

## **APPENDIX A**

### **TUITION RESTRAINT RECOMMENDATION**

In April 2015, the House of Representatives passed their tuition restraint at **4% or \$400** per institution in the Higher Education Appropriations Bill. Currently, institutions are required to abide by limits associated with tuition caps in order to receive any new performance funding. Percentage caps limit institutions that have consistently been fiscally responsible with maintaining voluntary tuition restraint before performance funding.

Since 1998, Saginaw Valley State University has remained the most affordable public university in Michigan. **SVSU is currently \$900 more affordable** than the next institution, Northern Michigan University. Also, since 1998, **SVSU has remained at 13 out of 15 for per capita** student appropriations funding. Upon examination of all revenue (tuition and state appropriations), SVSU operates at a cost of \$1,500 less per student than the next most affordable institution.

The use of a percentage as tuition restraint inadvertently begins to create a funding gap between those institutions with high tuition and those with low tuition. For example, if the current tuition restraint language were to be signed into law for FY17, the institution with the highest tuition (\$14,286) would be able to raise their tuition by 1.60 times higher than the institution with the lowest tuition (\$8,969).

Those public universities that have historically practiced tuition restraint and remained under the median tuition cost for public universities in Michigan should have the opportunity to realign their tuition. **SVSU is currently \$2,500 below the median tuition cost** for Michigan public universities. The opportunity for a percentage and / or dollar amount tuition cap for FY17 would allow SVSU and other universities to realign their tuition and close the funding gap with other public universities in Michigan.

SVSU asks for the tuition language to take into account those institutions that have a history of remaining affordable for students. **SVSU supports a tuition restraint formula (a percentage or dollar amount) for the FY17 budget. Based upon 4.8% of the median cost for tuition in Michigan, we ask for the tuition restraint to be 4.8% or \$552 per student.**

Governors Recommendation for Tuition Restraint for FY17:	<u>4.8%</u>
Median Tuition & Fees (30-Credit Hours) at Michigan Public Universities**:	<u>\$11,504</u>
4.8% of Median Tuition:	<u>\$552</u>

*\*\*Data gathered from Michigan Association of Universities Report on Tuition & Fees FYES 2015-16.*