

MEMORANDUM



**DATE:** August 28, 2014  
**TO:** House Appropriations Subcommittee on Higher Education  
**FROM:** Kyle I. Jen, Deputy Director  
**RE:** FY 2014-15 University Tuition Restraint Compliance

The FY 2014-15 Higher Education budget, Article III of Public Act 196 of 2014, provides for performance funding increases to public universities totaling \$74.6 million (5.9%). Receipt of those funding increases by the universities is contingent on compliance with four requirements. Three of the requirements are retained from the FY 2013-14 budget in Sec. 265a:

- Participation in reverse transfer agreements with at least three community colleges (or a good faith effort to enter into such agreements).
- A dual enrollment credit policy that does not consider whether the credits were utilized toward high school graduation requirements in determining acceptance for college credit.
- Participation in the Michigan Transfer Network (an online system that provides transparency regarding course transfer equivalencies among Michigan colleges and universities).

Additionally, a university must comply with tuition restraint requirements specified in Sec. 265 (also retained from FY 2013-14, with a slightly lower limit). The basic requirement, subject to certain definitions contained in the section, is as follows:

*Payments under section 265a for performance funding shall only be made to a public university that certifies to the state budget director by August 31, 2014 that its board did not adopt an increase in tuition and fee rates for resident undergraduate students after September 1, 2013 for the 2013-2014 academic year and that its board will not adopt an increase in tuition and fee rates for resident undergraduate students for the 2014-2015 academic year that is greater than 3.2%....*

Universities were required to submit certification of their compliance with the performance funding requirements by August 31. All 15 universities have now submitted that certification. All universities have again certified compliance with the first three requirements listed above.

Attachment 1 shows university resident undergraduate tuition and fee increases for FY 2014-15.<sup>1</sup> The reported increases at the 15 universities range from 0.53% to 3.19%. The increase in average tuition/fee rate at the 15 universities (unweighted) is 2.78%. University resident undergraduate tuition and fee rates for FY 2014-15 range from \$8,691 to \$14,940, with an unweighted average rate of \$11,452.

Pending final certification by the State Budget Director, all universities appear to be in compliance with the tuition restraint requirements and no funds will be forfeited by any university.

Please call if you have any questions regarding this information.

Attachment

<sup>1</sup> To conform with budget act language and HEIDI reporting requirements, minor technical adjustments have been made to the tuition and fee information in the universities' official submissions.

**ATTACHMENT 1**

**FY 2014-15 Resident Undergraduate Tuition/Fee Rate Increases**

| University             | FY 2013-14 Rates |                 |                 |                 |                 | FY 2014-15 Rates |                 |                 |                 |                 | % Change<br>Avg Rate |
|------------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|----------------------|
|                        | Fresh            | Soph            | Junior          | Senior          | Average         | Fresh            | Soph            | Junior          | Senior          | Average         |                      |
| Central                | \$11,220         | \$11,220        | \$11,220        | \$11,220        | \$11,220        | \$11,550         | \$11,550        | \$11,550        | \$11,550        | \$11,550        | 2.94                 |
| Eastern*               | 9,452            | 9,364           | 9,364           | 9,364           | 9,386           | 9,751            | 9,663           | 9,663           | 9,663           | 9,685           | 3.18                 |
| Ferris*                | 10,950           | 10,950          | 11,025          | 11,025          | 10,988          | 11,190           | 11,190          | 11,430          | 11,430          | 11,310          | 2.94                 |
| Grand Valley           | 10,454           | 10,454          | 10,978          | 10,978          | 10,716          | 10,752           | 10,752          | 11,304          | 11,304          | 11,028          | 2.91                 |
| Lake Superior          | 10,085           | 9,960           | 9,960           | 9,960           | 9,991           | 10,373           | 10,248          | 10,248          | 10,248          | 10,279          | 2.88                 |
| Michigan State         | 12,863           | 12,863          | 14,295          | 14,295          | 13,579          | 13,200           | 13,200          | 14,708          | 14,708          | 13,954          | 2.76                 |
| Michigan Tech*         | 13,728           | 15,238          | 15,238          | 15,238          | 14,861          | 14,040           | 14,040          | 15,840          | 15,840          | 14,940          | 0.53                 |
| Northern               | 9,262            | 9,037           | 9,037           | 9,037           | 9,094           | 9,559            | 9,324           | 9,324           | 9,324           | 9,383           | 3.18                 |
| Oakland                | 10,613           | 10,613          | 11,603          | 11,603          | 11,108          | 10,613           | 10,613          | 12,308          | 12,308          | 11,460          | 3.17                 |
| Saginaw Valley         | 8,423            | 8,423           | 8,423           | 8,423           | 8,423           | 8,691            | 8,691           | 8,691           | 8,691           | 8,691           | 3.19                 |
| UM-Ann Arbor*          | 13,142           | 13,142          | 14,812          | 14,812          | 13,977          | 13,486           | 13,486          | 15,186          | 15,186          | 14,336          | 2.57                 |
| UM-Dearborn*           | 10,854           | 10,854          | 11,124          | 11,124          | 10,989          | 11,200           | 11,200          | 11,470          | 11,470          | 11,335          | 3.15                 |
| UM-Flint               | 9,844            | 9,844           | 9,970           | 9,970           | 9,907           | 10,138           | 10,138          | 10,270          | 10,270          | 10,204          | 3.00                 |
| Wayne State            | 11,094           | 11,094          | 12,841          | 12,841          | 11,967          | 11,448           | 11,448          | 13,251          | 13,251          | 12,350          | 3.19                 |
| Western                | 10,655           | 10,355          | 11,347          | 11,347          | 10,926          | 10,985           | 10,685          | 11,711          | 11,711          | 11,273          | 3.18                 |
| <b>Unweighted Avg.</b> | <b>\$10,843</b>  | <b>\$10,894</b> | <b>\$11,416</b> | <b>\$11,416</b> | <b>\$11,142</b> | <b>\$11,132</b>  | <b>\$11,082</b> | <b>\$11,797</b> | <b>\$11,797</b> | <b>\$11,452</b> | <b>2.78</b>          |

General Note: Per HEIDI reporting requirements, and consistent with Sec. 265 of budget act, rates are reported based on four class levels. Rates are based on 30 credit hours (15 in Fall, 15 in Winter/Spring) and exclude fees not paid by a majority of students in a given class (most course fees), as well as refundable fees.

\*University-Specific Notes

- Eastern:* \$212 out of \$300 fee for incoming freshman excluded from rate in both years, as that amount effectively replaced previous orientation fee.
- Ferris:* Increases of 2.2% for freshman/sophomore rates and 3.7% for junior/senior rates.
- Michigan Tech:* Assumes engineering and computer science major (majority of MTU enrollment): Upper division differential fee (\$900/semester) replaces previous program fee for sophomores/juniors/seniors (\$755/semester).
- UM-Ann Arbor:* Rates are for College of Literature, Science, and Arts.
- UM-Dearborn:* Rates are for College of Arts, Sciences, and Letters.

Sources: HEIDI database, university tuition restraint responses, university websites