



THE CONNECTICUT STATE UNIVERSITY

P.O. Box 2008 • New Britain, Connecticut 06050 • (203) 827-7700

RESOLUTION

concerning

TUITION POLICY

of the

CONNECTICUT STATE UNIVERSITY

September 1, 1983

- WHEREAS, The democratic promise of our society requires that a university education be open and available to all students of ability regardless of their economic condition, and
- WHEREAS, University graduates provide leadership to generate economic activity for the benefit of society and in addition typically pay back in taxes many times over the cost to society of their university education, therefore be it
- RESOLVED, That the Trustees of Connecticut State University endorse a policy of low tuition to encourage university attendance and persistence to graduation, and be it
- RESOLVED, That the Trustees vigorously oppose any increase in the present level of tuition.

A Certified True Copy:

James A. Frost
Executive Director

Central Connecticut State University • New Britain
Eastern Connecticut State University • Willimantic

Southern Connecticut State University • New Haven
Western Connecticut State University • Danbury

BOARD OF GOVERNORS FOR HIGHER EDUCATION

GOALS AND PROCEDURES STATEMENT CONCERNING THE DEVELOPMENT AND IMPLEMENTATION OF A NEW BUDGETING SYSTEM

The Board of Governors for Higher Education is directed under the provisions of Section 10a-8(b) of the Connecticut General Statutes to "develop a formula or program-based budgeting system to be used by each institution and constituent unit board in preparing operating budgets for the fiscal year commencing July 1, 1985, and each fiscal year thereafter." To guide the development and implementation process for meeting this statutory mandate, the Board of Governors will adopt a set of goals, objectives, and principles and develop a mixed budgeting approach which uses elements of both formula and program budgeting as defined and described in this statement. It is also the intent of the Board of Governors to ensure that constituent unit and institutional representatives are provided ample opportunity to participate in the development of the new budgeting system. An important aspect of this participation will be the work of the Advisory Committee on Formula Budgeting, its Working Task Force and special resource groups, whose membership and duties are described in part IV.

Part I - Budgeting Definitions and Descriptions

- A. Formula budgeting is an objective, numerical method for determining the amount of funds needed for specific higher education activities. The method involves converting activity variables such as student enrollments and square feet of space into budget dollars through the use of mathematical parameters which provide for an equitable and adequate level of funding for a specific institution during a specific time period.

For Fiscal Year 1985-86, budget recommendations for the following higher education funding areas shall be developed using a formula budgeting method:

Instruction - This funding area shall include salary expenses for faculty research, public service, and academic administration; salary expenses for instructional support staff; and departmental operating expenses.

The Instruction formula funding area shall be based upon all credit instruction, as well as non-credit bearing courses which are now supported by state appropriations, such as remedial or pre-technical instruction. However, it shall not include credit instruction which is provided under a grant, contract, or other agreement with an outside agency or organization.

The Instruction formula shall apply to instructional programs at the University of Connecticut, Connecticut State University, the Regional Community Colleges, and the State Technical Colleges. It shall not apply to instruction provided by Charter Oak College or medical and dental instruction provided by the University of Connecticut Health Center.

Library Service - This funding area shall include library acquisitions, staff salaries, and operating expenses.

The Library Services formula shall apply to all library operations at the University of Connecticut, the University of Connecticut Health Center, Connecticut State University, the Regional Community Colleges, and the State Technical Colleges.

Physical Plant Operations and Maintenance - This funding area shall include custodial services, facilities maintenance, grounds maintenance, utility operations, inventory control, security, physical plant administration, and other general services, except those physical plant activities which are defined as self-supporting and funded by Auxiliary Services Funds.

The Physical Plant Operations and Maintenance formula shall apply to the University of Connecticut, the University of Connecticut Health Center, Connecticut State University, the Regional Community Colleges, the State Technical Colleges, and the Central Naugatuck Valley Region Higher Education Center.

- B. Program budgeting is a budgetary concept which attempts to combine planning and budgeting processes by making planning objectives or outcomes an integral part of an institution's operating budget. Essentially, it attempts to define and clarify the resources needed to enable an institution or agency to reach its stated objectives. The goal of the Board of Governors is to use the program budgeting approach only for those programs and activities which are clearly non-comparable across institutions. However, for the first year of implementation, a number of programs and activities which could be considered comparable will be "program-budgeted." As part of the annual review process described in part III, it is anticipated that recommendations will be forthcoming to budget additional higher education programs and activities on a formula basis.

For Fiscal Year 1985-86, budget recommendations for the following public higher funding education areas shall be developed using a program budgeting method:*

- University of Connecticut Health Center (except for library services and physical plant operations and maintenance)
- Central office operations for each constituent unit governing board.
- Department of Higher Education
- Board for State Academic Awards (Charter Oak College)
- Research centers and institutes, and other separately-budgeted research

*Definitions of these funding areas will be guided by the definitions used by the National Association of College and University Business Affairs (NACUBO).

- Separately-budgeted public services including cooperative extension
- Academic support functions, excluding libraries
- Student services functions
- Institutional support functions, excluding physical plant operations and maintenance
- Independent operations
- Scholarships, fellowships, loans, and other student assistance programs
- Auxiliary Enterprises
- Non-credit instruction, except remedial and pre-technical instruction and such similar programs which are now supported by state appropriations

Part II - Goals and Objectives of the Budgeting System

1. The formulas used to develop institutional budget recommendations should adequately reflect the funding needs of the public higher education institutions.
2. The formulas must provide for an equitable distribution of state resources available to support higher education. Comparable programs at each institution should be similarly funded.
3. The budgeting system should be based on the assumption that students enrolled in credit instruction programs which are responsive to the primary educational mission of the institution should be supported through a combination of state appropriations and tuition revenue.
4. The formulas should be responsive to differences in institutional role and mission.
5. The formulas and all other elements of the new budgeting system should be relatively simple in order to promote understanding and acceptance by the education community and the executive and legislative branches of state government.
6. The budgeting system should be responsive to statewide policy goals such as ensuring access to higher education, maintaining and improving institutional quality, and responding to the manpower needs of Connecticut business and industry.
7. The formula should be based upon reliable information and data systems which assure comparability among institutions.
8. The new budgeting system should be designed to enhance management flexibility in the use of funds. Incentives should be built into the system for promoting the efficient use of funds and institutions should

not be penalized in the budget process for using resources in an efficient manner.

- 9. The new budgeting system should be sensitive to the need for special, non-formula funding categories that encourage innovation and provide seed capital for achieving academic program excellence.
10. The formulas should be sensitive to fixed and variable cost differences to avoid significant shifts in institutional funding levels from year to year which may result from enrollment fluctuations.

Part III - Principles for the Use of the New Budgeting System

1. The new budgeting system will serve as the means by which the Board of Governors will develop its annual budget recommendations for the Connecticut higher education system. As such, it shall not be used as a means for directing expenditure decisions within an institution or campus branch. However, in accordance with Section 10a-8(b) C.G.S., it is expected that constituent unit governing boards will allocate appropriations to individual institutions and campus branches with due consideration to the appropriation levels determined by the budgeting system and as approved by the General Assembly.
2. For those portions of institutional and campus branch budgets which are developed using a formula approach, a "hold harmless" provision will be established to ensure that the budget for any institution or campus branch, as recommended by the Board, does not represent a reduction in its funding level for Fiscal Year 1985-86*. Additionally, it will be the goal of the Board of Governors to move each institution and campus branch to 100% funding in accordance with formula-generated amounts.
3. Existing funding deficiencies which may be the result of inadequate funding levels in the past or the expenditure priorities of the constituent unit governing boards and institutions may require special consideration beyond the formulas used to generate funding levels in these areas. It shall not necessarily be the goal of the formulas to correct funding deficiencies which are cumulative in nature (e.g. library acquisitions, deferred maintenance).
4. The new budgeting system shall be reviewed annually by Department of Higher Education staff to evaluate its effectiveness toward meeting the funding needs of the higher education system and make recommendations to the Board of Governors for revisions to the budgeting system, where such revisions may be needed or may be desirable. This review shall consider among other things:
 - a) Shifting areas currently budgeting on a program basis to formula-based budgeting, or vice-versa.

*Should any institution or campus branch be recommended for closure or merger during FY 1985-86, this provision could not apply.

- b) Changes to formula parameters which may be necessitated by technological changes, programmatic changes, or changes in institutional roles and missions.
- c) Changes to formula parameters due to further refinements in the data or other information used to support the formula.
- d) Revisions requested by constituent units or institutions based upon their evaluation of the formula's performance relative to actual operational trends.

For the purposes of this annual review, the Commissioner of Higher Education may designate special advisory committees, comprised of constituent unit and institutional representatives and such other representatives as may be needed or desired, to assist and advise Department of Higher Education staff in making revisions and refinements to the higher education budgeting system.

Part IV - Advisory Committee on Formula Budgeting; Working Task Force; Special Resource Groups; Membership and Duties

The Department of Higher Education staff is assisted in the development of the new budgeting system by the Advisory Committee on Formula Budgeting, its Working Task Force, and special resource groups whose duties are to advise staff in the design, development, and testing of formulas for the areas of instruction, library services, and physical plant operations and maintenance. The membership of these various advisory groups is as follows:

Advisory Committee on Formula Budgeting

Chairperson: Norma Foreman Glasgow,
Commissioner of Higher Education

Membership: Antoinette Bascetta
Board of Trustees for Connecticut State University

Robert Chapman
Tunxis Community College

Anthony DiBenedetto
University of Connecticut

John A. DiBiaggio
University of Connecticut

Stephen Feldman
Western Connecticut State University

Douglas Fichtel
Waterbury State Technical College

James A. Frost
Board of Trustees for Connecticut State University

Joseph Gervascio
Board of Trustees for Regional Community Colleges

Arthur L. Gillis
University of Connecticut

John Glasgow
University of Connecticut Health Center

Georgina Hendrick
Middlesex Community College

W. Lewis Hyde
Board of Trustees for State Technical Colleges

James J. Long
Board of Trustees for State Technical Colleges

Geary Maher
Office of Fiscal Analysis

Andrew McKirdy
Board of Trustees for Regional Community Colleges

Paul McNamara
Housatonic Community College

Roy Merolli
Eastern Connecticut State University

George Muirhead
Central Connecticut State University

James Poloshian
Office of Policy and Management

Howard Rifkin
Office of Policy and Management

Bernard Shea
Board for State Academic Awards

Donald Welter
Thames Valley State Technical College

Working Task Force (consisting of a subset of members from the Advisory Committee and representatives from pilot institutions used for the purpose of formula modeling.)

Chairperson: Mark Sullivan, Assistant Commissioner
Finance, Facilities, and Financial Aid

Membership: Antoinette Bascetta
Board of Trustees for Connecticut State University

Anthony DiBenedetto
University of Connecticut

Robert Drobish
Western Connecticut State University

Douglas Fichtel
Waterbury State Technical College

Joseph Gervascio
Board of Trustees for Regional Community Colleges

Arthur L. Gillis
University of Connecticut

Georgina Hendrick
Middlesex Community College

James J. Long
Board of Trustees for State Technical Colleges

John Mathews
Thames Valley State Technical College

Paul McNamara
Housatonic Community College

George Muirhead
Central Connecticut State University

Library Services Resource Group

Chairperson: Richard Danis, Associate Director,
Budget and Financial Planning

Membership: Ralph D. Arcari
University of Connecticut Health Center

Marion Flynn
Manchester Community College

Jean F. Hart
Greater Hartford Community College

Oliver R. Hayes
Eastern Connecticut State University

John McDonald
University of Connecticut

Katherine Sholtz
Western Connecticut State University

Larry W. Yother
Hartford State Technical College

Physical Plant Operations and Maintenance Resource Group

Chairperson: Richard Tedder, Director,
Facilities Planning

Membership: Thomas Anderes
University of Connecticut

Stephen E. Bidstrup
Board of Trustees for Regional Community Colleges

Robert H. Clawson
University of Connecticut

Kenneth E. DeRego
Hartford State Technical College

Roger Hinze
Middlesex Community College

Dino Iorli
CNVR Higher Education Center

Joseph F. Pikiell
Central Connecticut State University

Richard Popham
University of Connecticut Health Center

Ronald V. Stephens
Eastern Connecticut State University

Comments by

Connecticut State University

On Tuition Policy

As Proposed by Department of Higher Education

September 1, 1983

The Board of Governors is empowered to establish tuition policy for public higher education. The staff of the Department of Higher Education has presented a "Tuition Policy Paper" dated July 19, 1983, in which the staff recommends that a tuition policy be established immediately which bases tuition in public institutions on a percent of actual cost of instruction. The thrust of the staff report is that a larger portion of the cost of public higher education should be born by the individual student and a smaller proportion should be born by the public.

Since parental contributions are already very limited and grants-in-aid are inadequate to meet present costs, increased tuition will mean more borrowing by students.

SOME VERY BROAD QUESTIONS OF SOCIAL POLICY ARE RAISED BY THIS APPROACH. THESE QUESTIONS ARE:

1. How many years of a college graduate's productive life should be devoted to paying off debts incurred to obtain a college education?
2. What percent of a college graduate's total income should be devoted to paying off college debts?
3. Will large college debts have an impact on the behavior of America's rising leadership group?

E.g. 1. Will entrepreneurial behavior be inhibited in graduates weighed down by the necessity to make regular payments on college debts?

2. Will the lesson be taught that default and bankruptcy are the smart and slick way to dispose of obligations?

3. Will essential but low-paying jobs be avoided by graduates who need to generate significant income early in life to pay off debts? Jobs like housewife, school teacher, social worker, college professor, minister, etc. may not be possibilities for graduates. This may be especially true for low-paying jobs which require graduate education.
 4. Will college debts make home ownership for graduates impossible until late in life?
 5. Will the marriage decisions of graduates be influenced by the fact that both the prospective bride and the prospective groom have large college debts. (The negative dowry effect?)
4. Most significantly, what proportions of American society will be excluded from higher education opportunities?

Thirty years ago a large segment of American society was excluded from higher education by the kind of economic barriers now proposed to be re-introduced. However, society has fundamentally changed in the interim. Unskilled jobs have virtually been eliminated. Education is much more essential for employment and advancement in today's economy than it was in the past.

5. Should the tuition of some students be raised to fund financial aid for other students? Is this ethical, especially in the case of middle income students who are just barely able to pay tuition through their own hard work and the long-term savings of their families?
6. Should public higher education be used as a device for redistributing income (through high tuition for those thought to be able to pay and financial aid for those who can't)? No other public service is used as such a device. Should not the tax system be the vehicle for redistributing wealth if this is to be the policy of the state?

SOME MORE TECHNICAL QUESTIONS ARE:

1. Should "tuition" policy be considered in isolation from all the other costs of going to college? Tuition at public institutions has traditionally been a minor part of total costs. \$4,500 to \$6,000 per year are currently realistic cost estimates at Connecticut's public four-year institutions for students who have to live away from home. It is the total costs which students have to face that are potentially exclusionary.

2. Should tuition policy be considered without knowing the average indebtedness being incurred at present by graduates of Connecticut's public institutions and the impact of this indebtedness on the graduates' lives?
3. Should increased reliance be placed on loans to students without knowing the very significant cost of administering loan programs? These costs include permanent staff members, outside auditors, contracted mailing and accounting systems, and private collection agencies for delinquent accounts. Costs of collection may amount to a high proportion of what is collected. In other words is it a cost-effective and efficient approach?
4. Should tuition policy be considered without knowing the demand for financial aid at present tuition rates in relation to the supply of financial aid?
5. With increasing reliance on financial aid, is it appropriate to continue to permit a private, out-of-state organization to make the critical determination of students and parents "need" and "ability to pay." The College Scholarship Service is a private organization accountable to no public authorities. As college costs born by the students increase, the College Scholarship Service's decisions will increasingly determine who is one of the elect in our society and who is to be excluded.
6. If increased reliance is to be placed on financial aid, should not the bases currently used for determining "need" and "ability to pay" be known to the Board of Governor's and the public?

SOME SPECIFIC COMMENTS ON OUT-OF-STATE TUITION:

1. At present Connecticut State University campuses have a very small number of out-of-state students. Including foreign students, they constitute only about 6% of the full-time enrollment. There is a genuine educational value for all students in having this cosmopolitan element on our campuses. To diminish this already small group by sudden large tuition increases would have a negative impact on the educational environment of all students.

2. A sudden increase of \$782 in tuition, as suggested by the Department of Higher Education staff, when added to the inevitable inflation in room, board, books, transportation, and other living costs is too great an increase to be fair to the out-of-state students who have begun their education on our campuses in reliance on the present tuition rate structure. These students have to expect some inflation, but they should not have to bear such drastic rate structure changes in order to finish their education where they started.
3. Out-of-state students who settle in Connecticut after graduation are a boon to the state's economy. They are educated and productive citizens whose elementary and secondary schooling did not have to be paid for by Connecticut taxpayers. They help to offset the outmigration of college students from Connecticut, many of whom never return. Connecticut needs to be concerned about the loss of human capital resulting from this net outflow of able young people.
4. Our tuition policy should encourage, not discourage, enrollment by out-of-state students.

SOME SPECIFIC COMMENTS ON USING "PERCENT OF COST" AS A RATIONALE FOR TUITION:

1. "Percent of cost" is no more rational, scientific, or predictable (one of its alleged advantages) than Connecticut's present method of determining tuition.

The percent will be arbitrarily selected. The percent will be subject to adjustments in the political process every year. What is to be included in "cost" will be based on arbitrary judgement initially and will also be changed unpredictably in the political process from year to year.

The one thing that is predictable is that the cost of public higher education will in a short period of years be shifted massively onto the student. Families who have been saving and planning for many years to send children to college (even those whose savings plans included an inflation factor) will not have been able to predict this quantum change in official policy.

2. The history of other states which have adopted the "percent of cost" approach is that the percent is regularly adjusted upward. The staff report of July 19, 1983 suggests that such developments are contemplated for Connecticut too:

"The selection of the above targeted percentages takes into consideration a) the need for some moderation in the size of the first year tuition increases as the new tuition setting approach is implemented...(emphasis added) (page 14)

3. The "percent of cost" approach means that per student cost will rise as a result of declines in enrollment. Fixed costs divided by a declining number of students will push up the cost per student. Thus tuition based on cost will rise in relation to a factor over which there is very little control.

This could lead to a dismal downward spiral in which increasing cost drives enrollments down which in turn drives the price up.

AN ALTERNATE APPROACH TO TUITION POLICY:

1. Tuition should be based on a conscious policy of low cost to the student as a means to encourage participation in higher education for the betterment of society. Public higher education was our nation's first affirmative action program. It should remain such.

Keeping the cost to the student low is a much more reliable way to assure access than reliance on financial aid. The financial aid system is and is likely to continue to be costly to staff and operate, highly complex and bureaucratic, largely hidden from public scrutiny, arbitrary, and inadequate to the needs of students.

9/1/83

Chross



THE CONNECTICUT STATE UNIVERSITY

P.O. Box 2008 • New Britain, Connecticut 06050 • (203) 827-7700

September 7, 1983

*For complete
file see A.Bk
9/1/83 mtg.*

Dr. Norma F. Glasgow
Commissioner
Board of Higher Education
61 Woodland Street
Hartford, CT 06105

Dear Norma:

At their meeting on September 1, the Trustees for the Connecticut State University decided emphatically and unanimously to oppose any increase in the present level of tuition. This position is expressed in Resolution #83-107 (copy enclosed). The Trustees also reviewed my comments on the Tuition Policy (copy enclosed) and struck the final paragraph on page 5. I was instructed by the Trustees to tell you that they do not and will not support a formula based tuition.

Also enclosed is a copy of Resolution #83-108 concerning the proposed formula/program budget. The Trustees are enormously concerned over the proposal to fold the Educational Extension Fund into the General Fund Budget. They believe the Board of Governors has not provided itself with the opportunity to hear the concerns of the Connecticut State University community.

I very much regret that we are at such odds in these matters. Our feeling is that fixing tuition to a percentage of instructional costs is the first step to a high tuition policy. We believe this is bad for our students and just as bad for our State. We have a number of concerns about the formula/program budget but the greatest is the merger of the Educational Extension Fund into the General Fund Budget. I urge that more time be given to the study of these matters. It is difficult to think of the hearings scheduled for September 8 to be anything but pro forma.

Sincerely,
Jim
James A. Frost
Executive Director

encl.

Central Connecticut State University • New Britain
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Extract from the Board of Trustees for the Connecticut State University
Minutes of Meeting - September 1, 1983

A motion to amend the comments by the Connecticut State University on Tuition Policy by deleting the two paragraphs of Item #2 on Page 5 was moved by Mr. Pinney, seconded by Mrs. Hoar, and unanimously approved by all Trustees present.