

## **April 27 2007: Budget Tuition Analysis Report and Recommendation**

### Points of reference:

- Web search regarding differential tuition pricing at comparable universities/regional comprehensive.
- Most information referred to programmatic tuition/different rates for professional schools within universities.
- Reviewed MnSCU board policy 5.11, Tuition and Fees.
  - Clarification of ability to charge students for facility use for labs/specialized classes. Received answer from MNSCU that fees could not be charged for this type of activity.
- Reviewed justification for different types of tuition:
  - Hire and retain best qualified faculty.
  - Influence different factors such as retention and graduation rates.
  - Effecting enrollment through discounting/using different student types—International, professional degree seekers, etc.
  - Accreditations, external reviews and other program certifications.
  - High costs, additional needs and market demands.
- Reviewed our student mix, programs and potential outcomes.
- Additional participation from members of the campus community.
- New program proposals should be reviewed for cost/price benefits.
- SCSU currently offers programs with Market Rate Tuition.

### **Recommendation**

#### Basic Principles:

- Tuition rates should be clear and straight forward.
- All new academic program proposals will be reviewed for cost/pricing.
- All programs charging differential tuition will continue to receive their share of the operating funds allocated to the college housing the program.
- Program and Market based tuition should not be used for General Education courses.
- Absent program or market based tuition, fees should be assessed per MnSCU Policy 5.11.
- Proposals for Market and Program Based tuition will be submitted and approved consistent with MnSCU deadlines for establishing tuition rates.

#### Program Based Tuition (see proposal outline below):

- Program based tuition is defined as additional tuition charged to meet the needs of a program.
- Use of program based tuition is the result of high cost and high demand.
- Revenue from program based tuition should not be used for hiring faculty or staff.
- Deans of each college after consultation with departments and/or programs, will make a recommendation on the proposal to the Provost and the Provost will make a recommendation on the proposal to President.
- Program based tuition proposals will be shared with Faculty Association at Meet and Confer and with Student Government Association.
- The Subcommittee recommends two pilot programs. (The pilot will be monitored for implementation and adherence to proposals.)

- A pilot of using program based tuition is implemented in the areas of Nursing and Art.
- The Pilot will be for three years at which point a decision on continuance will be made by the President and recommended to MnSCU.

Market Based Tuition (see proposal below):

- Market based tuition should be considered for what MnSCU policy allows.
- Market based tuition should be considered for Master, Doctoral, On-Line, and Cohort Programs (and others as appropriate).
- Deans of each college after consultation with departments and/or programs will make a recommendation on the proposal to the Provost and the Provost will make a recommendation on proposal to President.
- Market based tuition proposals will be shared with Faculty Association at Meet and Confer and with Student Government Association.
- Distribution of Market based tuition should be as follows:
  - Cover start up costs.
  - After the start-up costs are recovered from market tuition revenue, overhead/indirect costs will be recovered.
  - Distribution of remaining funds will be similar to the distribution used for Sponsored Programs; a share to the university, a share to the college, and a share to the program, depending on the structure of the program.
  - The share that is distributed to the university will be for use for implementing strategic initiatives.

Program based and Market based tuition proposals should include, but are not limited to the following:

- Justification/Direct benefit of program.
- Tuition Rates:
  - Amount above standard tuition.
  - In what form will it be charged (credit, program, course, etc.)
- Detailed plan for use of program based tuition.
- Mechanism for distribution of revenue.
- Additional fees that will be charged (e.g. field trips).
- Negative affects on program.
- External comparison information (tuition rates of surrounding programs).
- Method of consultation during proposal development (this might include a signoff sheet for all parties).

An Annual Review of Program and Market Tuition shall be presented to the Provost for consideration by the University and will include the following elements:

- Impact on Enrollment.
- Revenue/Expense report (include tuition waiver impact).
- Narrative of impact on program.
- Narrative of result of student focus group.
- Impact on Administrative Support workload.