Report of the Tuition & Financial Aid Advisory Group

Board of Regents
March 6, 2008
Advisory Group Membership

- 2 Regents
- 2 Students
- 3 Provosts
- 4 Chief Business Officers
- 1 Budget Officer
- 2 Financial Aid Officers
- 2 Chief Student Affairs Officers
- 3 System Administration & Support Staff
Consistent with Growth Agenda (increase degree holders through access and success)

Provide affordable access (maintain and improve quality)

Generate sufficient revenues to improve student success (maintain and improve quality)
Principles (continued)

- Be understandable and easy to implement
- Recognize political realities
- Respect diverse needs and missions of UW System institutions
Process

- Principles revisited each meeting
- Pros and Cons developed for each option, not recommendations
- Looked for options utilized elsewhere
- Assessed each option against the principles
Objectives

- Increase revenue for the Growth Agenda:
  - Enhancing access
  - Enhancing educational quality
  - Improving success
Options Considered

- Tuition Stratification
- Differential Tuition
- Per Credit Tuition
- Cohort Tuition/Tuition Guarantee
Other Options Considered

- Educational Savings Programs
- Discounts for Prepaying Tuition
- Separate Tuition for Level 1/Level 2 Students
- Discounts for Families with Multiple Students Enrolled
Tuition Stratification

**Pros**
- Provides a greater range of options
- Could be based on cost of education
- Could be based on market/demand
- Could be based on peer median

**Cons**
- Could reward/punish students where they live
- Could create a perception of higher/lower quality
- Could have a negative effect on low income students without adequate financial aid
Differential Tuition

Pros
- Differential tuition remains on the campus and students see the direct benefit
- Allows campus and students to raise additional revenue for highest priorities
- Some additional revenues could be used for financial aid to ensure access

Cons
- No additional GPR is committed for financial aid to offset the differential tuition
- Difficult to understand differences among institutions
- May be used to offset loss of GPR support
Per Credit Tuition

Pros
- Only pay for what you take
- May encourage more collaboration among institutions
- More equality among part-time and full-time students

Cons
- Grant aid would not increase for students taking more than 12 credits
- Students may fail to take enrichment and breadth courses
- Students may take fewer courses per semester and then take longer to graduate
Other Options: Cohort Tuition

- **Pros**
  - Allows for better student financial planning
  - Provides an incentive to complete a degree within the fixed timeframe (4–5 years)
  - Could increase capacity by shortening time to graduation

- **Cons**
  - Without a compact with the state, it would be difficult to predict an adequate tuition level
  - Complicated to implement and manage
  - If a student did not graduate during the fixed tuition guarantee, s/he could experience a large tuition increase up to the level of the new cohort
Dilemma

Tuition

GPR
Ensuring Access

- As tuition has increased:
  - Proportion of Pell recipients enrolled in the UW System has decreased over time and lags the national average
  - The number of students financing their education with loans has grown
Using Tuition for Need-Based Financial Aid

- **Pros**
  - Could increase access by providing additional aid
  - Tuition could be raised to market rates without pricing out low income students
  - Institutions could tailor their financial aid programs to meet needs of specific students

- **Cons**
  - Focus could shift away from GPR-funded financial aid
  - Could result in higher income students supporting lower income students
  - Moves the UW System closer to a private university funding model
Hold Harmless/Bridge Grant Program

- Support for a state funded program for current high school or college students who would not be eligible for the Wisconsin Covenant

- Support for a state funded program that would hold an identified segment of financially needy students harmless against tuition increases
Financial Aid Principles

- Importance of socio-economic diversity

- Recruitment, retention, and degree completion are most successful with the removal of economic barriers

- Students and parents must be informed prior to high school that college is possible and within reach
Conclusions

- Differential tuition supports unique needs of individual institutions and its students
- Stratification can be used to ensure affordable opportunities
- Multiple options at various prices to pursue higher education = more access
- Opportunity for experimentation and pilots
Conclusions (continued)

- Statutory language changes should be pursued
- Approve a statement of support for financial aid policy principles
- Approve a statement of support for a financial aid program to hold low income students harmless against tuition increases
Questions/Discussion

Thank you