

Tuition Setting Principle Discussion

In preparation for the September Board of Regents meeting when the FY15 tuition rates will be set, the UA Administration would like to discuss tuition-setting philosophy with the Board. Current Board policy P05-10 provides a good starting point for this discussion. The relevant section of that policy is as follows:

Recognizing that state general fund support is not sufficient to pay the full cost of education and that students have a responsibility to contribute to the cost of their higher education, tuition and student fees will be established to the extent practicable in accordance with the following objectives: (1) to provide for essential support to the university's instructional programs; (2) to make higher education accessible to Alaskans who have the interest, dedication, and ability to learn; and (3) to maintain tuition and student fees at levels which are competitive with similarly situated programs of other western states. Tuition revenues will be used primarily to maintain and expand the educational opportunities provided to students, to preserve and improve the quality of existing programs and support services, to respond to enrollment trends, and to implement new programs.

For discussion purposes we might summarize current policy with the following brief principles:

[A] No particular order implied.

- Essential support (could infer maintain or improve quality of programs)
- Access (infer affordability)
- Competitive with similar institutions in western states (infer affordability)

Are there other principles that should be included in setting tuition? If so, what other principles should be addressed? For example, tuition policy could help incentivize program completion and the principles could be listed as follows:

[B] No particular order implied

- Essential support (could infer maintain or improve quality of programs)
- Access (infer affordability)
- Competitive with similar institutions in western states (infer affordability)
- Incentivize Program Completion

Should there be an order to the principles? For example, the following ordered list could be considered:

[C] Order important

1. Essential support (could infer maintain or improve quality of programs)
2. Access (infer affordability)
3. Competitive with similar institutions in western states (infer affordability)
4. Incentivize Program Completion

Example 1

**University of Wisconsin
Board of Regents Guiding Principles**

1. Tuition and financial aid in the UW System should balance educational quality, access, and ability to pay.
2. As a matter of fiscal and educational policy, the state should, at a minimum, strive to maintain its current GPR funding share (65%) of regular budget requests for cost-to-continue, compensation and new initiatives, and fully fund tuition increases in state financial aid programs.
3. Nonresident students should pay a larger share of instructional costs than resident students, and at least the full cost of instruction when the market allows. Nonresident rates should be competitive with those charged at peer institutions and sensitive to institutional nonresident enrollment changes and objectives.
4. Where general budget increases are not sufficient to maintain educational quality, supplemental tuition increases should assist in redressing the imbalance between needs and resources.
5. Tuition increases should be moderate and predictable, subject to the need to maintain quality.
6. GPR financial aid and graduate assistant support should “increase at a rate no less than that of tuition” while staying “commensurate with the increased student budget needs of students attending the UW System.” In addition, support should also reflect “increases in the number of aid eligible students.”
7. General tuition revenue (to cover regular budget increases under the standard 65% GPR and 35% Fees split) should continue to be pooled system wide. Special fees may be earmarked for particular institutions and/or programs increasing those fees.
8. When considering tuition increases beyond the regular budget, evaluation of doctoral graduate tuition should consider impacts on multi-year grants and the need to self-fund waivers or remissions from base reallocation within departmental budgets.

Example 2

**North Dakota State University
Guiding Principles**

Some of the guiding principles followed under the system-wide study include:

- Intent is to keep institutional net revenue change neutral; or neutral as possible.
- Minimize cost impact to the typical full-time on-campus student.
- Tuition and other related costs should be transparent and easy to understand.
- Tuition should encourage timely degree completion.
- Tuition should reflect program cost.
- Tuition and other related costs should be easy to administer.
- The model will have not more than two residency rate categories.

The Student Success Tuition Model also aligns with goals stated for the SBHE Task Force on Student Fees:

- Ensure cost information is understandable and transparent for parents and students.

- Recognize and differentiate programs or courses that have unique costs.
- Simplifies the price model.

In summary, North Dakota State University's proposed Student Success Tuition Model complies with intentions of the State Board of Higher Education, while addressing goals to promote student success and improve transparency to students.

Example 3

Portland State University Guiding Principles

Revenue-tuition related principles

Premise: Tuition is the single largest source of revenue for core academic and related support activities

- Tuition should be set at levels that provide adequate resources for quality academic programs and support services
- Tuition should be set with consideration of program cost
- Student mix, established as part of the enrollment management plan, should be established to meet tuition revenue objectives
- Tuition Remissions (viewed as either lost revenue or an expense) should support the institutional objectives, e.g. access, attracting the best students, attracting non-residents students, research growth.

Example 4

University North Carolina Greensboro (UNCG) Guiding Principles* of the UNCG Tuition Committee

1. UNCG must remain affordable for its neediest students.
2. UNCG must not significantly increase its rank among the constituent UNC institutions in terms of cost.
3. Recommended actions are believed to provide positive contributions toward the quality of the students' educational/learning experience.

**These principles were established by UNCG's first CITI (Campus Initiated Tuition Increase) Committee in Fall 2000 and observed by each subsequent committee.*