

RESOLUTION
concerning
TUITION POLICY
of the
BOARD OF GOVERNORS FOR HIGHER EDUCATION

June 15, 1990

WHEREAS, The Board of Trustees of the Connecticut State University has consistently taken the position against tuition and striven to keep costs to students as low as possible while offering a high quality education in a safe and functional environment, and

WHEREAS, The Board of Trustees of the Connecticut State University is convinced that the availability of university education at a price to students which is low enough to be affordable to the great majority of students and to encourage participation is essential to the maintenance of the economic health and the democratic character of our society, and

WHEREAS, The tuition charge imposed by the Board of Trustees of the Connecticut State University must conform to the tuition policy adopted by the Board of Governors for Higher Education, therefore be it

RESOLVED, That the Board of Trustees of the Connecticut State University strongly urges the Board of Governors for Higher Education not to increase the percentage of the operating budget which the public constituent units must generate from tuition revenue and, in short, not to change its current tuition policy, which applies uniformly to all public constituent units.

A certified true copy

Lawrence J. Davidson
Lawrence J. Davidson
Chairperson



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Office of the President

June 6, 1990

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

Dear Norma:

Thank you for the opportunity to comment on the change in tuition policy which is proposed by DHE staff.

Connecticut State University strongly urges the Board of Governors to reaffirm its current tuition policy.

The Board of Trustees of Connecticut State University has worked hard to control increases in tuition and other charges to students. The Board has consistently followed this approach because it believes that low price to the student is the surest and most enduring guarantor of access to higher education. Recent experience with the vagaries of financial aid has convinced our system that, while financial aid is necessary for the most needy students, it cannot be depended upon as a guarantor of access for the majority of students in our institutions.

At a time when wealth seems to be concentrating more and more among a small percentage of upper income people, preservation of low prices to students in public higher education is an effective means of maintaining opportunity for the majority. In particular, people at the lower end of the middle-income spectrum are experiencing an income squeeze. High-paying industrial jobs are disappearing. Low-skill service sector jobs are increasing. Access to higher education is especially crucial if young people caught in these economic shifts are to have the opportunities to participate in an information-based economy which requires professional-type skills.

Along with changing income distribution patterns, the impact of inflation over a period of years must be considered. Inflation alone forces up prices to students each year. If in addition to inflationary increases, an increase is imposed in the student's proportional share, there is a double impact. It is often said that home ownership is decreasingly possible for the middle income sector of society. Will access to higher education similarly be limited for this sector? Should we not study the long-range price projections for public higher education before proposing a change in tuition policy?

In addition to fundamental economic changes there are cultural changes in our society which have great relevance to this policy question. The increasing rates of divorce and single parenthood limit families' ability to save for their children's education. The growth of population groups which do not have experience with higher education or with student borrowing is an enormously significant factor. Young



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people from these groups need to be encouraged to make the commitment to higher education. The Board of Governors' proposal for PROJECT HOPE indicates how important the perception of ability to afford education is.

All of the above arguments seem to us to be related to our commitment to the democratic nature of our society, a society open to talent regardless of where that talent comes from on the socio-economic scale and the demographic spectrum. All of these arguments should encourage us to keep prices to students as low as possible.

There are a number of other factors which we would like to call to the Board of Governors' attention regarding tuition policy.

First, tuition is not the only cost which students have to pay to attend Connecticut public institutions. In-state undergraduate students pay the following:

<u>Type of Cost</u>	<u>Students Pay</u>
Operating Cost	20%
Gen. & Tuition Funds	
Room and Board	100%
Other Living Costs	100%
Clothing	
Maintenance	
Entertainment	
Activities Fees	100%
Insurance	100%
Books & Supplies	100%
Transportation	100%

The total out-of-pocket cost, not just the cost of tuition, determines whether students can afford to attend.

Second, there are other ways to analyze how much students contribute to the cost of their public university educations. If one looks at the total operating budget of Connecticut State University, including Tuition Fund, Extension Fund, and Auxiliary Services Fund, one discovers that students contribute 45% of the budgeted total.

When one adds budgeted costs and non-budgeted costs together, it is clear that students in Connecticut State University are already paying half and often more than half of the total cost of their educations.

It is sometimes said that students in public higher education should be required to pay on the basis of their ability to pay. If this is a good approach, however, one is immediately moved to ask why it should be confined to just one public function. Why should it not apply to all state services?

For all of these reasons, we would like to urge the Board of Governors to maintain its current tuition policy and thus not raise the

minimum tuition revenue percentage. The current policy was based on sound principles and a philosophy of access based on low price to the student. This is a philosophy which goes back to the founding of the public normal schools in Connecticut by Henry Barnard in 1849 and to the Morrill Act in 1862. This philosophy is as valid today as it was in the 19th Century and as it was when the Board of Governors adopted its existing tuition policy in 1985.

In addition to our objection to raising the minimum tuition revenue percentage for annual operating budgets, we wish to call your attention to Item 4 of the proposed policy on page 17 which relates to dedicated reserves within the Tuition Fund.

It is at times advantageous to establish dedicated reserves within the Tuition Fund to provide for major projects or expenditures that cannot be supported within one annual budget. It is also advisable to have an operating fund reserve of between 10% and 15% of annual operations to cover possible enrollment decline—revenue shortfall—and to provide an adequate cash flow in the fund. If Item 4 of the policy is meant to read that all reserves must not exceed 15 percent of the tuition revenues of the prior year, then the policy is unnecessarily restrictive. All reserves are accounted for and reviewed annually during the budget process. The Board of Governors has sufficient oversight over the fund and reserves without the added restriction in the policy.


It is therefore suggested that Item 4 be modified as follows:

4. Dedicated reserves within the tuition fund should provide a mechanism for the set-aside of funds to support specific major projects which because of their size and scope cannot normally be supported within any one annual operating budget. Constituent units may establish one or more dedicated reserves within the Tuition Funds to provide for major projects provided that the planned project and related expenditures must be specifically identified and reviewed as part of the annual operating budget process with the Board of Governors.

The last item of the proposed policy, Item 5, page 17, concerning cost equity for students enrolled under the General Fund or Extension Fund is a budget issue and should not be part of the Tuition Fund policy. If funds are to be requested to support the part-time students in Connecticut State University, it would be part of the annual budget request. Therefore we suggest that this item be deleted from a statement of tuition policy.

Again, thank you for the opportunity to present these strongly held views which I presume you wish to share with the Board of Governors. We truly hope for a meeting of minds with the Board of Governors on all aspects of tuition policy.

Sincerely,


Dallas K. Beal
President

cc: Members, Board of Trustees
Connecticut State University
CSU Presidents

P.S. You may be interested in certain of the tuition--general fund comparative statistics over the past few years:

CSU

1. General Fund increases from 1985-86 to 1990-91 were 49%. Tuition Fund increases for this same period were 82%; and the increase in the tuition fee was 63% (\$650 to \$1,060).
2. From 1988-89 to 1990-91 the General Fund increase was 5%; the Tuition Fund increase was 52.5%; and the tuition fee increase was 19%.

Do we really wish to exacerbate further an increase in cost to students that is already on a rapid upswing?