

University Assembly Committee on Recruitment, Admissions, Retention and Student Financial Aid

Summary of Discussion at 8/17/05 Meeting

Topic 1: Should the Campus support a proposal to decentralize tuition in two ways: (1) each campus could set its own tuition; (2) each program within the campus could have different tuition/fees.

The discussion was primarily at the philosophical/policy level; that is, should there be such policies allowing this pricing variation? We did not discuss the details of what the different prices should be.

Some of the key issues addressed were:

1. Allowing campuses and programs to have different tuition levels would allow each campus more flexibility to take into account its own competitive position, not only at the campus level, but also program by program. For example, if UMSL has many strong competitors locally for graduate program "X", then we might price our tuition for this program lower than others on campus, whereas programs that have a national reputation might charge a price premium.
2. There was concern about whether we would have the data and marketing knowledge to make good pricing decisions.
3. There was also concern both about having tuition levels that were too high, thereby pricing ourselves out of the market (especially relative to the CC's), and having tuition levels less than UMC and UMR, thereby signaling that we are somehow not as good in quality.
4. Another concern was that our campus pricing decisions might be used by the Governor and Legislature, or the Board of Curators, to reduce or not increase State funding to the campus. Both tuition increases and decreases might be used to justify State funding cuts; e.g., if you need more money, just raise your tuition rates; your tuition rates are very high, you certainly don't need more money.
5. In addition, we wondered if tuition rates being higher at other UM-System campuses might then be an argument for those campuses to have a larger portion of state appropriations.
6. There was also the question of whether it was good policy to have different degree programs priced differently. There was especially concern that this might encourage departments to be evaluated as profit centers, and those departments not earning enough to cover their costs would be eliminated. Essentially, the concern was that such a policy might increase program viability audits.
7. It was pointed out that there was already differential pricing among some programs, such as Nursing, Optometry, and Graduate Business.
8. After considerable discussion there was again general, but not unanimous consensus that UMSL should support the policy of allowing campuses to set their own tuition levels, and to allow campuses to have differential tuition by program, if they want.

Topic 2: Should the Campus support a proposal to have "Guaranteed/Fixed Tuition"?

Paul Speck and Provost Cope gave an outline of the proposal, although the details have not been set: a freshman would have the rate of tuition fixed for 4 or 5 years; transfer students would have it set for two (or possibly three) years.

Background information was also provided via:

1. A review of the 4/20/05 "Guidelines for Development of A New Tuition Policy"
2. Documents provided by the President's office including newspaper articles, press releases and a PowerPoint presentation.
3. Commentary from Dean Womer on this issue.

The discussion addressed issues and questions such as:

1. The potential impact of guaranteed/fixed tuition on part-time students

2. The effect on enrollment and retention on this campus specifically, given that its demographics are different from UMC, UMR. Some discussion occurred regarding whether or not this proposal would affect retention/graduation rates or simply time to completion. We think it might be helpful to research this by looking at other universities who have adopted such a policy, in order to assess the potential impact of this policy on enrollment, retention, graduation rates and time to completion.
3. Will fixed tuition be an option for students, or a requirement (i.e., fixed tuition will apply to all new students)?
4. How much will tuition have to increase initially in order to not harm overall university funding?
5. How will this (or not doing this) affect our competitive position in the local market?

After much discussion the general, though not unanimous conclusion was that the campus should support a policy of providing guaranteed tuition for both new freshmen and new transfer students as an option, but not a requirement for all new students. Some of the advantages and a rationale of doing so would be:

1. If guaranteed tuition is an important issue for new students and their parents, then it would be available, but for students who do not find this appealing (e.g., because they plan to transfer later; plan to study part-time and not finish quickly; they are simply willing to take their chances on price increases), they would be allowed to pay the lower initial tuition of a fixed plan.
2. The guaranteed tuition program could be structured as a tuition insurance program whereby students could buy 1, 2, 3 year insurance that fixed the tuition. This has the advantage of keeping the "list price tuition" lower, and treating the costs of the price guarantee separate. The negative side of this is that it could make the insurance cost non-reimbursable by employers; possibly not qualifying for financial aid.
3. The major concern seemed to be the large initial jump in tuition that would probably be needed to institute such a program.

A separate, but related issue that was discussed was whether we should try to implement a "truth in pricing" policy. Specifically, the question is whether we should reduce or eliminate all the extraneous fees as separate items, or simply roll all the fees into a single tuition rate. This would result in a higher published tuition, but would be a more accurate number to advertise. The fees would still exist, and funds would be funneled to the designated accounts (e.g., recreation, student activities), but students and parents would not be "surprised" and possibly confused by all the add-ons when they get their bill. Another advantage of rolling fees into tuition is that some companies will not reimburse employees for fees, but they will pay for all tuition.

No formal vote was taken on this issue.

Rob Harris
Chairperson
University Assembly Committee on Recruitment, Admissions, Retention and Student Financial Aid
August 30, 2005