

## UW SYSTEM TUITION-SETTING POLICY TASK FORCE

Friday, July 22, 2016, 8:30 a.m.

1220 Linden Drive  
1820 Van Hise Hall  
Madison, Wisconsin

### Agenda

- 8:30 I. Introductions (if needed); summary and takeaways from the June 22, 2016 meeting—*Regent Chair Tim Higgins/All*
- Check-in on principles document (approved as of 6/22/2016 meeting)
  - Check-in on recommendations (approved as of 6/22/2016 meeting)
- 8:45 II. Review of Tuition Request Template—*Freda Harris/All*
- 9:30 III. Cost Approach Subcommittee Recommendations: presentation and discussion—*Cost Approach Subcommittee/All*
- 10:15 IV. Market: presentation and discussion—*Gesele Durham, etc./All*
- 11:00 V. Per Credit and/or Plateau—*Office of Budget & Planning/All*
- Revenue Neutral/Per Credit Modeling
  - Consideration of Options and Recommendations
- 12:15 VI. Preview of upcoming meeting—*Regent Tim Higgins/All*
- 12:30 VII. Adjourn

# TUITION NEUTRAL PER-CREDIT AND MODIFIED TUITION PLATEAU PROJECTED RATES AND EFFECTS

## Tuition Neutral Per-Credit and Modified Tuition Plateau Projected Rates

The projected tuition neutral per-credit and modified tuition plateau rates were calculated by assuming that enrollment and course loads would remain the same.

**Figure1: Tuition Neutral Per-Credit and Modified Plateau Per-Credit Rates**

	Current Tuition Plateau	Revenue-Neutral Per-Credit Rate	Revenue Neutral Per-Credit Rate with 15-18 Credit Plateau		Revenue Neutral Comprehensive Per-Credit Rate
			Per-Credit Rate	Plateau Rate	
<b>UW - Madison</b>	\$386.39	\$325.65	\$333.44	\$5,001.66	
<b>UW - Milwaukee</b>	\$337.13	\$287.96	\$295.64	\$4,434.65	
<b>UW - Eau Claire</b>	\$306.72	\$252.77	\$260.95	\$3,914.22	\$232.21
<b>UW - Green Bay</b>	\$262.43	\$227.25	\$232.88	\$3,493.15	\$232.21
<b>UW - La Crosse</b>	\$316.03	\$256.41	\$266.36	\$3,995.43	\$232.21
<b>UW - Oshkosh</b>	\$267.59	\$223.34	\$234.21	\$3,513.19	\$232.21
<b>UW - Parkside</b>	\$262.43	\$227.84	\$233.90	\$3,508.50	\$232.21
<b>UW - Platteville</b>	\$267.42	\$214.44	\$224.74	\$3,371.07	\$232.21
<b>UW - River Falls</b>	\$267.85	\$223.16	\$230.03	\$3,450.38	\$232.21
<b>UW - Stevens Point</b>	\$262.43	\$221.00	\$226.46	\$3,396.94	\$232.21
<b>UW - Stout**</b>	\$233.81	\$233.81	\$238.05	\$3,570.82	\$232.21
<b>UW - Superior</b>	\$272.31	\$237.88	\$243.53	\$3,652.94	\$232.21
<b>UW - Whitewater</b>	\$271.62	\$223.14	\$231.12	\$3,466.79	\$232.21
<b>UW Colleges</b>	\$197.93	\$178.86	\$181.32	\$2,719.78	

Based on current enrollment data, 21% of students are not within the 12-18 plateau system-wide. If numbers remained constant, under a 15-18 plateau 58% of students would not be within the adjusted plateau.

In order to graduate with a bachelor's degree in four years a student must take 15 credits every semester. High enrollment intensity (full-time rather than part-time) and high enrollment continuity (enrollment in consecutive semesters without breaks) are strongly correlated with college success for students at both two and four-year institutions (Adelman, 1999, 2004, 2005, 2006; Attewell, Heil, & Reisel, 2012; Berkner, He & Cataldi, 2002; Carroll, 1989; Crosta, 2013; McCormick, 1999).

If a student enrolls in only 12 credits per semester, a standard 60-credit associate degree will take five semesters (2.5 years to complete), and a standard bachelor's degree will take 10 semesters (5 years) to complete. This has a substantial impact on college affordability for students. Studies have suggested several strategies to encourage students to enroll in 15 credits per semester.

- Tying state or institutional financial aid to 15 credits per semester.
- Public Awareness and institutional campaigns advertising the importance of 15 credits to finish a bachelor's degree in four years.
- Redefining full-time as 15 credits per semester.
- Academic advising emphasizing the importance of enrolling in 15 credits per semester of timely degree completion

Enacting any one or combination of these strategies may improve student participation in the plateau as well as graduation and retention rates.

## EFFECT ON FINANCIAL AID

### Wisconsin Grant

A change to a per-credit or 15-18 plateau tuition system will not result in a change in what a student receives with regard to the Wisconsin (WI) Grant. The WI Grant is the largest need-based State grant program available to Wisconsin residents. Need is determined by the expected family contribution (EFC) of a student. For the 2016-17 academic year, a student must have an EFC of \$4,500 or less to be eligible for a WI Grant.

The formula for determining a WI Grant award is as follows:  $\text{Award} = (\$5960 - \text{EFC}) \times 40\%$ . When determining a WI Grant award, the only variable in the formula is a student's expected family contribution (EFC). Because a student's EFC will remain unchanged in a change to a per-credit tuition system, the student's award for the WI Grant will also remain unchanged.

### Pell Grant

Pell grants will react the same way that the WI Grant will act. A student's EFC drives the award amount. Because a student's EFC will remain unchanged in a change to a per-credit tuition system, the student's award for the WI Grant will also remain unchanged.

While the student's financial aid award will remain unchanged, the amount the student will have to pay out of pocket if the student takes 15 credits (the amount of credits needed to graduate in 4 years) will change under each of the variations.

**Figure 2: Plateau and Per-Credit Rates at 15 Credits**

	Current Plateau	Per-Credit at 15 credits	15-18 Plateau	Comprehensive Per-Credit Rate at 15 Credits
UW - Madison	\$4,636.68	\$4,888.73	\$5,001.66	
UW - Milwaukee	\$4,045.56	\$4,326.06	\$4,434.65	
UW - Eau Claire	\$3,680.64	\$3,793.92	\$3,914.22	\$3,483.13
UW - Green Bay	\$3,149.16	\$3,416.45	\$3,493.15	\$3,483.13
UW - La Crosse	\$3,792.36	\$3,849.56	\$3,995.43	\$3,483.13
UW - Oshkosh	\$3,211.08	\$3,411.35	\$3,513.19	\$3,483.13
UW - Parkside	\$3,149.16	\$3,439.38	\$3,508.50	\$3,483.13
UW - Platteville	\$3,209.04	\$3,235.54	\$3,371.07	\$3,483.13
UW - River Falls	\$3,214.20	\$3,354.99	\$3,450.38	\$3,483.13
UW - Stevens Point	\$3,149.16	\$3,322.38	\$3,396.94	\$3,483.13
UW - Stout**	\$3,507.15	\$3,507.15	\$3,570.82	\$3,483.13
UW - Superior	\$3,267.72	\$3,577.66	\$3,652.94	\$3,483.13
UW - Whitewater	\$3,259.44	\$3,355.48	\$3,466.79	\$3,483.13
UW Colleges	\$2,375.16	\$2,686.79	\$2,719.78	

Figure 3 lists the percentage of students enrolled part-time, full time and at or above 15 credits for each institution. This will allow institutions to determine what percentage of students could be impacted by the different tuition variations.

**Figure 3: Percentage of Students Enrolled Part Time, Full Time (12+credits), and 15+ credits.**

	Part Time	Full Time (12+ Credits)	15+ Credits
UW - Madison	13%	87%	41%
UW - Milwaukee	19%	81%	40%
UW - Eau Claire	8%	92%	53%
UW - Green Bay	39%	61%	32%
UW - La Crosse	6%	94%	60%
UW - Oshkosh	32%	68%	40%
UW - Parkside	26%	74%	33%
UW - Platteville	13%	87%	62%
UW - River Falls	13%	87%	51%
UW - Stevens Point	9%	91%	46%
UW - Stout**	22%	78%	40%
UW - Superior	27%	73%	34%
UW - Whitewater	11%	89%	54%
UW Colleges	51%	49%	17%
System Average	21%	79%	42%

# ADMINISTRATIVE CONSIDERATIONS

Adding and dropping courses at the beginning of the semester will result in a change in tuition based on the credit load taken by the student. This can result in a sudden increase/decrease in tuition charged to a student. A per-credit tuition system will require clear communication to students and parents to convey that every course will affect tuition. Sudden, last-minute changes to a student's costs can present challenges for some students if they had planned their semester on a tight budget.

The timing of disbursement and the refund process can also create confusion. It is possible for a student to have their financial aid disbursed to their account, receive a refund from the Student Business Office, and then have additional billing if they add a course. At UW-Stout, students are often frustrated to realize at registration time that they owe money for tuition because they were refunded, and thus do not realize until registration time that they owe money.

Additionally, because tuition will be proportional to course load under a per-credit model, if a student faces financial challenges, he or she might consider dropping a course to reduce costs. This may lead to a longer time to graduation and an increased overall cost to the student.

The need for long-term planning is more important under a per-credit tuition system. If students needed to estimate the cost of an academic year, they would have to know the courses they would be taking for the entire year. For students on a tight budget or working to finance part of their education, this would be particularly important in order to avoid extra loans.