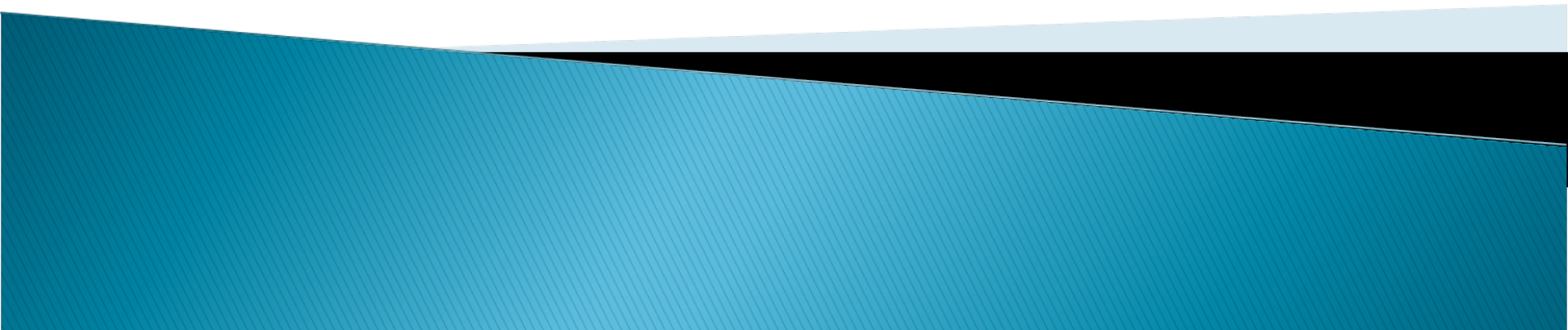
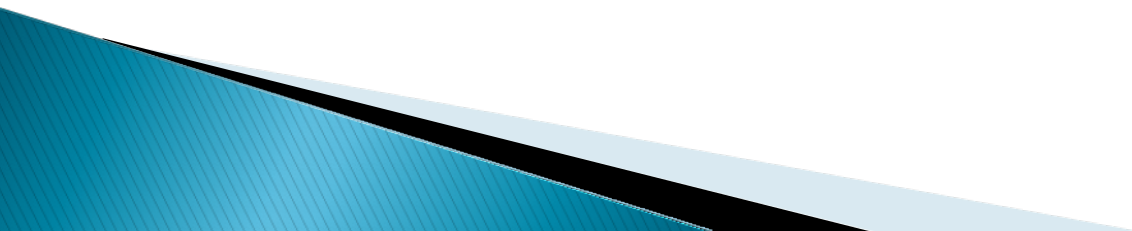


# **Report of the Tuition & Financial Aid Advisory Group**

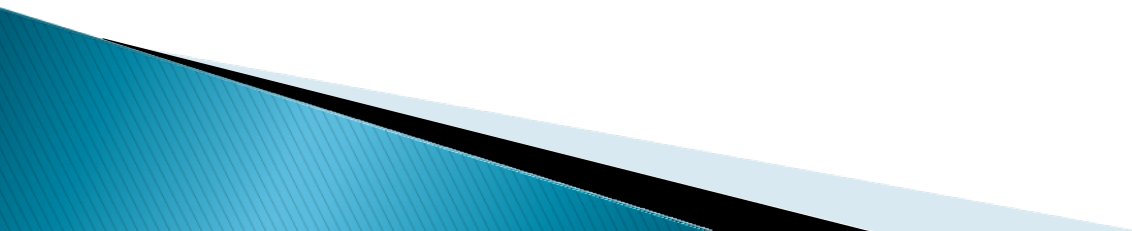
Board of Regents  
March 6, 2008



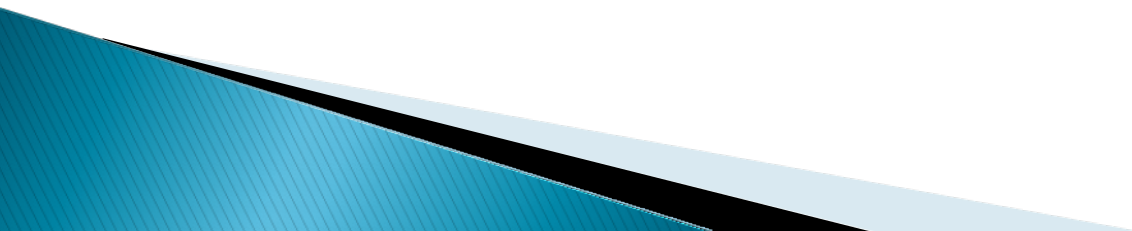
# Advisory Group Membership

- ▶ 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
- 

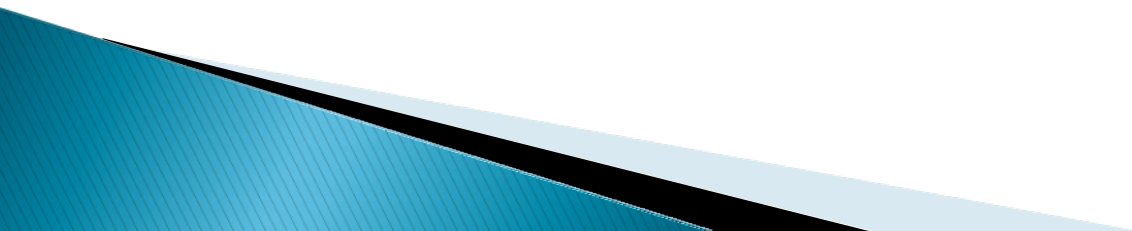
# Principles

- ▶ 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)
- 

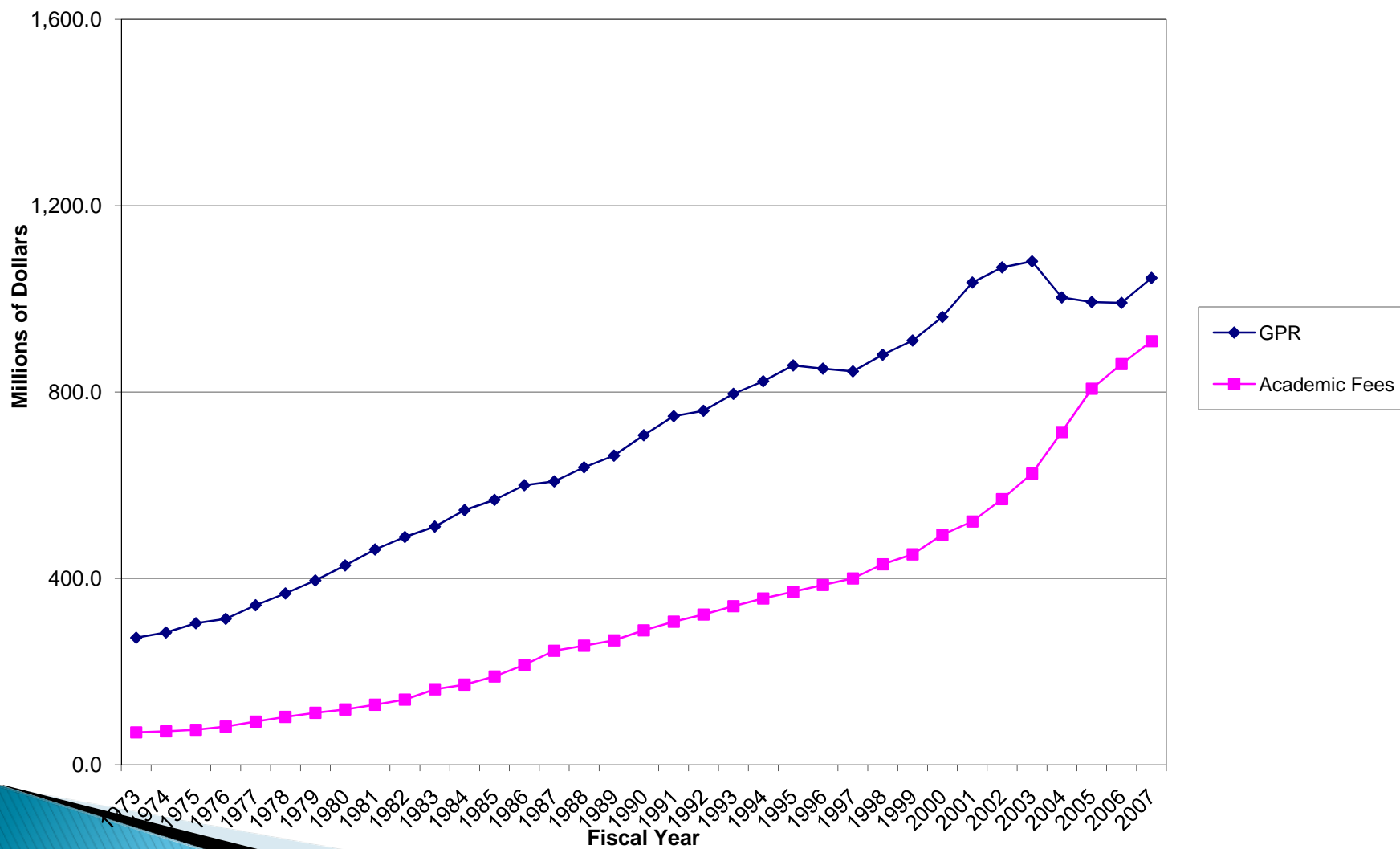
# Principles (continued)

- ▶ 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
- 

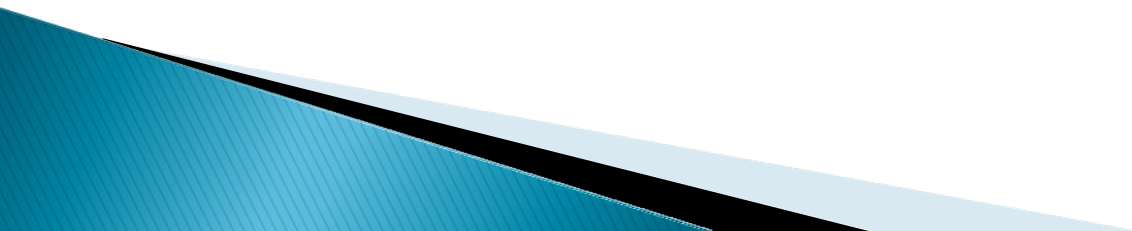
## UW System GPR and Tuition 1972-73 to 2006-07



# Objectives

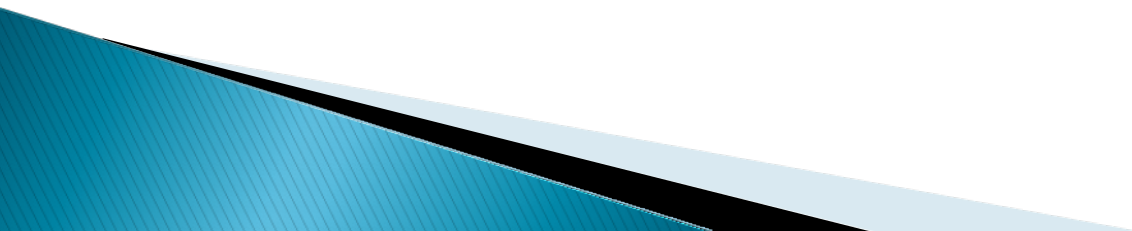
- ▶ Increase revenue for the Growth Agenda:
  - Enhancing access
  - Enhancing educational quality
  - Improving success

# 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

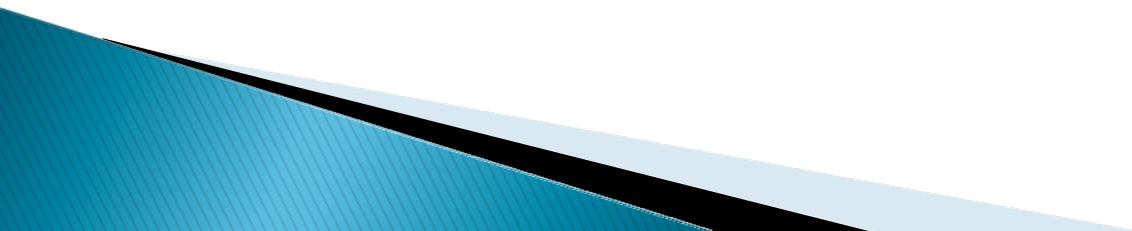
- Could reward/punish students where they live
  - Could create a perception of higher/lower quality
  - Could have a negative effect on low income students without adequate financial aid
- 

# 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

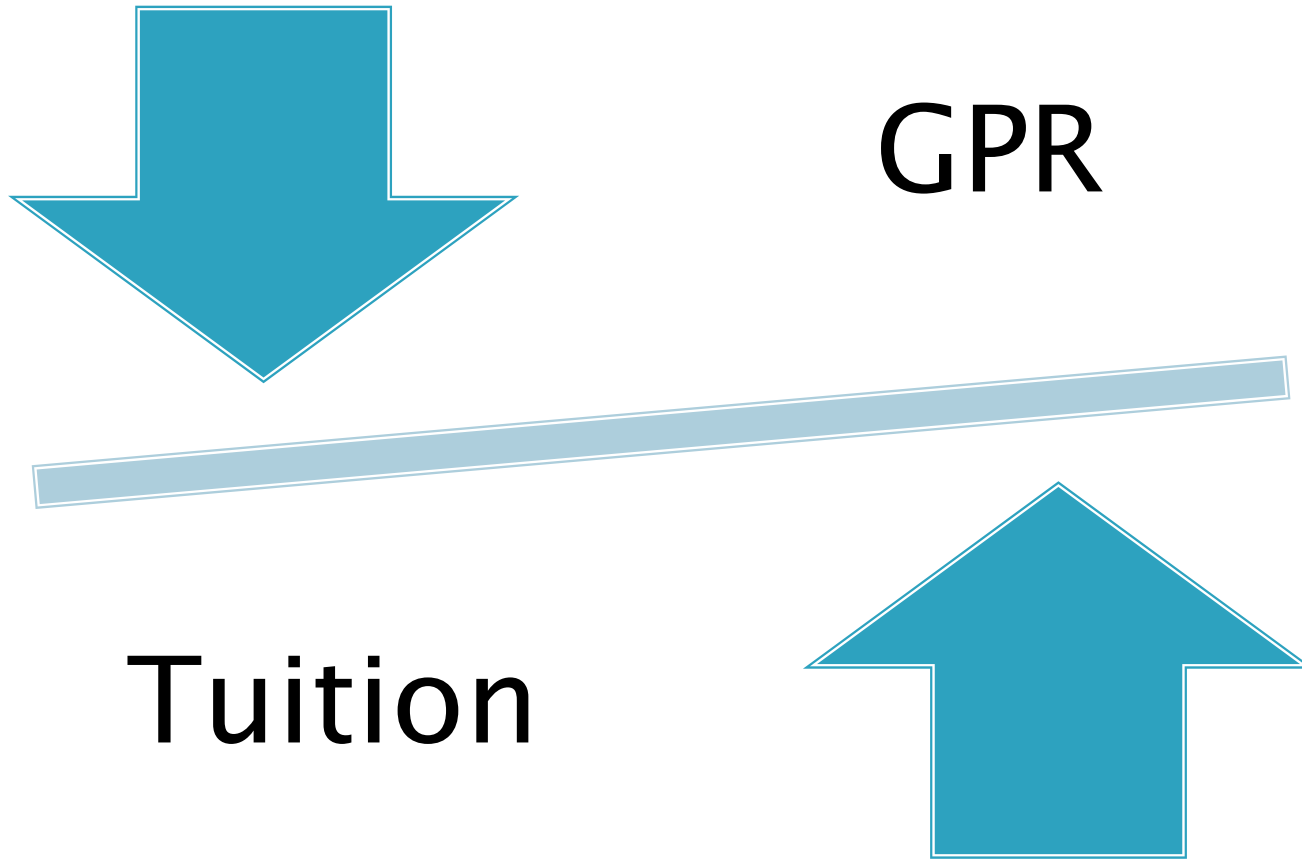
## ▶ Pros

- 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



# 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

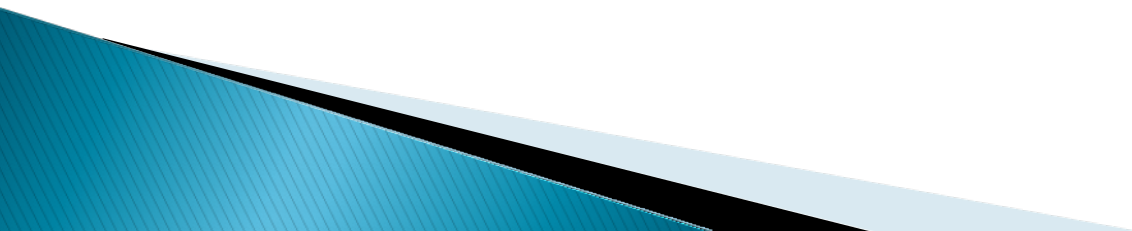
- Could increase access by providing additional aid
- Tuition could be raised to market rates without pricing out low income students
- Institutions could tailor their financial aid programs to meet needs of specific students

## ► Cons

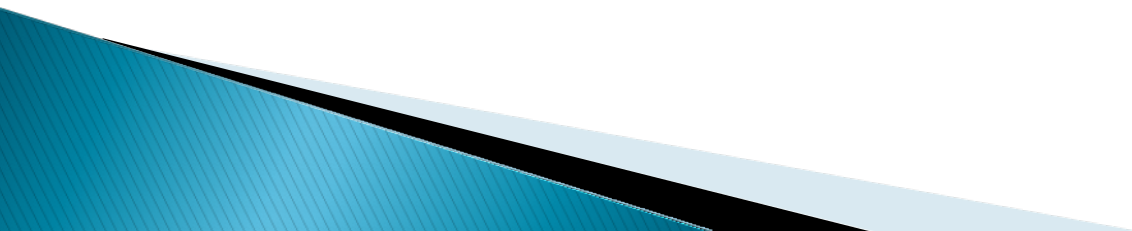
- Focus could shift away from GPR-funded financial aid
  - Could result in higher income students supporting lower income students
  - Moves the UW System closer to a private university funding model
- 



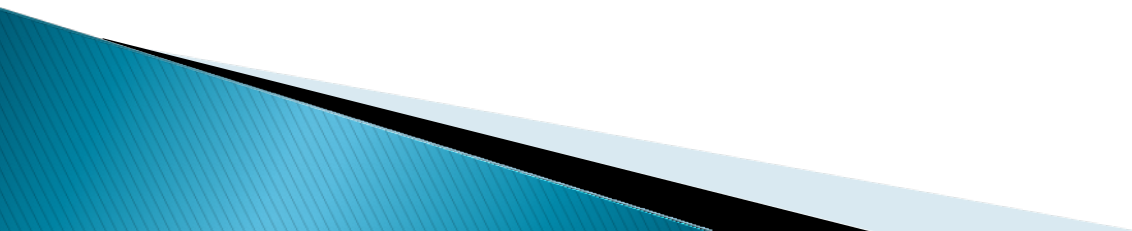
# Hold Harmless/Bridge Grant Program

- ▶ 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
- 

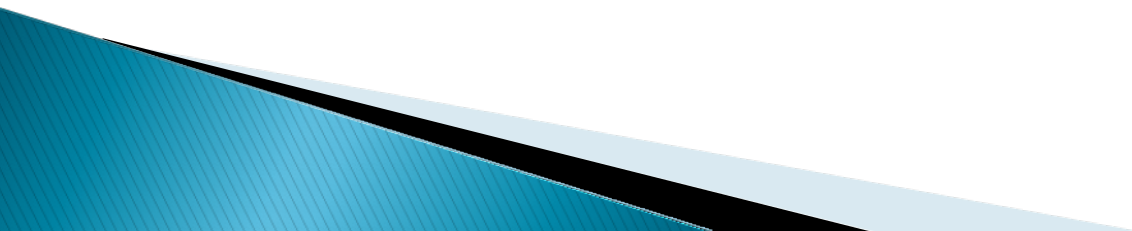
# Financial Aid Principles

- ▶ 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

