

DRAFT FOR DISCUSSION

Differential Tuition Principles (12/4/03)

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I. Current Policy

The Regents endorsed the use of differential tuition in October 2002, stating:

“That, after reviewing differential tuition programs at UW-Whitewater and UW-Eau Claire and considering the educational quality enhancements and campus life benefits that students derive from differential tuition revenues, the Board of Regents strongly encourages students and institutions to consider and bring forth to the Board additional differential tuition initiatives.”

II. Specific Practices

Within the UW System, differential tuition has been applied to specific programs that have definable populations and specific needs. This has been done repeatedly and is most easily seen:

- in tuition differences between the three tiers of institutions (colleges, comprehensives, and doctoral campuses).
- in tuition differences between undergraduate and graduate programs.
- in tuition differences between different undergraduate or professional programs on the same campus.

The most common model for differential tuition is to charge an additional course fee for specific courses or classes. These fees are permitted when there is some tangible product that the student takes away from class or when materials are consumed during the class (e.g., clay for a ceramics class, lab supplies for a chemistry class). The resulting additional revenues are allocated to fund the cost of these products or special course materials.

A second model is to charge higher tuition for selected programs on a particular campus. UW-La Crosse charges a higher tuition for its undergraduate programs in occupational therapy and physician's assisting than it charges for other undergraduate programs. The resulting additional revenues provide basic program support, matching state dollars received as part of a biennial budget initiative in 1997. UW-Milwaukee charges a higher tuition to students in the School of Architecture. The resulting additional revenues are

used to provide architecture students with laptop computers and to support the infrastructure for the wireless networking of computer access to those students in the Architecture building.

A more recent model is to charge a higher tuition for all undergraduates on a particular campus (e.g., Whitewater, Eau Claire) in order to generate funding to support specific campus initiatives (e.g., improved undergraduate advising).

III. Criteria for Differential Tuition

Differential tuition applies to a defined population with unique needs. Implicit in this approach has been the notion that those benefiting from a particular program should be somehow more responsible for funding that program, especially when state support is inadequate to ensure quality of education or access.

Review of UWS experience suggests that differential tuition as a revenue source has been necessary and so applied for two general classes of reasons: 1) because of a horizontal inequity caused by the different costs associated with various programs, and 2) because state support for public higher education has been inadequate. Enhancement of general tuition levels supporting all undergraduate programs would be a preferable solution. Thus, the use of differential tuition at the undergraduate level should be considered a compromise necessitated by inadequate state support and general tuition levels.

To apply for authorization to charge a differential tuition, the proposing campus should make its case either under the General Criteria or the Market Criteria indicated below.

A. General Criteria

1. Establish that targeted students have unique specific needs not addressable by current resources and that the funds are essential to provide a high-quality education as this specifically relates to the program under consideration.
2. Demonstrate that employment opportunities for students graduating from the program will justify the students' investment through differential tuition.
3. Delineate the intended uses of additional revenues to be generated by the differential tuition.
4. Prohibit the use of additional revenues generated by differential tuition for general campus purposes.
5. Consult with the affected students before proposing a differential tuition.
6. Review differential programs every three years regarding the need given general tuition levels, influence on student access to majors, and impact on other campus programs.

B. Market Criteria

1. Establish that market demand for a particular program significantly exceeds the current program capacity.
2. Demonstrate that production of additional graduates from the program will meet the workforce development needs of Wisconsin and/or its local communities.
3. Delineate the intended uses of additional revenues to be generated by the differential tuition, which may include increased program capacity, enhanced program quality, or general campus support.
4. Review differential programs every three years regarding the need given general tuition levels, influence on student access to majors, and impact on other campus programs.

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BACKGROUND

In its "Study of the UW System in the 21st Century," the Board of Regents approved flexibilities for tuition setting. UW-Whitewater proposes establishing a special tuition for its Advising and Integrated Freshman Experience Program.

REQUESTED ACTION

The Board is asked to approve a differential tuition for undergraduate students at UW-Whitewater beginning in the 2002-03 academic year. Undergraduate tuition will increase by an additional amount equal to 3.5% of the resident undergraduate tuition rate (approximately \$100 for the academic year for full-time students).

DISCUSSION AND RECOMMENDATIONS

UW-Whitewater proposes that it raise all undergraduate tuition rates each semester by 3.5% of the full-time resident rate. The differential fee will be prorated for part-time students. The fee increase would begin in the fall semester of 2002. In April 2001, the Whitewater Student Government concluded an extensive study, which strongly recommended charging a differential tuition fee to provide supplemental advisory services "to better the academic and social experience at UW-Whitewater." The estimated income in the first fiscal year (2002-03) from the proposal is \$830,000. In the second year, the income is estimated to increase to \$890,000.

This initiative is designed to promote continual student success – from admission through graduation. The initiative would create two comprehensive programs: (1) A multilevel advising model that systematically guides students through the various stages of course scheduling, academic major identification, college placement, career exploration, and job preparedness and (2) an integrated freshman experience program that provides both summer and fall orientation sessions; coordinates first-year experience programs in residence life; student leadership, health and counseling, recreation services, and various other offices and services; offers a credit bearing "Freshman Seminar" course; and creates peer mentoring opportunities for upper classmen to work closely with first-year students.

The additional tuition would provide the funds needed to create these enhanced programs. Created with "student success" as their primary focus, these programs will contribute positively to the overall retention efforts at UW-Whitewater.

It is not expected that this increase in tuition would affect overall enrollment at UW-Whitewater.

Approximately two-thirds of the income will fund enhanced advising. The remaining one-third will fund the integrated freshman experience.

Each year, the Provost and Vice Chancellor will prepare a progress report of the previous years' activities and plans for changes or enhancements to the program. The Provost will present the report to the Executive Officers of the Whitewater Student Government and Student Senate for their review.

RELATED REGENT POLICIES

Study of the UW System in the 21st Century. (June 1996)