

# The University of Kansas (All Campuses)

## FY 2005 TUITION PROPOSAL

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### Introduction

The first two years of KU's five-year tuition strategy achieved the goals that were identified in 2002:

- Provide much-needed new funding for high priority academic program enhancements;
- Generate funds for need-based KU Tuition Grants; and
- Avoid using tuition as a dollar-for-dollar substitute for reduced state funding.

KU's FY2005 tuition proposal, the third year of the five-year strategy, is described below and in two attached appendices. In summary, it calls for the following increases in tuition at the Lawrence and Medical Center campuses:

- \$318 per semester increase for resident undergraduate students (15 hours);
- \$557.25 per semester increase for nonresident undergraduate students (15 hours);
- \$273 per semester increase for resident graduate students (12 hours); and
- \$471.60 per semester increase for nonresident graduate students (12 hours).

For medical students, tuition will increase by \$1,062.45 per semester for resident students and by \$1,361.10 for nonresident students. Required fees vary by campus and are charged in addition to tuition.

Tuition and fees represent less than one-third of the total annual cost of attending KU for resident undergraduates (\$12,990 in 2003-04, factoring in room, board, books, travel and personal expenses). While the proposed academic year increase in tuition and fees at Lawrence for resident undergraduate students is just over 15 percent, the amount of the increase represents just under a 5 percent increase in the total cost of attending KU (projected to be \$13,776 in 2004-05).

KU's five-year tuition strategy has been highly successful in achieving its goals and has had no negative effect on overall enrollment, which from Fall 2001 to Fall 2003 increased by 1,082 students, or 3.8 percent. Similarly, there has been no negative impact on minority (American Indian, Black, and Hispanic) enrollment over the same period, which increased by 442 students, or 24.4 percent. As important as student enrollment is student retention, and KU is retaining a larger percentage of its entering minority students. Over the past five years, the percentage of KU minority entering freshmen retained after one year has increased from 66.4 percent to 78.9 percent, and the percentage retained after two years has soared from 52.8 percent to 70.4 percent.

Two critical considerations in an increasing tuition environment are accessibility and affordability. In Fall 2001, which was prior to the start of the five-year tuition enhancement program, 14.0 percent of the enrolled freshmen had a family income of \$36,000 or less. In Fall 2003, after two years of the tuition enhancement program, 14.1 percent of the enrolled freshmen had a family income of \$36,000 or less. Thus, despite tuition increases, KU is still attracting students from families of moderate means, and remains a very affordable "best buy" in higher education, according to the Fiske Guide to Colleges.

KU is confident that the third and subsequent years will be similarly successful at enhancing the academic experience for students while, for the most part, holding harmless those who have the greatest financial need.

**Financial Aid** - Approximately 20% of the revenue generated by the proposed FY 2005 enhancement tuition increase will be directed toward need-based financial aid. In FY 2004, \$3.4 million in KU Tuition Grants were set aside for need-based financial aid at the Lawrence and Edwards campuses, which resulted in 4,122 students (3,369 undergraduate, 753 graduate) receiving tuition grants averaging about \$835 each. A total of \$474,000 set aside for need-based financial aid at the Medical Center campus resulted in tuition grants averaging \$827 each to 573 students.

The dollar amount of KU tuition grants funded through tuition increases is the largest in KU history.

- The Kansas Comprehensive Grant Program provides \$12 million in student financial aid to higher education students throughout Kansas.
- The KU Tuition Grant Program, at \$3.9 million, is the second largest student financial aid program in the state.
- BY FY 2005, the KU Tuition Grant Program is estimated to be 3 times greater than the state financial aid KU students receive through state financial aid programs.\*

\* State financial aid programs include the Kansas Comprehensive Grant Program, Kansas State Scholarships, Kansas Teacher Service Scholarships, and Kansas Ethnic Minority Scholarships.

**A. FY 2005 PROPOSED TUITION RATES (All Students)**

	<b>FY 2004 Tuition Rate*</b>	<b>Proposed FY 2005 Tuition Rate*</b>	<b>\$ Increase</b>	<b>% Increase</b>
<b>Undergraduate Resident</b>	<b>\$117.55</b>	<b>\$138.75</b>	<b>\$21.20</b>	<b>18.0%</b>
<b>Graduate Resident</b>	<b>156.05</b>	<b>178.80</b>	<b>22.75</b>	<b>14.6%</b>
<b>Undergraduate Nonresident</b>	<b>366.75</b>	<b>403.90</b>	<b>37.15</b>	<b>10.1%</b>
<b>Graduate Nonresident</b>	<b>419.80</b>	<b>459.10</b>	<b>39.30</b>	<b>9.4%</b>
<b>Medical Students Resident</b>	<b>7,292.00/Sem</b>	<b>8,354.45/Sem</b>	<b>1,062.45/Sem</b>	<b>14.6%</b>
<b>Medical Students Nonresident</b>	<b>14,557.50/Sem</b>	<b>15,918.60/Sem</b>	<b>1,361.10/Sem</b>	<b>9.3%</b>

\* The proposed rates include the technology and library fees, which were formerly identified separately.

Table A represents proposed tuition rates for FY 2005, which includes:

➤ **basic tuition**

- FY 2004 base tuition per credit hour x 4.0 percent inflationary/maintenance increase + \$6.00 per credit hour maintenance surcharge for nonresident students only + \$16.50 per credit hour enhancement tuition = FY 2005 base tuition per credit hour.
- Medical tuition is shown per semester since it is not based on credit hours.

## B. FY 2005 PROPOSED DIFFERENTIAL TUITION RATES

The following differential tuition rates per credit hour are charged in addition to the tuition rates above. An important hallmark common to all the new proposals is the significant level of student involvement in the proposal development and design. As a result, these differential tuition proposals enjoy widespread student support. Full documentation of each new proposal is available at: <http://www.ku.edu/~oirp/Tuition/>

Current Differential Tuition	FY 2004 Differential Tuition Rate	Proposed FY 2005 Differential Tuition Rate	\$ Increase	% Increase
Pharmacy (PharmD degree)	\$91.75	\$95.45	\$3.70	4.0%
Law	107.95	112.30	4.35	4.0%
Business (Masters)	59.40	61.80	2.40	4.0%
Engineering (Technology Fee)	15.00	15.00	0	0%
Edwards Campus Engineering (Masters)	32.40	33.70	1.30	4.0%
Architecture	15.00	15.60	.60	4.0%
<b>Proposed Differential Tuition</b>				
Business		75.00	75.00	N/A
Education		15.00	15.00	N/A
Engineering		15.00	15.00	N/A
Fine Arts		15.00	15.00	N/A
Journalism		12.00	12.00	N/A

**Business Differential Tuition** – Revenue from the new Business differential tuition of \$75 per credit hour is estimated to be approximately \$3 million per year. The largest single expenditure area is curriculum enhancement, where \$1.5 million would be invested in nine new tenure track faculty positions and two lecturer positions. The balance of differential tuition revenues would be used in areas such as student scholarships and assistantships, career services, experiential learning activities, and technology. Through a differential tuition committee established by the dean of the School of Business, students have

played a significant role in the discussion and development of the proposal. Student support for this differential tuition program is strong and widespread. Letters of support have been received from many student organizations, including the KU Undergraduate Business Council, KU Graduate Business Council, KU Chapter of the American Business Women's Association, Association of Business Doctoral Students, and Beta Alpha Psi, Beta Gamma Sigma, and Delta Sigma Pi.

**Education Differential Tuition** – Revenue from the new Education differential tuition of \$15 per credit hour is estimated to be approximately \$800,000 per year. Of this amount, approximately half would be awarded in scholarships for undergraduate and graduate students in the School of Education, around 30 percent would be dedicated to increasing and enhancing student services, and the remaining 20 percent would be allocated for paying clinical supervisors. In order to ensure that students had ample opportunity to be informed about the details of the proposal, and to provide input and feedback, the School of Education held seven open forums on the Lawrence campus and two open forums on the Edwards campus in January and February of this year. The School of Education Student Organization (SESO) supports the proposed differential tuition, and is committed to being involved in framing the programmatic details of the proposal.

**Engineering Differential Tuition** - Revenue from the new Engineering differential tuition of \$15 per credit hour is estimated to be approximately \$425,000 per year. The additional revenue would impact the school by providing support for technology enhancement, student program support (including career services,) and faculty support. Deliberations on development of this proposed differential included departmental chair discussions and school-wide faculty meetings, departmental and school external advisory board meetings, and discussions with students. A meeting last Fall with students demonstrated their strong support for the proposed differential tuition, and the Engineering Student Council, through a letter of support, endorses the proposal.

**Fine Arts Differential Tuition** - Revenue from the new Fine Arts differential tuition is estimated to be approximately \$408,000 per year. Differential tuition revenue for Art and Design would be dedicated to several areas, including technology needs (computers and peripherals), and “low tech” needs, such as drawing benches and model stands. Music and Dance differential tuition would be used for personnel, including selected instrument instructors, and dance, choral, and orchestral staff, and for equipment, including replacement of pianos. The School of Fine Arts held extensive discussions with students concerning this proposal, and there has been widespread and strong support for it. Individual chairs met with students and with student advisory councils to answer questions about the proposed differential tuition, and to get feedback from students. The dean's activities in regard to this proposal included a “Town Hall” discussion, to which all students were invited. Letters from seven student organizations,

including the Chair of the Fine Arts Student Association, are supportive of this differential tuition.

**Journalism Differential Tuition** - Revenue from the new \$12 per credit hour Journalism differential tuition is estimated at approximately \$156,000 per year. The target areas for generated revenue include tools (hardware, software, and networking), training (in highly specialized software used in the media professions), and timely access to the Journalism School's computers (more workstations and expanded access). This proposal is the result of a process carried out by a student-faculty Journalism Technology Fee Committee that involved student focus groups, a questionnaire to determine student attitudes regarding technology, and a broad-based information effort. Committee members also discussed the differential tuition with various student groups and leaders, including the Daily Kansan. Student groups such as the KU Chapter of the Public Relations Student Society of America, the KU Ad Club, and the Pre-Journalism Club, have voiced strong support for this differential tuition.

**C. OTHER PROPOSED CHANGES TO THE TUITION STRUCTURE**

**“Edwards Campus Program Fee”** – Beginning in FY 2004, a \$15 per student credit hour program fee was assessed to enable the Edwards Campus to broaden its curriculum and program availability to students. In FY 2005, the Edwards Campus will charge an additional \$15 per student credit hour program fee. This fee should generate approximately \$1 million in FY 2005, and will be used for additional instruction.

	<b>FY 2004 Campus Program Fee</b>	<b>Proposed FY 2005 Campus Program Fee</b>	<b>\$ Increase</b>	<b>% Increase</b>
<b>KUEC Campus Program Fee</b>	<b>\$15.00</b>	<b>\$30.00</b>	<b>\$15.00</b>	<b>100.0%</b>

In addition to the above Edwards Campus program fee, and effective Fall 2004, a \$6.00 fee per student credit hour at the Edwards Campus will be assessed to provide for the creation and support of a student union facility. This fee is expected to generate approximately \$200,000 annually.

**“Edwards Campus Designation for Fee Purposes”** - Since 1976, KU's academic programming facility in Overland Park (first as the Regents Center, now the Edwards Campus), has been designated an off-campus location, governed by the fee structure for off-campus locations. Students enrolled in courses on the Edwards Campus (EC) currently pay tuition at the off-campus rate, which is equivalent to the resident tuition rate, regardless of their residency

status. With the growth of the Edwards Campus since the completion of the first building in 1991, enrollment has grown from 22,000 credit hours to 33,000 credit hours. A second classroom building will open this summer and enrollment is expected to reach 40,000 credit hours. Treating the Edwards Campus as an “off-campus” location and charging tuition based upon that distinction is no longer relevant. Therefore, we are proposing to treat the Edwards Campus similar to Lawrence and the Medical Center for tuition purposes. The main implication of this decision will be to charge resident and nonresident tuition. Our plan, which we expect to be revenue-neutral, is outlined below.

#### Components of the plan:

Students enrolled in courses on the Edwards Campus will be assessed resident and nonresident tuition as appropriate, as well as the Edwards Campus required fees. Students who are formally admitted to Edwards Campus degree programs and who can document that they are residents of the four Metro Kansas City counties (Cass, Clay, Jackson, and Platte) will receive MetroKC grants. The size of the grant will differ based on graduate and undergraduate status.

Graduate students:                    up to the full cost of the differential between resident and nonresident rates for Edwards Campus courses

Upper division Undergraduate Students:  
up to half the cost of the differential between resident and nonresident rates for six hours or fewer for Edwards Campus courses (full nonresident rate applies for all hours if registration is greater than six credit hours).

In order to be eligible for the tuition grants students must be:

- Formally admitted to a program offered on Edwards Campus.
- Current students - Must be enrolled, or have been enrolled, at the Edwards Campus in the past 12 months.
- Students must prove eligibility of residence in the four designated Missouri counties for at least 12 months prior to enrolling.
- These tuition grants are only applicable to courses taken on the Edwards Campus. MetroKC grants will not be given for courses taken on the Lawrence or Medical Center campuses.

#### **D. DESCRIPTION OF RELATIONSHIP OF FY 2005 PROPOSALS TO THE FIVE-YEAR PLAN**

KU's five-year tuition strategy is a critical component of the University's goal to become a top 25 U.S. public research institution by 2010. Currently, KU is ranked 44th among public institutions by *U.S. News & World Report*. Rankings such as these serve as an important proxy measure of high quality; indicators of high quality include strong academic reputation, high retention rates, adequate institutional financial resources, support for faculty, research funding, and prestigious awards and memberships.

The proposed tuition rates for FY 2005 reflect an annual inflationary/maintenance increase, and an enhancement tuition increase of \$16.50 per credit hour for all students. There is an additional maintenance surcharge of \$6.00 per credit hour for all nonresident students. These increases could be projected through FY 2007 as a five-year plan, but the efficacy of any five-year plan would inevitably depend upon the level of state funding that is provided. The key is to attain a level of state support that will bring KU close to the average funding of its peers. With significant increases in state support, the rate of increase in tuition could be moderated.

To maintain access to the University, KU will reserve about 20% of the additional revenue generated from the proposed enhancement tuition increases for need-based financial aid. In academic year 2002-03, the most recent year for which complete student aid data are available, KU students received \$139.6 million in total financial aid. In FY 2004, KU awarded \$3.9 million in tuition grants.

#### **E. DESCRIPTION OF STUDENT AND OTHER CAMPUS COMMUNITY INVOLVEMENT IN DEVELOPMENT AND/OR REVIEW OF FY 2005 PROPOSALS**

Initial discussions about a five-year tuition strategy at the University of Kansas included more than 30 campus dialogues, which began on November 28, 2001. Subsequent to those dialogues, a permanent process was established to ensure ongoing communication on proposed tuition increases and uses for tuition enhancement revenue allocations. That process involved the Planning and Resources (P & R) Committee, comprised of faculty and students representing the Lawrence and Edwards campuses and augmented to include representatives from unclassified and classified staff. Separately, a Student Tuition Committee was established provide comments and input whenever the tuition strategy is discussed in the P & R Committee. For example, on February 20, 2004, the two committees provided valuable input on the \$6 per credit hour maintenance surcharge for nonresident students.

On April 8, 2004, the University Daily Kansan endorsed the tuition increase, stating that "...it's helpful to know just where that money is going. For the most part, the intentions are good." The editorial also stated that tuition increases are fine, as long as they enhance and strengthen the University of Kansas. Mention was also made of the fact that, despite increasing tuition, KU continues to be widely recognized as a "best value" institution.

Over the past two years, the Student Tuition Committee has met with the P & R Committee to consider proposals from Lawrence Campus Provost and Executive Vice Chancellor David Shulenburg for allocating the tuition enhancement dollars. The FY 2005 proposed tuition enhancement proposal was reviewed by the P & R committee and the Student Tuition Committee on April 29, 2004, and was given a favorable response.

During the March 17, 2004, meeting of the Student Advisory Committee to the Board of Regents, Andy Knopp, KU Student Body President, indicated that KU is on track with their five-year plan with an 18 to 19 percent tuition increase possible. He noted that KU was considering additional increases for out-of-state students that would be used for salary increases.

Knopp, along with outgoing President Jonathan Ng, established an annual tuition forum at the Lawrence campus. The purpose of this forum is to facilitate students' questions and comments regarding the proposed tuition increases and to explain the effect of KU's five-year tuition strategy on achieving the goal of becoming a top 25 research university.

At the medical center campus, Executive Vice Chancellor Donald Hagen, Vice Chancellor for Administration Ed Phillips, and Dean of Students Dorothy Knoll meet monthly with the student governance leadership to keep them apprised of, and updated on, tuition issues, including allocation of FY 2004 tuition enhancement funds and progress on projects such as the new Integrated Testing Center. In April 2004, the three leaders provided an overview of the FY 2005 proposal. KUMC students understand the need for increased tuition: their primary concern was having the information early so they have adequate time to plan their budgets for the following year.

Consistent with the campus dialogue at Lawrence, KUMC has established an ongoing process for discussion of the five-year tuition strategy and the role it plays in achieving the goal of becoming a top 25 research university.

## **F. PROJECTED INCREASE IN TUITION REVENUES AND PLANNED USES OF INCREASED REVENUES**

Revenue increases and expenditures as a result of the proposed FY 2005 tuition and fee rates (see Tables A and B above) are projected to approximate \$18.1 million in FY 2005. Maintenance increases of \$6.3 million will help cover the unfunded mandates and the 3% salary increases. The \$11.8 million of additional enhancement revenue for FY 2005 will consist of \$10.4 million at the Lawrence campus and \$1.4 million at KUMC.

Targeted Uses of Increased Revenue as Identified by the As Hoc Committee on University Funding, comprised of students, faculty, and staff from KU-Lawrence and KUMC, and accepted by Chancellor Robert Hemenway

- Additional Need-Based Aid
- Faculty Salary Increases
- New Faculty and Academic Programs
- GTA Salary Increases
- Other Operating Expenses
- Unclassified Staff Salary Increases
- Faculty Start-up Expenses
- University Libraries
- New Staff Positions
- New GTAs/Lecturers

The FY 2004 tuition increase, which increased tuition revenue at the Lawrence and Edwards campuses by about \$14.0 million, included \$1.7 million for need-based financial aid and about \$3.6 million for maintenance costs. The remaining portion of the increase, which amounted to approximately \$8.7 million, is being used to enhance funding in areas that have not been adequately supported in recent years.

The \$10.4 million in FY 2004 tuition enhancements at the Lawrence and Edwards campuses were used as follows:

- Financial Aid - \$1.7 million
- Technology Improvements - \$2.4 million
- Other Operating Expenses to Schools and Departments - \$500,000
- GTA Salary Increases - \$1 million
- Libraries - \$500,000
- New Staff Positions - \$480,000
- New Faculty - \$1.5 million
- Faculty Salary Increases - \$1.5 million
- Unclassified Salary Increases - \$ 700,000

- Student Hourly Wages - \$150,000

In FY 2004, the \$1.37 million in tuition enhancements at KUMC were used as follows:

- Financial Aid - \$268,000
- Increase in GTAs - \$120,000
- Student Support & Staff Positions - \$72,400
- Clinical Skills Lab Equipment - \$157,700
- Standardized Patient Programs (Wichita) - \$50,000
- Library Integrated Testing Center (Phase 1) - \$700,000

## APPENDIX A

### The University of Kansas

#### FY 2005 TUITION PROPOSAL

#### I. FY 2005 PROPOSED TUITION RATES\* APPLICABLE TO ALL STUDENTS

	<b>FY 2004 Tuition Rate*</b>	<b>Proposed FY 2005 Tuition Rate*</b>	<b>\$ Increase</b>	<b>% Increase</b>
<b>Undergraduate Resident</b>	<b>\$117.55</b>	<b>\$138.75</b>	<b>\$21.20</b>	<b>18.0%</b>
<b>Graduate Resident</b>	<b>156.05</b>	<b>178.80</b>	<b>22.75</b>	<b>14.6%</b>
<b>Undergraduate Nonresident</b>	<b>366.75</b>	<b>403.90</b>	<b>37.15</b>	<b>10.1%</b>
<b>Graduate Nonresident</b>	<b>419.80</b>	<b>459.10</b>	<b>39.30</b>	<b>9.4%</b>
<b>Medical Students Resident</b>	<b>7,292.00/Sem</b>	<b>8,354.45/Sem</b>	<b>1,062.45/Sem</b>	<b>14.6%</b>
<b>Medical Students Nonresident</b>	<b>14,557.50/Sem</b>	<b>15,918.60/Sem</b>	<b>1,361.10/Sem</b>	<b>9.3%</b>

\* The proposed rates include the technology and library fees, which were formerly identified separately.

## APPENDIX B

### The University of Kansas

#### FY 2005 PROPOSED TUITION AND REQUIRED FEES Fulltime, Per Semester

<b>LAWRENCE CAMPUS</b>				
	<b>Approved FY 2004</b>	<b>Proposed FY 2005</b>	<b>\$ Increase</b>	<b>% Increase</b>
<b>Resident Undergraduate (15 hrs.)</b>				
Tuition	\$1,763.25	\$2,081.25	\$318.00	18.0%
Required Fees	287.00	287.00	0.00	0.0%
<b>Total</b>	<b>2,050.25</b>	<b>2,368.25</b>	<b>318.00</b>	<b>15.5%</b>
<b>Nonresident Undergraduate (15 hrs.)</b>				
Tuition	5,501.25	6,058.50	557.25	10.1%
Required Fees	287.00	287.00	0.00	0.0%
<b>Total</b>	<b>5,788.25</b>	<b>6,345.50</b>	<b>557.25</b>	<b>9.6%</b>
<b>Resident Graduate (12 hrs.)</b>				
Tuition	1,872.60	2,145.60	273.00	14.6%
Required Fees	287.00	287.00	0.00	0.0%
<b>Total</b>	<b>2,159.60</b>	<b>2,432.60</b>	<b>273.00</b>	<b>12.6%</b>
<b>Nonresident Graduate (12 hrs.)</b>				
Tuition	5,037.60	5,509.20	471.60	9.4%
Required Fees	287.00	287.00	0.00	0.0%
<b>Total</b>	<b>5,324.60</b>	<b>5,796.20</b>	<b>471.60</b>	<b>8.9%</b>

**MEDICAL CENTER CAMPUS**

	<b>Approved FY 2004</b>	<b>Proposed FY 2005</b>	<b>\$ Increase</b>	<b>% Increase</b>
<b>Resident Undergraduate (15 hrs.)</b>				
Tuition	\$1,763.25	\$2,081.25	\$318.00	18.0%
Required Fees	126.80	126.80	0.00	0.0%
<b>Total</b>	<b>1,890.05</b>	<b>2,208.05</b>	<b>318.00</b>	<b>16.8%</b>
<b>Nonresident Undergraduate (15 hrs.)</b>				
Tuition	5,501.25	6,058.50	557.25	10.1%
Required Fees	126.80	126.80	0.00	0.0%
<b>Total</b>	<b>5,628.05</b>	<b>6,185.30</b>	<b>557.25</b>	<b>9.9%</b>
<b>Resident Graduate (12 hrs.)</b>				
Tuition	1,872.60	2,145.60	273.00	14.6%
Required Fees	156.80	156.80	0.00	0.0%
<b>Total</b>	<b>2,029.40</b>	<b>2,302.40</b>	<b>273.00</b>	<b>13.5%</b>
<b>Nonresident Graduate (12 hrs.)</b>				
Tuition	5,037.60	5,509.20	471.60	9.36%
Required Fees	156.80	156.80	0.00	0.0%
<b>Total</b>	<b>5,194.40</b>	<b>5,666.00</b>	<b>471.60</b>	<b>9.1%</b>
<b>Resident Medical Students</b>				
Tuition	7,292.00	8,354.45	1,062.45	14.6%
Required Fees	188.25	188.25	0.00	0.0%
<b>Total</b>	<b>7,480.25</b>	<b>8,542.70</b>	<b>1,062.45</b>	<b>14.2%</b>
<b>Nonresident Medical Students</b>				
Tuition	14,557.50	15,918.60	1,361.10	9.3%
Required Fees	188.25	188.25	0.00	0.0%
<b>Total</b>	<b>14,745.75</b>	<b>16,106.85</b>	<b>1,361.10</b>	<b>9.2%</b>