

Tuition and Fees in the West 2002-03

For the 2002-03 academic year, the average annual increase in resident undergraduate tuition and fees for public four-year institutions in the WICHE states is 6.6 percent, compared with the national average of 9.2 percent.¹ Undergraduate tuition and fees range from a low of \$1,744 at California State University, Long Beach to a high of \$5,952 at the Colorado School of Mines. The average increase for nonresident undergraduates at four-year institutions in the WICHE region is 8.9 percent. In the two-year sector, the average tuition and fees for resident students is \$1,623 although the amounts range from \$330 (in California) to \$2,252 (in North Dakota). Colorado is considering a change to a voucher-type system and Utah is finding a downside to changing residency requirements.

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Institutions in the West continue to be more affordable than their counterparts in other areas of the country where many colleges are instituting midyear tuition increases.

However, with few exceptions in academic year 2002-03, tuition and fees charges saw higher increases than in previous years. Many of these are the result of state revenue shortfalls and midyear funding cuts.

Long Beach. Outside of California, Nevada State College has the lowest at \$1,980 with the University of Hawaii, West Oahu following at \$2,050.

2002-03 is the opening year for Nevada State College as well as for California State University, Channel Islands. New institutions are included in the regional average beginning with the first year that students are enrolled.

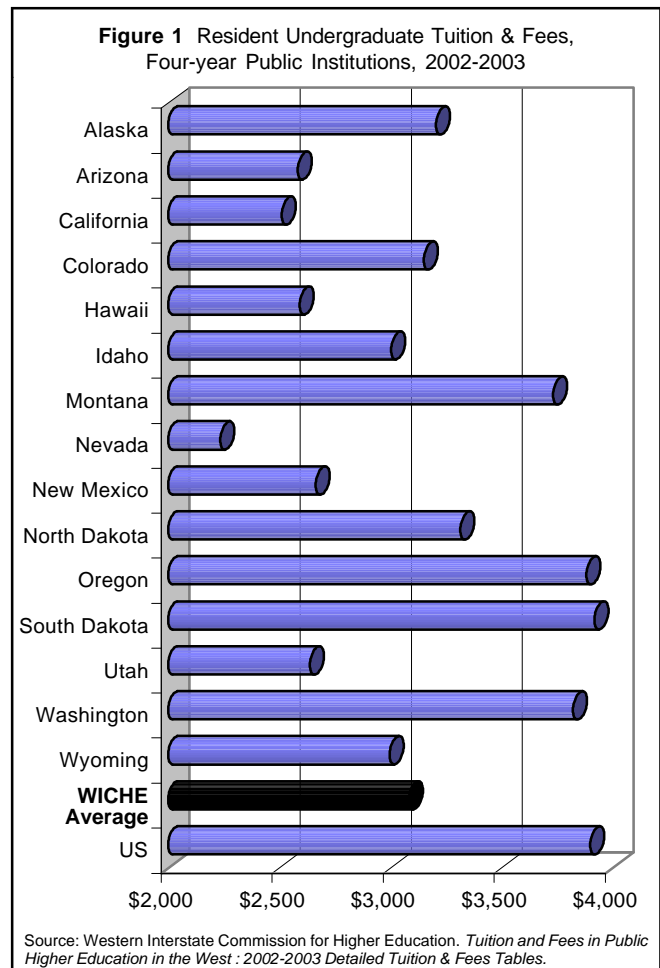
Public Four-Year Institutions

The average annual increase in tuition and fees for public four-year institutions in the WICHE region, 6.6 percent, is the largest one-year increase since the early 1990s for resident undergraduate students. This year, the national average annual increase is 9.2 percent, the largest increase in the past ten years. By comparison, the annual increase in the Consumer Price Index (CPI) for this period is 1.6 percent.²

The largest one-year percentage increase for resident undergraduates is 30.6 percent at California Polytechnic State University, San Luis Obispo. The second largest increase is 17.1 percent at Montana State University, Bozeman. Outside of California, the smallest increase is 1 percent at the University of Hawaii, Hilo. There were a few schools with negative changes, the largest of which is the University of California, San Francisco with a decrease of 4.8 percent in tuition and fees.

Among public four-year institutions, resident undergraduate students' annual tuition and fees in the region average \$3,084 (see Figure 1). This amount is 80 percent of the national average of \$3,900 published by The College Board.³

The highest tuition and fees charges for resident undergraduates in the region are \$5,952 at the Colorado School of Mines, followed by the University of Washington at \$4,566. The lowest tuition and fees in the region are \$1,744 at California State University,



For the combined WICHE states, four-year institutions are slightly less affordable than last year when considering the ratio of median household income to tuition and fees. When compared over a longer period of time, however, most of these institutions are more affordable than the comparable national values.⁴ It would take 9.2 percent of the national median household income to pay the national annual average tuition and fees. For the combined WICHE states, 7.3 percent of the regional average median household income would be necessary to pay the regional average tuition and fees at a four-year institution. The states that appear least affordable using this measure are Montana at 11.6 percent of median household income, South Dakota at 9.9 percent and Oregon at 9.4 percent. The states appearing most affordable are:

- **Nevada** requiring 4.9 percent of median income,
- **California** at 5.3 percent, and
- **Hawaii** at 5.5 percent.

The increases in 2002-03 in nonresident undergraduate tuition and fees at four-year institutions in the region are even more substantial. The average increase in the region is 8.9 percent and the average annual tuition and fee charges are \$10,683 for nonresident undergraduates. Percentage increases for nonresidents range from 0.3 percent at the University of Hawaii, Hilo (and a 1 percent increase at the other four-year institutions in Hawaii) to a 15.6 percent increase at Montana State University, Northern and a 15.2 percent increase at the University of Washington. The University of Colorado, Boulder has the region's highest nonresident tuition and fees at \$18,637 while Minot (SD) State University reports the lowest at \$6,719.

For the 24 institutions with the Carnegie classification of Doctoral/Research Universities – Extensive in the WICHE region, resident undergraduate tuition and fees average \$3,538, a 4.3 percent increase from 2001-02. For nonresident undergraduate students, an 8 percent increase brings the average tuition and fees to \$13,379 at these institutions. For resident undergraduate students at the 16 Doctoral/Research Universities – Intensive in the region, tuition and fees charges are slightly lower at an average of \$3,317. Nonresidents are paying an average \$10,550 in tuition and fees. The largest four-year Carnegie classification in the region is the Master's College and Universities I. At these 36 institutions, resident undergraduate students are charged an average of \$2,482 in tuition and fees in 2002-03. Nonresident undergraduates paid \$10,117, a 9.9 percent increase over last year.

Public Two-Year Institutions

Compared to national average annual tuition and fees for 2002-03 of \$1,914 for two-year public colleges, the average annual tuition and fee charges for resident in-

district students in the region are 84 percent of the average at \$1,623 for academic year 2002-03.⁵ Tuition and fees range from \$330 in California to an average of \$2,252 in North Dakota. Excluding California, the lowest average annual tuition and fee charges are \$832 in New Mexico. The average annual increase for this group of colleges without California is 7.8 percent (see Figure 2). In other states,

- **California** has no increase.
- **Hawaii** reports a slight increase of 0.1 percent.
- **Oregon** tops the list with an increase of 14 percent.
- **Idaho** and **North Dakota** also see double-digit increases of 10 percent and 10.4 percent, respectively.

The one-year increase in the region is 7.9 percent. As has been the case in the past, the West (the WICHE states without North Dakota and South Dakota) continues to have the lowest average annual two-year college tuition and fees of any region in the country, according to The College Board.⁶

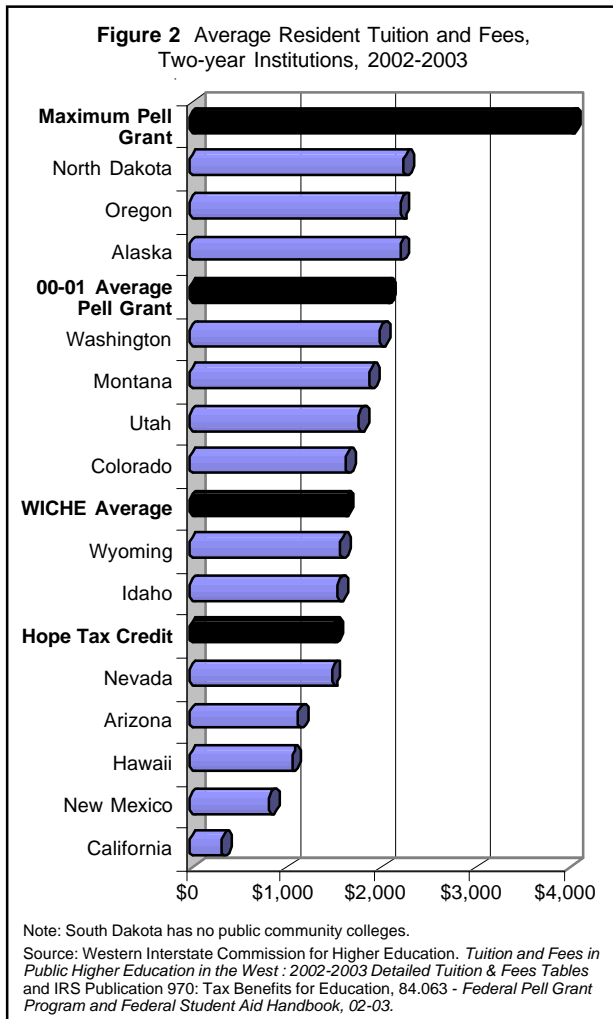
The average change for the most recent five-year period, 1997-98 to 2002-03, was 29.6 percent. California had a decrease over this period of 15.4 percent. Hawaii had the smallest increase at 11.3 percent. The largest increases were in Idaho and Oregon at 40.7 percent and 36.5 percent, respectively.

Over the ten-year period from 1992-93 to 2002-03, average increases ranged from 37.1 percent in North Dakota to 175 percent in California. Excluding California, the largest increase for this time period was Hawaii at 131.6 percent. During the same time period, the national increase in tuition and fees averaged 55.5 percent.

Affordability of two-year public institutions in the WICHE region, based on the proportion of median household income necessary to pay the average tuition and fees charges, stayed the same or became slightly less so. For WICHE (excluding California), 3.8 percent of the median household income is necessary to pay the average tuition and fees at a two-year college. This compares favorably to the national figure of 4.5 percent. The WICHE states (excluding California) range from requiring 2.5 percent of median household income in New Mexico to 6.3 percent in North Dakota.

Two federal programs offer other useful points of comparison. The regional average tuition and fees (excluding California) of \$1,623 is slightly above the Federal Hope Scholarship Credit of \$1,500 and is significantly lower than the 2002-03 Pell grant maximum award of \$4,000 (see Figure 2).^{7,8} It is also somewhat below the average Pell grant award in 2000-01 of \$2,057.⁹ (More recent average award data are not yet available.)

Figure 2 Average Resident Tuition and Fees, Two-year Institutions, 2002-2003



Policy Implications

Although institutions in the West continue to be more affordable than institutions in other regions, some of the issues occurring outside the region are beginning to be a concern in the West. Numerous rare midyear tuition increases have occurred outside the region, particularly in Maryland and Virginia.^{10,11} One of the more stunning midyear increases is a 25 percent increase for spring semester at Tidewater Community College in Virginia.¹² In the WICHE region, the University of California and the California State University implemented increases in tuition for the rest of this year.¹³

A second growing concern is whether both the number of applications for financial aid and the amount of aid requested will increase as tuition hikes continue. While many states endeavored to hold financial aid funds harmless, the funds did not always survive the multiple budget cuts.

Additionally, in some states, the number of part-time students is expected to increase for two reasons. Many students are unable to continue studying full time and will reduce their credit load to less than full-time status. Also, a decrease in funding will reduce the number of sections available for students, particularly as

institutions move toward using more part-time faculty. In some states, a lack of funding is curbing access as students completing degrees at community colleges find no space available at four-year institutions.

State Funding

In a number of WICHE states, the economy has cooled. Some of the states in the West, including Arizona and Colorado, have experienced multiple budget cuts during the current fiscal year.¹⁴ While the change in state tax revenues for WICHE as a whole increased 6.2 percent from fiscal year 2000 to fiscal year 2001, the range for the fifteen states was from -0.9 percent to 16.7 percent. Excluding Wyoming with the 16.7 percent increase in tax revenues, the largest increase was 7.9 percent in California. With the exception of Montana, all states had smaller increases than in previous years, and in some cases there were significant differences. Oregon went from an increase in tax revenues from 1999 to 2000 of 11.3 percent to a decline of 0.9 percent between 2000 and 2001. Utah saw its tax revenues decline from an 8.9 percent increase to a 2.2 percent increase. Significant declines in tax revenues are being projected for fiscal 2003.

Total state appropriations to higher education declined 1.9 percent for WICHE as a whole. The percent change in the states ranged from an increase of 26.9 percent in Idaho to a decline of 53 percent in Wyoming. Alaska, California and Hawaii all saw declines in their total state appropriations to higher education. States with significant increases other than Idaho were:

- **Utah** with an increase of 15.6 percent,
- **Arizona** with a 10.6 percent increase, and
- **Nevada** with a 10.3 percent increase.

One other economic indicator to consider for the states is the change in unemployment rates. Many of the WICHE states had increases in unemployment rates from 2000 to 2001 that were significantly higher than the region's overall increase of 1.8 percent – from 4.1 percent in 2000 to 5.3 percent in 2001.¹⁵

- **Oregon's** unemployment went from 4.2 percent in 2000 to 7.5 percent in 2001.
- **Oregon** also had the highest overall unemployment rate in 2001.
- **Colorado's** unemployment increased from 2.5 percent in 2000 to 5.2 percent in 2001.
- **Washington** had the second highest unemployment rate in the region for 2001 at 7.1 percent.

Increased unemployment has two potential impacts on higher education. It can result in a decline in tax revenue which supports state funding for postsecondary education. Increases in unemployment can also result in enrollment growth in colleges and

universities as workers return to school to increase skills and/or retrain. A number of two-year institutions saw an increase in enrollment in 2001-02 as unemployed workers were funded for retraining by the Workforce Investment Act.

Tuition Policy

With the double impact of reduced state support and higher tuition and fees, states are exploring new ways to structure tuition policies. In Colorado, the Blue Ribbon Panel on Higher Education for the 21st Century has recommended a new system of student funding, the Colorado Opportunity Fund, which would give each student a specific amount of money to use at any public institution in the state.¹⁶ The amount is expected to fully fund tuition at a community college if a 25 percent tuition decrease is instituted. A limit on the number of credits to be funded is also part of the plan, with the proposed limit currently set at 140 credits. After completing 140 credits, a student would be charged a higher level of tuition; however, the level of tuition has not yet been determined. This plan is expected to be considered by the Colorado General Assembly in its current session.

While not specifically a tuition policy, a change in the residency policy in Utah became the object of significant concern by the institutions. Passed in May, H.B. 331 changed the continuous Utah residency status requirement from one full year to “while completing 60 semester credit hours,” effectively doubling it. Expected additional revenues have not materialized as out-of-state students chose not to attend college in Utah because of the change.¹⁷

Some states are grappling with decreased demand by looking to other states for additional students. The University of Wyoming and the University of South Dakota have opened recruiting offices in other states. Since 1999-2000, Prince William Sound Community College has granted waivers to students allowing them to pay in-state tuition as a way to encourage nonresident students to enroll. We can expect continued innovation in response to the changes in enrollment and funding in the West.

End Notes

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Western Interstate Commission for Higher Education P.O. Box 9752, Boulder, CO 80301-9752

David A. Longanecker, Executive Director

Cheryl D. Blanco, Director, Policy Analysis and Research

Tel: (303) 541-0224 FAX: (303) 541-0291

E-mail: Policy@wiche.edu

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This issue of **Policy Insights** was prepared by Jacquelyn Stirn, research associate in the Policy Analysis and Research Unit at WICHE. She can be reached at (303) 541-0255 or by e-mail at jstirn@wiche.edu.
