

Spring 2010 Mandatory Fee Frequently Asked Questions November 2009

1) *Q: Is the institutional fee for students increasing?*

A: Yes. All students will pay an increased mandatory special institutional fee in the upcoming academic year. The increase will be \$100 a semester at the research universities, as well as at Georgia Southern University, Valdosta State University, Georgia College and State University, Kennesaw State University, Southern Polytechnic State University, and University of West Georgia; \$75 at the other comprehensive universities, and \$50 at two-year and state colleges. This fee will be added to the current mandatory fee, which went into effect in January 2009 at rates set at \$100/\$75/\$50. This increase brings the totals to \$200/\$150/\$100. The new fee structure goes into effect in January 2010 for the spring 2010 semester.

2) *Q: Why is the fee being increased?*

A: As state tax collections continue to decline, the University System of Georgia (USG) Board of Regents is adjusting the System's budget from a six percent reduction to an eight percent reduction level, (\$163 million) for the current fiscal year (FY2010). Now that we have a much clearer picture of the state's declining revenues, a special institutional fee is part of the overall strategy to ensure access and academic excellence for students. The fee increase spreads the cost equitably among all USG students and is necessary to ensure academic quality.

3) *Q: So is this increase permanent?*

A: No, the board approved a sunset date of June 30, 2012 for the total mandatory student fee. The board also approved a moratorium on mandatory fee increases at the campus level for FY 2011. The lone exception to the moratorium will be fees for public/private venture projects, such as residence halls, student-financed recreation centers and other facilities with a revenue stream.

4) *Q: Does the institutional fee apply to students on the guaranteed tuition plan?*

A: Yes, the fee applies to all students, including those in the Guaranteed Tuition Plan.

5) *Q: Does HOPE cover the fee?*

A: No, HOPE does not cover fees approved by the regents after January 2004. This fee is not HOPE eligible.

6) *Q: Why not just raise tuition?*

A: The reasoning behind increasing the fee is the same reasoning applied when the Regents implemented the original fee. First, the fee does not impact HOPE. Second, if a tuition increase was implemented it could not be applied to students on the Guaranteed Tuition Plan. This would have placed the financial burden solely on new students and those students enrolled prior to fall 2006, who are not part of the Guaranteed Tuition Plan. The fee increase spreads the cost equitably among all USG students.

7) *Q: When there are budget shortfalls it seems like the first reaction is to impose fees on students. Why did it go up so much?*

A: The student fee is not the first reaction, but the last. The Board approved budget reduction plans in August at the 4, 6 and 8 percent levels. The student fee only comes into play at the 8 percent level; it is truly the option of last resort.

To move from the six percent to the eight percent reduction level, the original budget reduction plan, proposed last August, called for no additional cuts to institutional budgets and a slightly higher proposed student fee of \$150 at the research universities and six comprehensive universities, \$100 at most comprehensive universities, and \$75 at two-year and state colleges. However, when the board approved the

initial plan, they were working from data on the economy and the state budget that was available at the time. Since August, the situation has changed. While the state's budget situation has continued to decline, the board worked to revise the required eight percent reductions in a way that minimizes the financial burden on students as much as possible.

It should be noted that the overall Fiscal Year 2010 reductions spread the impact among faculty and staff, campus operations and students in a very balanced manner. Approximately 86 percent, or \$152 million of the reductions are being borne by USG institutions and employees. The student share of the cuts is 14 percent, or \$24 million.