%
Comprehensive Fee	<u>1,967</u>	<u>2,025</u>	<u>58</u>	<u>2.9%</u>
Total Cost for Residents	<u>15,072</u>	<u>15,510</u>	<u>438</u>	<u>2.9%</u>
 <u>Nonresident</u>				
Tuition	26,069	26,825	756	2.9%
Educational and General Fee	<u>774</u>	<u>779</u>	<u>5</u>	<u>0.6%</u>
Subtotal Tuition and E & G Fee	26,843	27,604	761	2.8%
Comprehensive Fee	<u>1,967</u>	<u>2,025</u>	<u>58</u>	<u>2.9%</u>
Total Cost for Nonresidents	<u>28,810</u>	<u>29,629</u>	<u>819</u>	<u>2.8%</u>
 Off-Campus Programs				
<u>Resident</u>				
Tuition	14,319	14,734	415	2.9%
Educational and General Fee	<u>170</u>	<u>175</u>	<u>5</u>	<u>2.9%</u>
Subtotal Tuition and E & G Fee	14,489	14,909	420	2.9%
Northern Virginia Center Student Services Fee	<u>132</u>	<u>142</u>	<u>10</u>	<u>7.6%</u>
Total Cost for Residents	<u>14,621</u>	<u>15,051</u>	<u>430</u>	<u>2.9%</u>
 <u>Nonresident</u>				
Tuition	27,906	28,715	809	2.9%
Educational and General Fee	<u>774</u>	<u>779</u>	<u>5</u>	<u>0.6%</u>
Subtotal Tuition and E & G Fee	28,680	29,494	814	2.8%
Northern Virginia Center Student Services Fee	<u>132</u>	<u>142</u>	<u>10</u>	<u>7.6%</u>
Total Cost for Nonresidents	<u>28,812</u>	<u>29,636</u>	<u>824</u>	<u>2.9%</u>

VIRGINIA TECH
TOTAL COST TO STUDENTS
Comparison of 2017-18 and 2018-19 Annual Charges

	2017-18 Charge	Proposed 2018-19	Increase	
			\$	%
<u>VETERINARY MEDICINE</u>				
Virginia/Maryland Students				
Tuition	20,810	21,372	562	2.7%
Educational and General Fee	170	175	5	2.9%
Comprehensive Fee	1,967	2,025	58	2.9%
Vet Med Facility Fee	1,250	1,200	-50	-4.0%
Total Cost for Virginia/Maryland Students	<u>24,197</u>	<u>24,772</u>	<u>575</u>	<u>2.4%</u>
Out-of-State Students				
Tuition	48,005	49,301	1,296	2.7%
Educational and General Fee	774	779	5	0.6%
Comprehensive Fee	1,967	2,025	58	2.9%
Vet Med Facility Fee	1,250	1,200	-50	-4.0%
Total Cost for Out-of-State Students	<u>51,996</u>	<u>53,305</u>	<u>1,309</u>	<u>2.5%</u>
<u>VIRGINIA TECH CARILION SCHOOL OF MEDICINE</u>				
Tuition	N/A	51,818	N/A	N/A
Educational and General Fee	N/A	175	N/A	N/A
VTCSOM Student Services Fees (a)	N/A	752	N/A	N/A
Total Cost	<u>N/A</u>	<u>52,745</u>	<u>N/A</u>	<u>N/A</u>

(a) Includes VTCSOM Student Services, Health Services, and Student Government/Activities fees that apply to all Medical students.



2018-19 Budget Development Update

March 25, 2018

DWIGHT SHELTON

**INTERIM SENIOR VICE PRESIDENT FOR OPERATIONS AND
ADMINISTRATION, VICE PRESIDENT FOR FINANCE AND CFO**

Budget Background

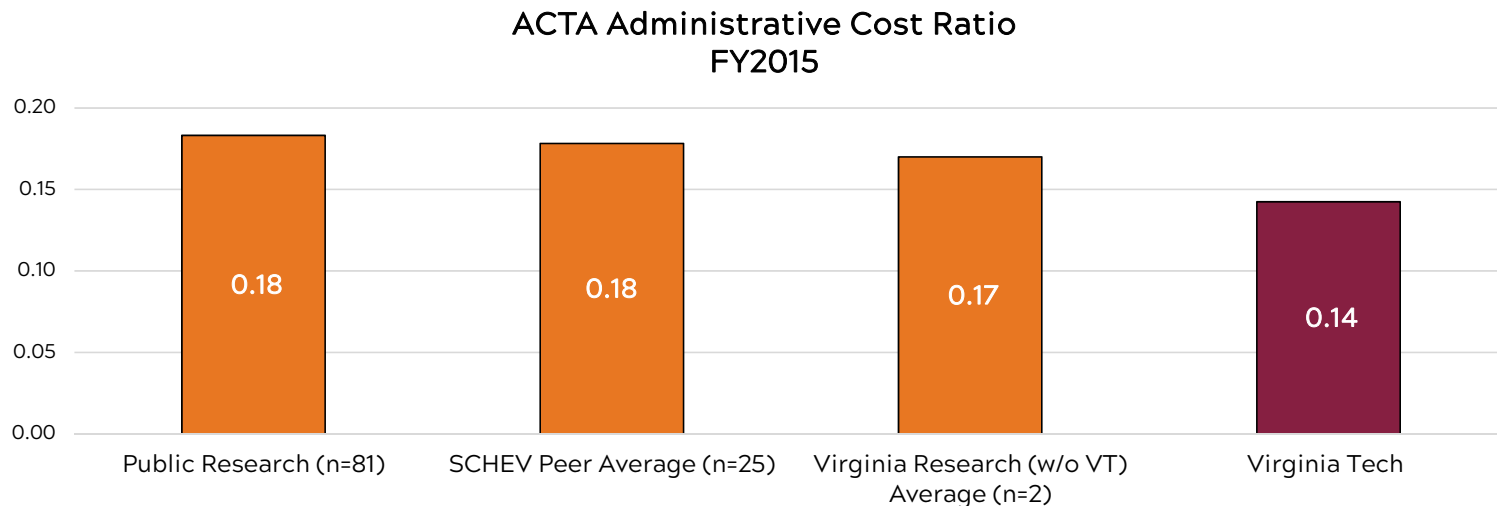
- Multi-year planning strategy spreads costs and ensures focused implementation
- Annual changes to fringe rates, compensation programs, and General Fund operating support impact budget needs
- Continuous review of operations and opportunity for efficiency enhancements ensure maximization of existing resources
- Annual Budget call process encourages units to describe efforts to reduce costs to meet budget needs before seeking new resources



***Review of Efficiency
& Cost Control
Efforts***

Administrative Efficiency

- July 2017 – the **American Council of Trustees and Alumni (ACTA)** published report on administrative spending.
- Using IPEDS data, the study calculates a ratio of **Institutional Support** (*administrative*) spending compared to **Instruction and Academic Support** (*instructional*) spending.
- Virginia Tech's ratio is **0.14**, meaning VT spent \$0.14 on **Institutional Support** for each \$1.00 of spending on **Instruction and Academic Support**. ***This ratio is lower than peer averages.***



Data Source: IPEDS

Administrative Efficiency

- Enhanced **administrative systems and processes** allow the university to grow at scale and operate more efficiently
 - Classroom utilization and scheduling platform in place (25Live)
 - Inbound freight initiative
 - Leave Reporting and Time Worked system automation
 - Admissions Document Management automation
 - Continued implementation of paperless processes:
 - Online Payroll information (Pay stubs, W2, reimbursements)
 - eBilling and Reporting (grades, schedules, bills, other student communications)
- One-time investments in **energy reduction programs** has allowed the university to curb long-term energy usage and create future savings
- Initiation of a series of **targeted reviews of specific elements of the university's administrative operating functions** to confirm the efficiency of those units and/or identify opportunities for increased efficiency and cost containment
- An **external review of procurement processes and business practices** revealed that the Procurement department is using best practices for procurement activities, and is working to implement additional recommendations from this report.
- Virginia Tech, along with University of Virginia, developed the concept for a **multi-university collaborative procurement function**; millions of dollars in cost savings for the university are being achieved through this effort.

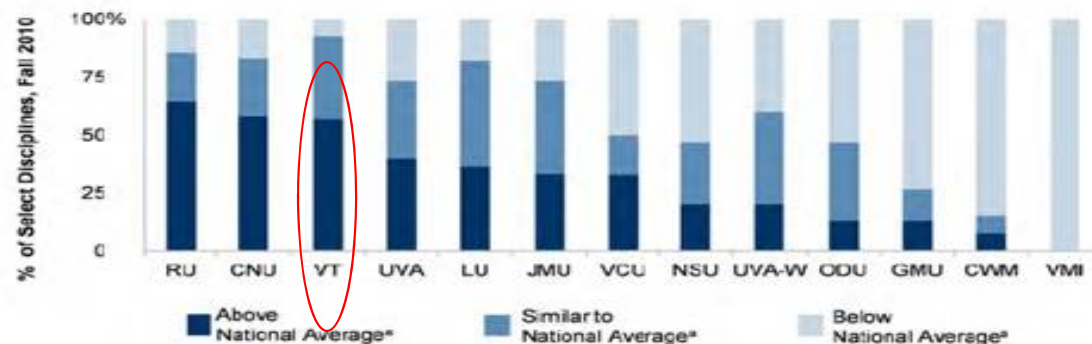
Open Educational Resources

- Virginia Tech's University Libraries has developed an "Open Educational Resources Initiative"
 - Effort to make materials accessible, affordable, flexible, adaptable, engaging, innovative
- **Faculty Grants** and support to encourage the use, creation, and adaptation of openly licensed resources to support student learning
 - Three projects fund thus far in 2017-18:
 - Fundamentals of Business open textbook, utilized by more than 700 undergraduates at Virginia Tech in Fall 2017, and 70,000 downloads world-wide
 - Electromagnetics open textbook released in beta, being tested at Virginia Tech and other institutions
 - Veterinary Medicine instructional video series called "The Normal Canine" covers patient examination techniques
 - In partnership with ICAT, the "Digital Dog" is being developed using virtual reality to study canine anatomy
- University Libraries held multiple Open Textbook Adoption workshops for faculty in 2017

Faculty Costs

- Over last 10 years, the ratio of Tenured and Tenure-track Instructional Faculty to Non-Tenure-Track Instructional Faculty has fallen from 5.6:1 to 3.6:1.
 - From 2004 through 2017, non-tenure-track instructional faculty teaching loads have increased 19 percent.
 - These reflect the intentional utilization of Instructor and Collegiate Faculty tracks to maximize instructional spending.
- JLARC: More than 50 percent of Virginia Tech disciplines had higher tenured and tenure-track faculty teaching loads than national average**

Figure 17: Average Student Credit Hour Loads for Tenured and Tenure-Track Faculty Vary Widely But Do Not Consistently Differ From Those Nationwide (Fall 2010)



Note: Although efforts were taken to ensure that Virginia institutions adhered to the Delaware Study methodology used for the national averages, JLARC staff were unable to independently validate or verify the data provided by some Virginia institutions. This may result in some distortion relative to national averages. The Virginia data is therefore not directly comparable to the Delaware Study averages, and should not be interpreted as such. Data for UMW and VSU was unavailable. See Appendix B for more detail.

* "Above" is more than 10% above national average; "similar" is within 10% above or below national average; "below" is more than 10% below national average.



***Budget Development:
Cost Driver Review***

2018-20 State Budget Update

Executive and Money Committees' Budgets

Incremental General Fund - dollars in millions

	Executive		House		Senate	
	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
University Division E&G (Agency 208)						
OPERATING BUDGET						
Enrollment Growth	\$ -	\$ -	\$ 2.6	\$ 5.2	\$ -	\$ -
Restoration of Interest Earnings/CC Rebate	0.7	0.7	0.7	0.7	0.7	0.7
<i>Subtotal University Division E&G</i>	<i>0.7</i>	<i>0.7</i>	<i>3.3</i>	<i>5.9</i>	<i>0.7</i>	<i>0.7</i>
Undergraduate Student Financial Aid	0.5	1.6	0.5	1.6	0.2	0.8
Unique Military Activities	-	-	0.3	0.3	-	-
<i>Subtotal Operating Budget</i>	<i>1.2</i>	<i>2.3</i>	<i>4.1</i>	<i>7.8</i>	<i>0.9</i>	<i>1.5</i>
CAPITAL BUDGET						
Maintenance Reserve Support	3.9	3.9	3.9	3.9	3.9	3.9
Total University Division	\$ 5.1	\$ 6.2	\$ 8.0	\$ 11.7	\$ 4.8	\$ 5.4

NOTE: Totals exclude state share of the compensation proposals and technical adjustments for fringe rate changes and annualizations of prior year costs. Annualization adjustments by the state, which total \$6.7 million, are required to bring the university budget into alignment with the state as of July 1, 2018, and are not new resources.

2018-19 Known Cost Drivers

Major Components of the Budget include:

- Faculty/Staff Compensation (merit increase and Distinction Pool)
- Health care cost increase
 - Faculty and Staff increase of 6.1%
 - Graduate Assistant increase of up to 16%
- Student Financial Aid
 - Expansion of diversity initiatives and enrollment goals
 - Enhancements for the reduction of unmet need
- Enrollment Growth Support
- Destination Area Investments (new faculty)
- Compliance and Accreditation Requirements

2018-19 E&G Cost Drivers

*Illustrations - Use the House Budget Proposal for State Support
(dollars in millions)*

Compensation

Fund Split

	Total	State	University
Institutional Faculty Merit Increase (2%)	\$ 7.5	\$ -	\$ 7.5
University Staff Salary Increase (2%)	1.4	-	1.4
State Staff Employee Bonus	0.9	0.7	0.2
National Distinction/Promotion & Tenure/Faculty Retention	2.9	-	2.9
Total	\$ 12.7	\$0.7	\$ 12.0

2018-19 E&G Cost Drivers

Illustrations Use the House Budget Proposal for State Support
(dollars in millions)

Mandatory and/or Unavoidable Costs

	Fund Split		
	Total	State	University
Annualization of 2017-18 State Salary and Fringe Rate Changes	\$ 0.8	\$ 0.3	\$ 0.5
Employee Health Insurance Increase	3.4	1.3	2.1
Graduate Assistant Health Insurance Increase	0.6	-	0.6
Fixed Costs	2.1	-	2.1
Compliance & Regulation	0.8	-	0.8
Financial Aid	4.1	-	4.1
Total	\$ 11.8	1.6	\$ 10.2

2018-19 E&G Cost Drivers

*Illustrations Use the House Budget Proposal for State Support
(dollars in millions)*

Institutional Priorities

	Fund Split		
	Total	State	University
Enrollment Growth Support (PIBB, Faculty, college support)	\$ 14.6	\$ 2.6	\$12.0
Destination Area Investment	2.0	-	2.0
Critical Needs (capacity to address needs for 18-19 from the budget call process; \$40M in requests received)	4.0	-	4.0
Prior Commitments (Advancement, HR, HS&T, Strategic Affairs, Academic support, LINK, system initiatives underway)	4.5	-	4.5
Total	\$ 25.1	2.6	\$ 22.5

2018-19 E&G Cost Drivers

*Illustrations Use the House Budget Proposal for State Support
(dollars in millions)*

Total Cost Drivers

	Fund Split		
	Total	State	University
Compensation	\$ 12.7	\$ 0.7	\$ 12.0
Unavoidable and/or Mandatory Costs	11.8	1.6	10.2
Institutional Priorities	25.1	2.6	22.5
Total	\$ 49.6	4.9	\$ 44.7

Resourcing the Institution

(dollars in millions)

	2018-19
Previously Identified Known Costs	\$ (49.6)
<u>Resource Plan</u>	
Incremental Operating General Fund Support*	2.6
Estimated State Support for Bonus/Fringe Increases*	2.3
FY18 Enrollment Above Budget	10.4
FY19 Planned Enrollment Growth	14.8
Tuition Rate Increase	13.4
Program Fee Revenue Increase	5.1
Library Fee, Immigration Services Fee	0.4
Reallocations	0.2
	<hr/>
Subtotal	49.2
	<hr/>
Remaining Surplus/(Deficit)	(0.4)

*House Budget proposal utilized as planning placeholder.

Discussion



***2018-19 Proposed
Tuition & Fee Rates***

Overview

- Tuition and Fee Development Considerations
 - Market Highlights
 - National Trends
 - Market Benchmarking
- 2018-19 Tuition and Fee Recommendations
 - Undergraduate, Graduate, Professional Rates
 - Comprehensive Fees
 - Special Fees and Tuition Rates
- Discussion



***Tuition and Fee
Development Considerations***

Market Highlights

- Virginia Tech is highly regarded among prospective students
- Variation in price sensitivity across disciplines
 - Engineering has high demand and is less sensitive
- Recent publicly available national discounting study* found that public discount rates continue to grow:
 - Resident: 13%
 - Nonresident: 22%
 - Virginia Tech: ~6% for each group (primarily need-based aid)
- Most incoming students expect a merit-based scholarship
- Benchmarking shows other institutions continue to use scholarships to compete for out-of-state students
 - Net Price benchmarking reveals some institutions discount significantly, even at higher incomes

*Source: Ruffalo – Noel Levitz 2017 Discounting Study

National Trends

- Many institutions are expanding the use of discipline-specific tuition
 - Virginia Tech's program-specific tuition are well below peer averages
- “Fixed” four-year pricing is not utilized at many public institutions
 - Since 2006, Virginia Tech has mitigated tuition increases on continuing students from low to middle-income families through the Funds for the Future financial aid program.
- Tuition “Resetting” is used to “catch-up” to market
 - Several Virginia institutions have made large increases (i.e. \$1,000 per cohort) to undergraduate rates to reposition their market standing
 - Resets are implemented on an incoming cohort-basis to protect current students
 - New revenue is often earmarked partially to student financial aid, along with other priorities

Virginia Public Four-Year Tuition and Fees 2017-18

<u>Institutions</u>	<u>Tuition and E&G Fees</u>		<u>Non-E&G Mandatory Fees</u>		<u>Room & Board</u>		<u>Total Cost</u>	
	<u>\$</u>	<u>Rank</u>	<u>\$</u>	<u>Rank</u>	<u>\$</u>	<u>Rank</u>	<u>\$</u>	<u>Rank</u>
William and Mary (Freshmen)	\$16,506	1	\$5,538	2	\$11,799	1	\$33,843	1
Virginia Military Institute	8,884	5	9,330	1	9,236	13	27,450	2
University of Virginia (First Year)	13,810	2	2,258	13	10,992	4	27,060	3
Christopher Newport University	8,270	8	5,384	3	11,224	2	24,878	4
Virginia Commonwealth University	11,483	3	2,141	14	10,187	9	23,811	5
Longwood University	7,620	9	5,100	4	10,418	6	23,138	6
George Mason University	8,672	6	3,252	10	11,090	3	23,014	7
University of Mary Washington	8,306	7	3,822	7	10,216	8	22,344	8
Virginia Tech	11,263	4	1,967	15	8,690	15	21,920	9
James Madison University	6,250	12	4,628	5	10,112	11	20,990	10
Old Dominion University	6,648	11	3,702	8	10,122	10	20,472	11
UVA-Wise	5,529	14	4,296	6	10,314	7	20,139	12
Radford University	7,461	10	3,166	12	9,131	14	19,758	13
Virginia State University	5,547	13	3,179	11	10,880	5	19,606	14
Norfolk State University	5,478	15	3,558	9	9,866	12	18,902	15

Market Considerations Tuition and Mandatory Fees

2017-18 Benchmarking

	Average	VT Rank
In-state Undergraduate		
Virginia Tech	\$13,230	
Public SCHEV Peers	\$12,293	10 out of 24
Virginia Institutions	\$12,844	6 out of 15 (b)
UVA	\$16,068	
CWM	\$22,044	
Out-of-state Undergraduate		
Virginia Tech	\$31,014	
Public SCHEV Peers	\$33,147	13 out of 24
Virginia Institutions	\$30,640	6 out of 15
Regional Competitive Peers (a)	\$30,932	3 out of 7

(a) Regional competitive peers: Pennsylvania State, Rutgers University, University of Maryland, Ohio State, University of Pittsburgh, and North Carolina State.

(b) Behind W&M, VMI, UVA, VCU, and CNU

Nonresident Undergraduate Market Update

Net Price

- Total cost of attendance less average institutional financial aid package.
- Key component of the economic decision faced by a student/family.
- Chart below displays gross and net price for student with family income of three times the Federal Poverty Level

	<u>Cost of Attendance</u>	<u>Net Price</u>	<u>Difference</u>	<u>Average % Discount</u>
Virginia Tech	\$44,880	\$42,997	\$ 1,883	4.2%
SCHEV Peer Average	49,688	38,731	10,957	22.1%
Advantage/(Disadvantage)	\$4,808	(\$4,266)	(\$9,074)	

	<u>Cost of Attendance</u>	<u>Net Price</u>	<u>Difference</u>	<u>Average % Discount</u>
Virginia Tech	\$44,880	\$42,997	\$ 1,883	4.2%
Regional Competitive Peers	46,297	35,897	10,400	22.5%
Advantage/(Disadvantage)	1,417	(\$7,100)	(\$8,517)	

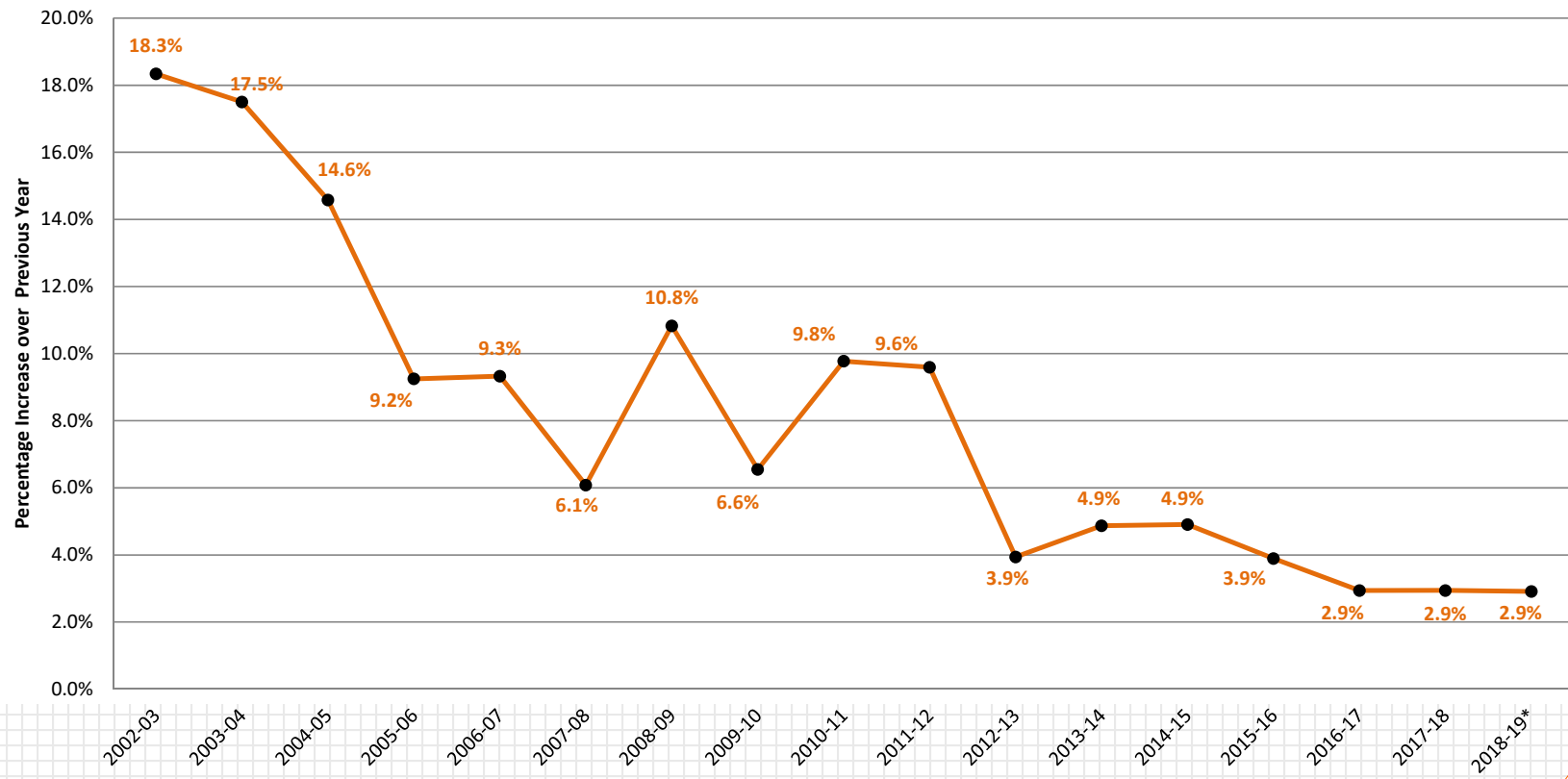
NOTE: Cost of Attendance includes tuition and mandatory fees, room and board, and estimated supply and student travel costs. Virginia Tech scholarships apply to tuition and mandatory fees only.



***Tuition and Fee Rate
Proposals***

Virginia Undergraduate Tuition and Fee Increase History

2018-19 Recommendation continues the trend of slowing increases.



*Proposed

Resident Undergraduates

	2017-18 Charge	Proposed 2018-19	Increase	
			\$	%
Tuition	\$11,093	\$11,420	\$327	2.9%
E&G Fees	170	175	5	2.9%
<i>Tuition & E&G Fees</i>	11,263	11,595	332	2.9%
Comprehensive Fee	1,967	2,025	58	2.9%
<i>Tuition & Mandatory Fees</i>	13,230	13,620	390	2.9%
<i>Room and Board</i>	8,690	8,934	244	2.8%
<i>Total Cost</i>	\$21,920	\$22,554	\$634	2.9%

Nonresident Undergraduates

	2017-18	Proposed	Increase	
	Charge	2018-19	\$	%
Tuition	\$28,273	\$29,104	\$831	2.9%
E&G Fees	774	779	5	0.6%
<i>Tuition & E&G Fees</i>	29,047	29,883	836	2.9%
Comprehensive Fee	1,967	2,025	58	2.9%
<i>Tuition & Mandatory Fees</i>	31,014	31,908	894	2.9%
<i>Room and Board</i>	8,690	8,934	244	2.8%
Total Cost	\$39,704	\$40,842	\$1,138	2.9%

Graduate

	2017-18 Charge	Proposed 2018-19	Increase	
			\$	%
<u>Resident Tuition</u>	\$12,935	\$13,310	\$375	2.9%
E&G Fees	170	175	5	2.9%
<i>Tuition & E&G Fees</i>	13,105	13,485	380	2.9%
Comprehensive Fee	1,967	2,025	58	2.9%
Total Resident Graduate	\$15,072	\$15,510	\$438	2.9%
<u>Nonresident Tuition</u>	\$26,069	\$26,825	\$756	2.9%
E&G Fees	774	779	5	0.6%
<i>Tuition & E&G Fees</i>	26,843	27,604	761	2.8%
Comprehensive Fee	1,967	2,025	58	2.9%
Total Nonresident Graduate	\$28,810	\$29,629	\$819	2.8%

Veterinary Medicine

Total Cost

	<u>2017-18</u> <u>Charge</u>	<u>Proposed</u> <u>2018-19</u>	<u>Increase</u>	
			<u>\$</u>	<u>%</u>
Virginia/Maryland Students	\$24,197	\$24,772	\$575	2.4%
Nonresident Students	\$51,996	\$53,305	\$1,309	2.5%

Virginia Tech Carilion School of Medicine

Total Cost

The tuition rate below was approved by the Board of the VTCSOM in February 2018.

Upon integration as the ninth college at Virginia Tech as of July 1, 2018, and through the Board of Visitors' approval of the tuition and fees rates for 2018-19, the following tuition rate will be ratified for use by the university.

	Proposed 2018-19
<u>Medical Tuition</u>	\$51,818
E&G Fees	175
<i>Tuition & E&G Fees</i>	51,993
VTCSOM Student Services Fee	752
Total Medical Student Cost	\$52,745

Comprehensive Fee Components for 2018-19

	2017-18 Charge	Proposed 2018-19	Increase	
			\$	%
<u>Comprehensive Fee</u>				
Student Activity Fee	\$ 326	\$ 321	\$ -5	-1.5%
Health Service Fee	425	447	22	5.2%
Athletic Fee	308	317	9	2.9%
Transportation Services Fee	137	165	28	20.4%
Recreational Sports Fee	322	313	-9	-2.8%
Student Services Fee	268	289	21	7.8%
Student Cultural Activities Fee	181	173	-8	-4.4%
Total Comprehensive Fee	\$ 1,967	\$ 2,025	\$ 58	2.9%

Comprehensive fees at the other Virginia doctoral institutions range from \$2,141 to \$5,538.

Average Cost of Education

	2017-18		Estimated 2018-19	
	Amount	% of Average	Amount ⁽¹⁾	% of Average
Average Cost of Education	\$18,418		\$18,974	
<u>Undergraduates</u>				
Residents	11,263	61%	11,595	61%
Nonresidents	28,443	154%	29,279	154%
<u>Graduates</u>				
Residents	13,105	71%	13,485	71%
Nonresidents	26,239	142%	27,000	142%
<u>Residency</u>				
Residents		62%		62%
Nonresidents		150%		151%

(1) Average Cost of Education for 2018-19 is estimated. Amounts include proposed tuition and E&G fees (the nonresident facility and equipment fee is not comparable to the Average Cost of Education.)

Differential Tuition Charges

	<u>2017-18 Charge</u>	<u>Proposed 2018-19</u>
College of Engineering Fee (annual)		
Returning Fall 2018		
<i>Undergraduate</i>	\$ 775	\$ 775
<i>Graduate</i>	1,049	1,049
Enrolling in Fall 2018 – <i>Undergraduate & Graduate</i>	N/A	2,000
Architecture & Design Fee (annual)		
Returning Fall 2018 - <i>Undergraduate & Graduate</i>	949	949
Enrolling in Fall 2018 - <i>Undergraduate & Graduate</i>	N/A	1,500
Building Construction Undergraduate Fee (annual)		
Returning Fall 2018	775	775
Enrolling in Fall 2018	N/A	1,500
Pamplin College of Business Undergraduate Fee		
2000-4000 Level Courses (per credit hour)	25	25
1000 Level Courses (per credit hour)	N/A	75
College of Agriculture & Life Sciences Fee (annual)		
Enrolling in Fall 2018 – <i>Undergraduate and Graduate</i>	N/A	750

Other Tuition & Fees Highlights

- **Professional Masters and Certificate Pilot Tuition Rate**
 - New rate for entrepreneurial graduate programs that meet needs of industry
 - Per-credit Tuition Rate of \$1,025 is recommended for Fall 2018 for:
 - Evening MBA
 - Data Analysis and Applied Statistics (DAAS)
- **Immigration Services Fee: \$275 per semester**
 - Supports costs unique to the administration of degree-seeking international student enrollment including academic and financial verification, federal reporting and tracking, and the Student and Exchange Visitor Program System (SEVIS) requirements.
 - Phase-in starting with incoming students starting Fall 2018
 - Graduate remission program will manage those on assistantships

Proposed 2018-19 Tuition and Fee Rates

RECOMMENDATION:

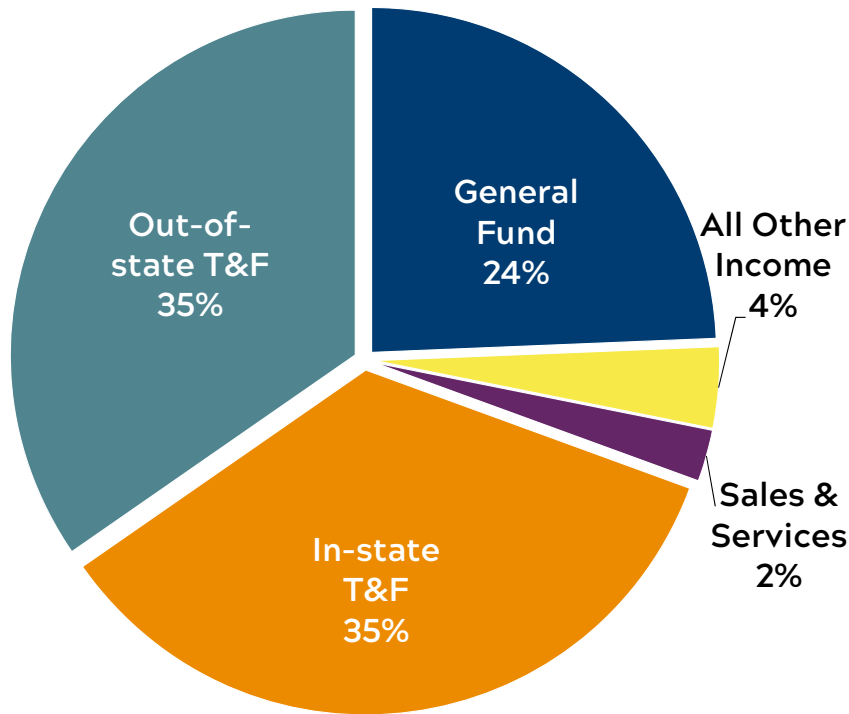
That the proposed tuition and fee rates be approved, effective Fall Semester 2018 including ratification of the 2018-19 Tuition and Fee rates for the Virginia Tech Carilion School of Medicine. This approval is based on the assumption that the final outcome of the General Assembly will materially align with the university's planning assumptions for revenues and expenses; therefore, the Board reserves the right to reconsider the 2018-19 tuition and fee rates based on the budget decisions of the Special Session of the General Assembly.

March 25, 2018

Discussion

Additional Information

University Division Revenue Sources Educational & General Program 2017-18



<u>Components</u>	<u>\$ Millions</u>	<u>%</u>
<i>In-state T&F</i>	\$237.7	35%
<i>Out-of-state T&F</i>	236.8	35%
<i>General Fund</i>	166.5	24%
<i>All Other Income</i>	25.9	4%
<i>Sales & Services</i>	16.6	2%
Total	\$683.5	100%

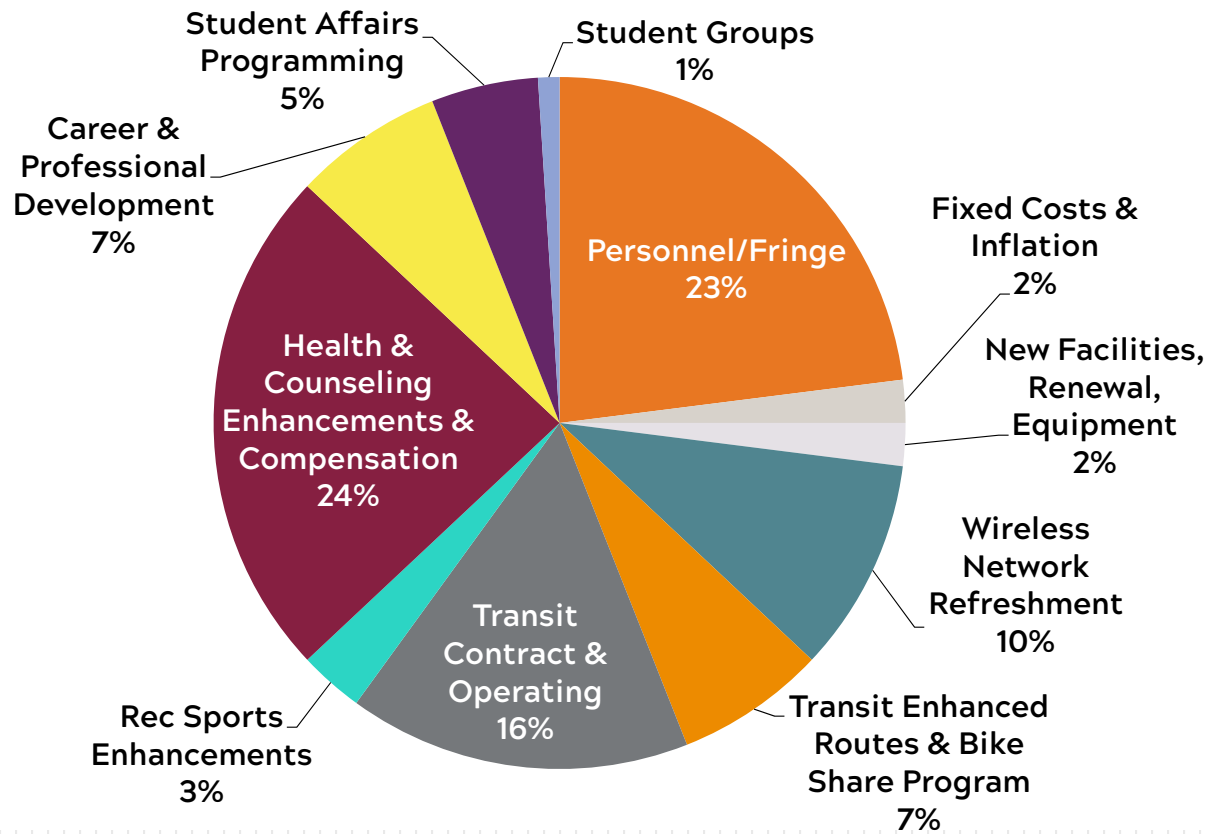
(Source: 2017-18 University Authorized Budget Document.)

Factors Considered in Revenue Budget Development

- **Six-Year Plan (2.9%)**
- **Estimated General Fund support**
- **Nongeneral Fund Cost Assignments**
- **Cost Drivers**
 - **Compensation, fringe benefit rates**
 - **Other Costs (fixed costs, utilities, health & safety)**
- **University Budget Priorities**
 - **Enhanced Student Financial Aid to help Low- to Middle-Income families**
 - **Enrollment Growth**
 - **Strategic Initiatives (Destination Areas)**
- **Market Considerations**
 - **Currently studying elasticity of demand**

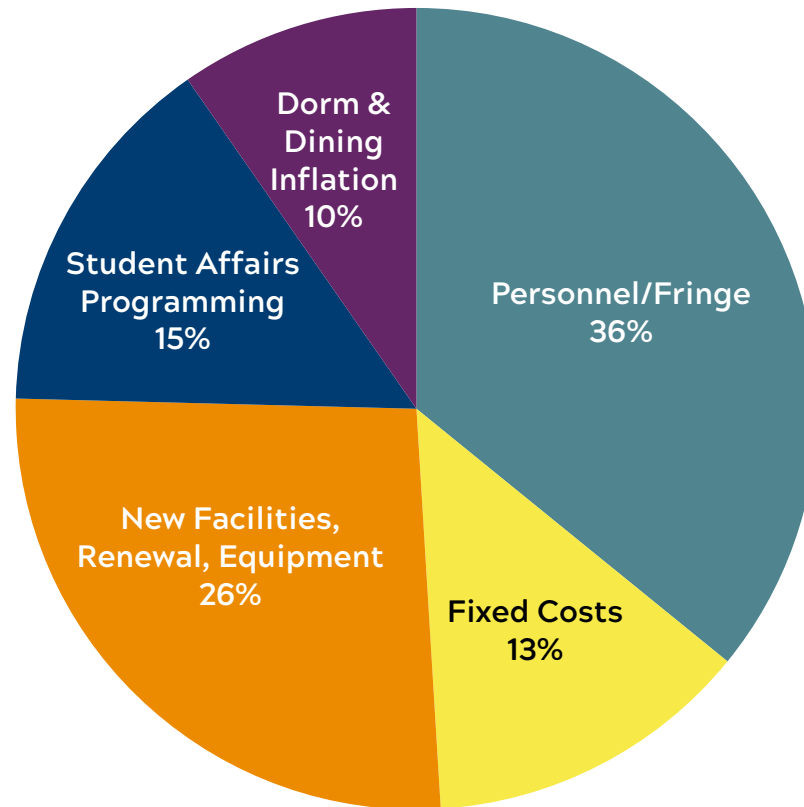
Comprehensive Fee

Proposed increase of 2.9%



Room & Board

Proposed increase of 2.8%



Student Service Enhancements

- **Health Services:** Cook Counseling Center Counselors (seven positions), Psychiatric Nurse Practitioner, Allergy Clinic Licensed Practical Nurse, Health Clinic Enhancements, Health Professional Recruitment & Retention Salary Support
- **Wireless:** Robust Wireless System Equipment Refreshment
- **Transit:** Bike Share Program, Enhanced High Volume Routes, Enhanced Campus Circular Frequency
- **Career & Professional Development:** Career Events, Software for Job/Internships & Mentorship Program, Employer Relations Asst
- **Student Engagement & Campus Life:** Student Budget Board Increase, Cultural & Community Center Support Personnel, Student Conduct
- **Recreational Sports:** Lee Quad Fitness Park, Fitness Facility Enhancements, Sport Equipment Electronics Maintenance
- **Dining Services:** Wage & Salary Retention Support, Inflation of Food Costs, Capital Project Planning