



Tuition Dollars Not Tied to Construction Projects

Shippensburg University student Sarah Gilbert recently wrote a thoughtful opinion piece questioning our tuition increases and asked if the University could limit the increase by foregoing construction projects. Because others might share her concerns, I am providing this information.

After several years of planning, Shippensburg has several construction projects underway. These projects improve student facilities and none are funded with tuition dollars. While the funding sources vary, all funds are “earmarked” for the project.

The state is providing the University capital funds for the Huber Art Center renovation and addition. The Pennsylvania Department of General Services, not the University, manages this project. The Ceddia Union Building renovation and expansion is an idea that students suggested, voted to approve, and voted to increase their student union fee to fund it.

Shippensburg is repairing the leaking roof on Heiges Field House using “reserve funds,” savings the university accumulated over time for just such emergencies. The University is also using “Key 93” money, a state program allowing real estate transfer taxes to be given to Pennsylvania State System of Higher Education (PASSHE) schools for building repair. This source is no longer available.

Since tuition money did not fund these projects, how do we use tuition money? Tuition money is combined with designated state appropriations to fund our Educational and General budget that pays the University’s operating costs--academic programs, technology, utilities, benefits, salaries, etc. A separate budget, the Auxiliary Services budget, which is funded with student fees and related charges, pays for residence halls, food service, student union and recreation center costs.

Annually PASSHE sets tuition for its 14 member schools including Shippensburg. This year PASSHE set tuition at \$5,804 annually, an increase of \$250 annually (\$125 per semester). Tuition increases over the last ten years averaged a little more than 4% annually. One reason tuition increases are necessary is because, in Pennsylvania, state funding continues to pay for less of our University’s total operating expenses. In 1990, state funding provided 56% of our operating expenses. In 2010, it covers just 33%.

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Tuition increases are difficult decisions because they place a huge burden on our students, particularly in today's economy. Ms. Gilbert states that students expect a moderate increase. We agree that consistent increases fairly spread the burden among current and future students. However, to adjust for prior years of lower increases, higher increases might be necessary, particularly if the state contribution drops. While this seems unfair to the burdened class, it is embedded in the effort to fairly spread the tuition increases over time to avoid future situations where even larger large increases are necessary to offset years of smaller increases. One needs only to look at the California state university system with its recent 32% increase to witness the effects of this imprudent approach.

Tuition increases are part of the solution; the other part is reducing our operating budget. The downward trend in state funding caused the University to work diligently since 2003-04 to reduce its operating budget by over \$14 million without impacting the University's academic offerings or its quality. Campus cost-cutting measures include travel restrictions; reducing supplies; increasing utility efficiencies to use less coal, gas and electricity; leaving staff position vacancies open for 6 months or more; and overtime restrictions.

Ms. Gilbert's letter reinforces the need to continually discuss the budget with students and the entire Ship family. Accordingly, we will hold open forums throughout the year to discuss the budget and answer student questions. We also encourage students to submit questions and suggestions to me using the "suggestion box" on my website (www.ship.edu/president/) and review budget updates on that same page.

While we continually strive to reduce costs and operate at maximum efficiency, I am concerned about finding additional cost-cutting measures that will not impact our students. Our first priority is, and will remain, to provide our students with a high-quality, affordable education.

Bill Ruud
Shippensburg University President