



RESOLUTION

concerning

FY2007-08 AND FY2008-09 COST OF ATTENDANCE
PROPOSAL
for
CONNECTICUT STATE UNIVERSITY SYSTEM STUDENTS

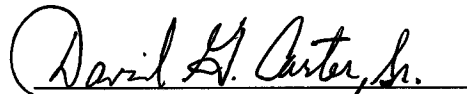
December 8, 2006

- WHEREAS, The Board of Trustees for the Connecticut State University System under its statutory authority - CGS 10a-99 - reviews and establishes fees annually for such purposes as the Board of Trustees deems necessary, and
- WHEREAS, Revenues projected at current rates will not be sufficient to cover collective bargaining requirements, inflationary increases, equipment and furniture replacement needs, and debt service, and
- WHEREAS, Requests for tuition and fees for FYs 2007-08 and 2008-09 which took into account the level of funds needed to ensure continued quality of University programmatic offerings as well as various other aspects of campus life were submitted by each University and have been considered, and
- WHEREAS, The proposed cost of attendance is being presented on the basis of tuition and unified fees (that is, tuition, fees, room, and board), a format which is widely used within higher education institutions, and
- WHEREAS, The proposals presented were developed through a process which involved discussions among student groups, university management, and the System Office, and
- WHEREAS, The Board of Trustees is mandated by Section 10a-26 of the Connecticut General Statutes to prorate tuition of full-time students carrying less than 75% of a full-time load of courses, and
- WHEREAS, The Board of Trustees has issued definitions of students for fee payment and enrollment reporting purposes in Board Resolution 03-05, therefore be it

RESOLVED, That the rates reflected on the attached schedules (1-18) are effective at each university as appropriate for FY2007-08 and FY2008-09, and be it further

RESOLVED That said rates may be reconsidered by the CSUS Board of Trustees should circumstances warrant.

A Certified True Copy:

A handwritten signature in cursive script that reads "David G. Carter, Sr." is written over a horizontal line.

David G. Carter, Sr.
Chancellor

ITEM

FY2007-08 and FY2008-09 Cost of Attendance Proposal for Connecticut State University System Students

BACKGROUND

The Board of Trustees under its statutory authority - CGS 10a-99 - reviews and establishes tuition and fees annually for such purposes as the Board of Trustees deems necessary. Recommendations are developed through a process which involves discussions among University and System Office management. Discussions generally focus upon issues relating to University programmatic needs and priorities, the cost to students, the economy, political considerations, and other factors. Additionally, students are advised of the anticipated direction of tuition and fees and the factors taken into consideration regarding the anticipated recommendation.

ANALYSIS

In May 2006, each University was requested to submit tuition and fee proposals for FY2007-08 and FY2008-09 that they felt were required to provide continued funding of their programmatic offerings as well as other aspects of campus life. Included in their analysis were assumptions concerning the impact of the level of State funding, general inflationary increases, as well as escalating utility costs, fringe benefit costs, library costs, and debt service, and operational costs for auxiliary facilities. These submissions have been reviewed and discussed, and after consideration and revision have resulted in the proposal described below.

Current fiscal environment: The State of Connecticut's fiscal condition continues to be fairly optimistic for FY07. The State ended the 2006 fiscal year with a surplus of \$910.0 million, and the surplus for FY2007 is currently projected at \$486.5 million. However, the forecasts for FYs 2008 and 2009 are not as positive, with State deficits projected through FY2010. Even though the current economic outlook in Connecticut is upbeat, the housing market is softening dramatically, energy prices remain volatile, job creation has not kept pace with national levels, and the Federal Reserve acknowledges that the nation's economy is slowing. Accordingly, OPM has taken a conservative approach to the FY07-09 Biennial Budget, limiting expansion option requests and indicating that funds will be difficult to come by. As a result, the tuition and fee proposal balances access and affordability for all students with the need to offset continually declining State support in order to maintain the quality of the educational programs offered by our Universities.

The FY07-08 and 08-09 cost of attendance proposal is being presented on a combined tuition and fee basis. This format, which is widely used within higher education, has the advantage of being more understandable and meaningful to students and parents, while providing the Universities with more flexibility to apply funds where they are most needed.

For FY07-08, it is proposed that tuition increase by \$159 per year (for an in-state undergraduate student). Tuition and fees in the same year are proposed to increase by \$911

(for an in-state undergraduate residential student). For FY08-09, it is proposed that tuition increase by \$168 per year (for an in-state undergraduate student). Tuition and fees in the same year are proposed to increase by \$968 (for an in-state undergraduate residential student).

There are several factors driving the proposed increases:

- State support as a percentage of total revenues has continued to decline, dropping from 44.8% of total revenues in FY97 to 27.7% in FY06. Although we recognize the many demands made on State resources, it is important to recognize that the remainder must be met primarily by student dollars.
- Energy costs have risen almost 77% (\$8.3 million) since FY2003. CSUS did not receive additional State funding for energy increases during this time. As part of our Biennial Budget proposal, we have requested \$4.9 million to address the rise in energy costs from FY05 to FY06. However, energy costs continue to increase. And, the recent rate increase proposals from CL&P and UI are not considered in this proposal.
- Fringe benefit costs for non-General Fund personnel (approximately one-third of CSUS faculty and staff) are paid from tuition and fees. These costs are expected to increase approximately 12.5% in FY07 from the prior year. This is due primarily to the requirement by the State's new accounting system (CORE) to reflect the actual cost of fringe benefits.

A synopsis of proposed tuition and fee requests by University follows:

Central: The tuition and fee proposal for FY2008 reflects an increase of \$752 for in-state undergraduate residential students, while the proposal for FY2009 reflects an increase of \$796. This proposal is modest but is anticipated to be adequate to cover the University's assumed needs, including planned residence hall renovation. The University also proposes an increase to the Installment Payment Program fee (Tier II) beginning in FY08, from \$60 to \$70.

Eastern: The tuition and fee proposal for FY2008 reflects an increase of \$900 for in-state undergraduate residential students, while the proposal for FY2009 reflects an increase of \$947. The requested increases are required to cover on-going expenses plus the additional costs associated with the opening of the expanded Student Center in the summer of 2007, as well as to fully cover the cost of the parking garage debt service.

The University also proposes an increase from \$25 to \$40 per semester for Study Abroad Application Fees and the establishment of an Orientation Fee of \$100 for all incoming students to help defray the cost of the Summer Overnight Program and the Welcome Program at the start of the fall semester. Both of these Tier II fee proposals would be effective in FY2008.

Southern: The tuition and fee proposal for FY2008 reflects an increase of \$879 for in-state undergraduate residential students, while the proposal for FY2009 reflects an increase of \$1,020. The requested increases are required to cover on-going expenses plus

the additional costs associated with the maintenance and debt service of a third parking garage, which is planned for completion in FY08. The University also proposes the establishment of a \$75 lab fee (Tier II) for students attending the Emergency Medical Technician Training course to cover essential course-related materials and supplies, beginning in FY08.

Western: The tuition and fee proposal for FY2008 reflects an increase of \$1,111 for in-state undergraduate residential students, while the proposal for FY2009 reflects an increase of \$1,112. The requested increases are required to cover on-going expenses plus increased costs due to the opening of the Westside student center, which includes a full food service operation.

Proposed Tier II fees for Western include a \$40 per semester fee for Graduate Continuing Enrollment and a \$50 fee Graduate Re-entry, similar to those currently charged at CCSU and SCSU. Nursing Lab fees are proposed for undergraduates and graduates for full-time students (\$100 per semester) and part-time students (\$10 per credit hour). It is also proposed that Education students, who will be required to use the new TK20 software to maintain their portfolios, be charged a one-time fee of up to \$125. All proposed Tier II fees would be effective for FY2008.

Student Accident and Sickness Insurance: The Chickering Group was selected in February 2005 to be the provider for the Student Accident and Sickness Insurance program for Academic Year (AY) 2005-06 with an option for AYs 2006-07 and 2007-08. The underwriter is Aetna Life Insurance Company of Hartford, Connecticut. The renewal rates for AY2007-08 are currently under negotiation, and expect to be in place prior to April, 2007.

The Student Advisory Board met on April 5, 2006 to discuss the cost of attendance. Discussion centered around the escalating cost of energy, and its impact on university costs; the services that the students would like to receive; and their ideas for cost savings. A further discussion was held at the November 9, 2006 meeting, where CSUS's commitment to access and affordability was stressed.

Summary: The recommended increases to cost of attendance attempt to address current services needs. However, it is important to note that the proposal does not totally address the real needs of the Universities, including the need for more faculty and academic and student support staff, and increased programs and services.

CHANCELLOR'S RECOMMENDATION

Approve the FY2007-08 and FY2008-09 proposed cost of attendance for Connecticut State University System students.

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