

Kay Zimmerman  
2.14.11

## **Comparison of conversion of tuition models from plateau to per-credit:**

### **University of Wisconsin Milwaukee Tuition Options Proposals**

[http://www4.uwm.edu/acad\\_aff/tuition/faq.cfm](http://www4.uwm.edu/acad_aff/tuition/faq.cfm)

#### **Proposal 1: Redistribute tuition equitably across part-time and full-time students.**

[http://www4.uwm.edu/acad\\_aff/tuition/proposals.cfm](http://www4.uwm.edu/acad_aff/tuition/proposals.cfm)

*Gradually move from the current plateau tuition system to a per-credit model by phasing in gradually increasing caps to minimize financial impact on currently enrolled students.*

2003-2009: six year phase initiative

The proposal redistributed, not increased, tuition charges. Under the plateau system, 57%\* of undergraduate students enrolled in 12 credits or less, but subsidized the costs for students who enrolled in 13 up to 18 credits but paid for only 12 credits. A gradual implementation to per-credit beginning in 2003 minimized the impact on students who were currently enrolled and planned to continue to enroll for credit totals currently within the plateau. Under the proposed implementation, “plateaus” were replaced with “caps” that gradually increased.

Undergraduate tuition assessments:

Beginning in summer sessions, undergraduate tuition was assessed on a per-credit basis through 6 credits, with a plateau in place for 6 through 9 credits, and on a per-credit basis for 10 and more credits. Under the new model, summer 2003 undergraduate tuition was assessed on a per-credit basis through 8 credits and then capped. The cap was increased one credit per year.

Fall and spring sessions, undergraduate tuition were assessed on a per-credit basis through 12 credits, with a plateau in place for 12 through 18 credits, and on a per-credit basis for 18 credits or more. Under the new model, fall and spring 2003-04 undergraduate tuition was assessed on a per-credit basis through 13 credits and then capped. The cap increased one credit per year. The model was assessed after the cap reached 15 credits.

In addition to creating an equitable distribution of tuition costs, moving from a plateau to a per-credit tuition:

Enabled programs to be developed per the needs of diverse student markets. □ In order to be successful, these programs had to operate without a tuition plateau. Removal of the plateau would greatly increase opportunities to develop programs meeting the needs of students.

Increased availability of courses: the plateau allowed students to enroll in additional credits within the plateau and subsequently drop those credits without financial loss. Under a per-credit model, students have a financial incentive to enroll in courses that they intend to complete, this opened up access in courses for additional students.

Clarify tuition pricing for students: Once a straight per-credit system was achieved, tuition charges to students were greatly simplified for students and for program planners.

### **FAQ regarding the UWM phased plan:**

**Question:** Has any change in student behavior been built into the model for projecting campus tuition revenue?

**Answer:** Yes, in the preliminary model the assumption was that 10% of students within the current fee plateau would drop to a lower credit level. UMW continued to refine the model so that the tuition rates established under the “revenue neutral” phase-in proposal did not result in loss of tuition revenue at the campus level.

**Question:** But won't a per-credit assessment discourage students from experimenting with elective courses, such as diversity and arts and sciences courses?

**Answer:** One of the advantages of implementing the conversion from a plateau to a per-credit system so gradually was to assess the impact on a variety of possible concerns, including this concern. Under UMW's previous plateau system, one of the inequities for students enrolling for less than 12 credits was that they did not get the added bonus of experimentation without extra cost.

**Question:** Under the per-credit phase-in proposal, students taking credits below the fee plateau would pay less than they would under the current tuition pricing policies. How would this affect a School or College with a significant percent of part-time students? For example, would such a unit “lose” marginal tuition revenue if the per credit phase-in proposal were implemented?

**Answer:** There are different models for distributing marginal tuition revenue at the undergraduate levels. At the undergraduate level, net tuition revenue is “pooled” at the campus level and allocated to the Schools and Colleges based on weighted FTE credits. Marginal tuition revenue distribution was based on a unit's relative increase or decrease in credits conveyed. A unit received an increase in undergraduate marginal tuition revenue as long as the unit's credits increase—assuming, of course, an overall increase in marginal tuition revenue at the campus-level.

**Question:** Will students take longer to graduate after this policy is implemented?

**Answer:** This was monitored, but given the experiences at other universities; UMW did not expect this to happen.

**Question:** How will this affect students taking more than 18 credits?

**Answer:** In the initial phase-in year, all undergraduate students taking more than 18 credits received a financial advantage by this change.

### **University of Wisconsin System**

There are a number of other University of Wisconsin System campuses that have implemented a per-credit tuition policy: UW-Eau Claire, UW-Oshkosh, UW-River Falls, and UW-Superior have all implemented a per-credit pricing policy for graduate students only. None of these campuses indicated that they experienced a drop in enrollment subsequent to this change to per-credit tuition.

In addition, UW-Stout developed and implemented a phased plan-in a per-credit tuition system. Beginning in Fall 2002, new freshmen were charged tuition on a per-credit basis. The per-credit system was expanded to include graduate students, transfer students and special students within a 4 to 6 year implementation period. The plan eliminated the plateau system after six years (2008-09). UW-Stout officials indicated that there was no impact on student credit hours or new freshmen enrollment as a result of the change to per-credit.

### **University of Alabama-Birmingham**

Moved from a plateau system of assessing tuition to a per-credit model. Due to concerns about the effect that this change might have on enrollment and student credit hours, the transition to a per-credit model was implemented gradually. This allowed the university to evaluate the impact on student behavior. The university saw no measurable impact on enrollment or credit hours resulting from the change in assessment policy.

### **University of Oregon**

[http://www.ous.edu/state\\_board/meeting/dockets/ecddoc020315.pdf](http://www.ous.edu/state_board/meeting/dockets/ecddoc020315.pdf)

Proposal: Shift to Per-Credit Hour Tuition with Enrollment Incentives and Time of Day Discounts beginning 2002-2003

Dual challenge in ensuring student access, due to increasing enrollment and decreasing state support: First challenge-How to accommodate, within the existing campus facilities, the increasing numbers of students who seek a University of Oregon Education. Second challenge-How to respond to the needs of our students to maintain affordable tuition in the face of reductions in state support.

In response to the challenges, UO designed a new access-based tuition model.

- Spread tuition more equitably over all students.
- Provide lower cost tuition alternatives to enhance access.

The new access-based tuition model:

The "plateau" - currently from 12 to 18 credit hours - was narrowed to, 14 to 16 credit hours. All other credits, as is the case now for credits outside the plateau, were to be charged on a per credit hour basis or some fraction thereof. The reason for maintaining a plateau was to provide an incentive for students to take 15 or 16 credits which is the average number needed to graduate in a timely fashion. The per-credit hour cost could lower than under the current plateau model and still generate the same overall tuition revenue, due to the narrower plateau.

Staff Recommendation to the Executive Committee:

1. The Provost recommends the Executive Committee approve, on behalf of the Board, the University of Oregon proposal to shift to per credit hour tuition with enrollment incentives and time of day discounts as follows: The current plateau will be narrowed to 14-16 credit hours. All other credits will be charged on a per-credit hour basis or some fraction thereof.

**Opposition to per-credit hour tuition model:**

**BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM  
Per-Credit Tuition Model**

[http://www.uwsa.edu/bor/minutes/bor/2004/march.htm#\\_Toc67810310Tuition](http://www.uwsa.edu/bor/minutes/bor/2004/march.htm#_Toc67810310Tuition)

The group heard concerns regarding per-credit tuition from United Council but was reminded that the per-credit proposal does not call for a system-wide change and only recommends experimentation initially. The point was made that per-credit tuition could improve access for low-income, part-time students. 2004

**UW Stevens Point**

**Statute in Opposition to Per-Credit Tuition at UWSP**

**Authored By:** Amy Clark, SGA Budget Director; Courtney Ryan, SGA Vice-President

**Sponsored By:** Justin Glodowski, Senator, College of Professional Studies; Academic Issues Committee

**Whereas:** the impact of per-credit tuition on financial aid, segregated fee assessment, student healthcare coverage, military service benefits, and full-time status are not yet fully understood; and,

**Whereas:** students graduating with a wide educational breadth and depth of knowledge are a crucial asset to the economy; and,

**Whereas:** students may enroll in fewer courses each semester to reduce immediate costs incurred by per credit tuition, possibly increasing time to degree; and,

**Whereas:** getting students through the UW System in a timely manner is fiscally sound and a potential sudden drop in full time students could harm revenue; and,

**Whereas:** the current plateau system promotes a quicker time to degree; and,

**Whereas:** the current plateau system protects low-income students by allowing better access to high credit majors; and,

**Whereas:** fiscal considerations should not be the deciding factor in whether or not a student should drop a class; and

**Whereas:** the implementation of per-credit tuition may not be revenue neutral, increasing overall tuition costs across the UW System; and

**Whereas:** the students of UWSP are already suffering from devastating tuition and steady student fee increases; and

**Whereas:** many UWSP students are unable to fund their education through financial aid and/or receive minimal aid from outside sources.

**Therefore Be It Resolved;** that the students of UWSP oppose a move to a “revenue neutral” or “revenue generating” per-credit tuition model, and

**Therefore Be It Further Resolved;** the students of UWSP will not endorse additional revenue generation for GPR shortfalls such as per-credit tuition, and

**Be It Finally Resolved;** that this statute shall be forwarded to UWSP Faculty Senate, Academic Affairs Subcommittee, the UWSP Chancellor’s Office, UW System and the Board of Regents.