A REPORT FROM THE STATE COUNCIL OF HIGHER EDUCATION TO THE GOVERNOR AND THE GENERAL ASSEMBLY OF VIRGINIA MADE PURSUANT TO THE HOUSE JOINT RESOLUTION 74 OF THE 1960 GENERAL ASSEMBLY

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House Joint Resolution 74 of the 1960 General Assembly contained two related directives to the State Council of Higher Education as follows: (1) To coordinate the various procedures used by the several State-supported institutions of higher learning for the admission charges and applications of students so that the costs of such applications are borne by the applicants rather than the State; and (2) To make a study to consider tuition charges at the several State-supported institutions of higher learning, the procedures used to determine such charges and the relationship of these charges to the cost of educational services rendered, the ability of the student to pay and differentials as between residents and non-residents and to make recommendations as to the feasibility of creating a uniform system for such charges.

The State Council of Higher Education has included reports of several aspects of these directives in its biennial report to the Governor and General Assembly. This report contains pertinent excerpts from the biennial report as they relate to House Joint Resolution 74.

PART I

A REPORT OF A STUDY ON THE COST OF PROCESSING ADMISSIONS*

The following conclusions may be drawn from a study of this problem by the Council staff:

In sixteen State-supported colleges for the fiscal year 1960-61, an amount totalling $358,108 was spent on processing applications for admission to these institutions. The number of applications processed and completed totaled 25,252. Of this number 9,901 were finally enrolled in these institutions. The average cost of completing an application for admission was $14.18; the average cost per student finally enrolled in the institution was $36.17. The average cost of processing completed applications for admission ranged from a low of $5.85 to a high of $46.81. Additional figures, by college, are shown in Table 1.

* Original report is contained in Chapter 4, Part II of the Council's biennial report.

TABLE 1

COSTS OF PROCESSING APPLICATIONS FOR ADMISSION TO VIRGINIA PUBLIC COLLEGES

1960-61

College	Total Applications Completed	Total Applicants Enrolled	Total Expenditures Related to Admissions	Average Cost of Total Applications Completed	Average Cost of Total Applicants Enrolled
Clinch Valley	277	209	$ 5,690	$20.54	$27.22
Longwood	1054	392	15,050	14.27	38.39
Madison	1367	674	20,000	14.63	29.67
Mary Washington	2615	540	38,900	14.87	72.04
Medical College of Virginia	832	337	38,948	46.81	115.57
Radford	2350	545	13,766	5.85	25.26
Richmond Professional Inst.	1450	850	18,415	12.70	21.66
University of Virginia	4050	1030	60,142	14.85	58.39
Virginia Military Institute	970	350	18,549	19.12	53.00
Virginia Polytechnic Inst.	4000	2005	45,600	11.77	23.81
Virginia State College	863	500	15,967	18.50	31.93
Virginia State-Norfolk	829	660	9,435	11.38	14.29
William and Mary	3375	756	39,705	11.76	52.51
William and Mary-Norfolk	1220	1053	17,941	14.33	16.61
Totals	25,252	9901	$358,108	$14.18	$36.17

The analysis of costs involved in processing admissions included salaries of admissions officers, clerical salaries, estimated salaries of faculty members devoting part time to processing admissions, travel, postage, supplies, and printing. No attempt was made to determine the apportioned cost of general administrative salaries and building use.

Ten of the sixteen institutions now require an application fee (usually $10.) to accompany the application. The other six do not require a fee. Where a fee is required, it frequently applies to tuition and educational fees if the student enrolls. In some cases the fee is refunded if the student is denied admission. In a few cases the application fee is nonrefundable.

Many institutions throughout the country now require a nonrefundable application fee to assist in covering the costs of admissions processing. While the Council endorses this idea, it believes also that such a fee should be moderate, to avoid imposing undue burdens on the typical college applicant, who today finds it advisable to submit applications to at least three colleges. Accordingly, the Council believes that any such fee should not endeavor to cover the full cost of admissions, but only a major portion thereof. The fees recommended below should assure income of approximately $200,000 to $250,000 per year, which would cover as much as 70 per cent of the total costs of processing admissions in State-supported institutions.

In order to encourage early filing of applications to residential colleges, the Council believes that an additional $5.00 nonrefundable fee should be charged to those who submit late applications. This late charge would not affect community colleges.

Recommendation:

That all State-supported institutions of higher learning, beginning in 1963, require a minimum $10. nonrefundable application fee from all applicants: After a date in early Spring to be mutually agreed to by all residential colleges, and the State Council of Higher Education, an additional nonrefundable fee of $5. shall be charged all applicants who file applications after that date.

After publication of the Council's biennial report, in which this recommendation was included, the Council conferred with the heads of the several institutions. Pursuant to this conference, it is the Council's belief that, should the General Assembly desire to implement the recommendation, it would be sufficient to adopt a general resolution of endorsement, without prescribing that the recommendation be followed in every detail by each of the several colleges.

PART II

A STUDY OF TUITION CHARGES AND POLICIES IN STATE-SUPPORTED INSTITUTIONS OF HIGHER LEARNING

A preliminary analysis of this part of the directive revealed that the problems were too complex to be adequately studied in the available time and with the available staff. The Council staff was instructed, however, to formulate the problems involved and to make whatever studies were possible.

This part of the Council's report deals with three points: (1) A review of tuition charges and charges for board and room in the State-supported colleges as compared with similar colleges throughout the country over the past ten years; (2) A review of policies involved in determining tuition charges in the State-supported colleges, and (3) A proposal for developing adequate cost studies to provide a better understanding of the relationship between the cost of education and the tuition fees charged students.

A Survey of Tuition Charges *

A survey of tuition charges as reported by Virginia State-supported institutions of higher learning over the past ten years indicated that such charges have increased at a more rapid rate in Virginia than in comparable colleges in other states. Virginia's public undergraduate residential colleges, for example, have achieved an average in-state tuition increase of 97 per cent over a ten-year period (the maximum increase was 143 per cent and the minimum increase was 47 per cent). This is in contrast to an average increase of 35 per cent for in-state tuition at a group of similar colleges across the country.

While so-called tuition charges in Virginia's colleges may in some instances be used for non-instructional expenditures, the same type of practice prevails at comparable schools throughout the country. Comparisons of this type, then, can only be approximate.

Charges for out-of-state tuition have increased by an average of 78 per cent in these same Virginia colleges, as compared with an average of 71 per cent for similar colleges. The Virginia in-state average rate for residential college tuition is now $102 more than for similar colleges. The out-of-state tuition average rate in Virginia is $91 more than for similar colleges.

Charges for room and board have also advanced in the ten-year period. Virginia's public residential colleges have raised these charges an average of 19 per cent—a 38 per cent maximum increase and a 7 per cent minimum increase. The average for similar colleges has been 26.4 per cent. Table 2 shows average increases in tuition, room and board, and total costs, for Virginia public residential colleges as compared with a similar group of colleges.

TABLE 2

A COMPARSION OF AVERAGE STUDENT FEES CHARGED IN 1950 AND 1960 BY TYPE OF COLLEGE

	1950			1960		
Type of College	Tuition & Fees	Room, Board & Laundry	Total Major Costs	Tuition & Fees	Room, Board & Laundry	Total Major Costs
A. AVERAGE FOR NINE VIRGINIA RESIDENTIAL COLLEGES						
1. In-State Students	177	460	637	349	547	896
Per Cent Increase	....	....	....	97%	19%	41%
2. Out-of-State Students..	357	460	817	636	547	1183
Per Cent Incease	....	....	....	78%	19%	45%
B. AVERAGE FOR TWELVE COMPARABLE COLLEGES**						
1. In-State Students	183	472	655	247	598	845
Per Cent Increase	....	....	....	35%	27%	29%
2. Out-of-State Students..	319	472	791	545	598	1143
Per Cent Increase	....	....	....	71%	27%	45%

** Data based on a study of twelve comparable public residential institutions by the American Council on Education.

* Excerpts from Chapter 3, Part I of the Council's biennial report.

*Tuition Policies in State-supported Institutions of Higher Learning**

While to date it has not been possible for the Council to determine adequately the relationship of the cost of education to the fees charged the student, it is possible to describe some of the factors that underlie tuition policies in the several State-supported institutions of higher learning.

The prevailing tuition policy in these institutions was originally based upon a distinction between charges for in-state and out-of-state students. Most of the reporting institutions indicate that fees charged in-state students were not originally intended to cover any portion of the cost of teaching, but rather were special charges for library usage, laboratories, and the like. In many instances, these individual fees were later consolidated into one general fee for in-state students.

All reporting institutions provide for an additional charge to out-of-state students, in every instance a true tuition charge—that is, a charge intended originally to cover all, or a substantial portion, of the cost of instruction.

In recent years, particularly during the last decade, the state requirement that salary increases be financed out of increases in fees charged to students has transformed the original in-state "fee" into a partial tuition charge. In general, therefore, all institutions now charge at least a portion of the cost of instruction to both in-state and out-of-state students and have, in recent years, passed increased teaching costs directly on to all students. Just what portion of the cost involved in instruction is actually passed onto the students is not now known. With an adequate analysis of costs by program and function, however, the answer to this question and many related questions could be determined for each State-supported institution.

*The Need for Cost Studies***

With the certain prospect that the costs of higher education will continue to increase, the need to clarify the intricate relationships between costs, expenditures and income in Virginia institutions is a critical one.

The basic problem in Virginia is not a lack of data or information but rather lies in the development of a plan whereby fiscal information may be organized and interpreted so that comparable figures may be derived both within an institution and between institutions. To develop an adequate cost study will require the full cooperation and participation of all State-supported institutions of higher learning as well as the State fiscal agencies who are charged with responsibility for supervising and auditing all public funds.

The Council of Higher Education has already set up a plan to involve the institutions and members of the State Budget Office and State Auditor's Office in a cooperative program of developing cost studies. Experience in other states and institutions has demonstrated that a period of at least two years is required to develop an adequate analysis of costs in higher education. Results of this study should be available for the use of the 1964 General Assembly.

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* Excerpts from Chapter 5, Part II of the Council's biennial report.

** A more complete discussion of this problem is contained in Chapter 3, Part I of the Council's biennial report.