

# Interim Higher Education Funding Committee Tuition, Fees and Budget Proposals

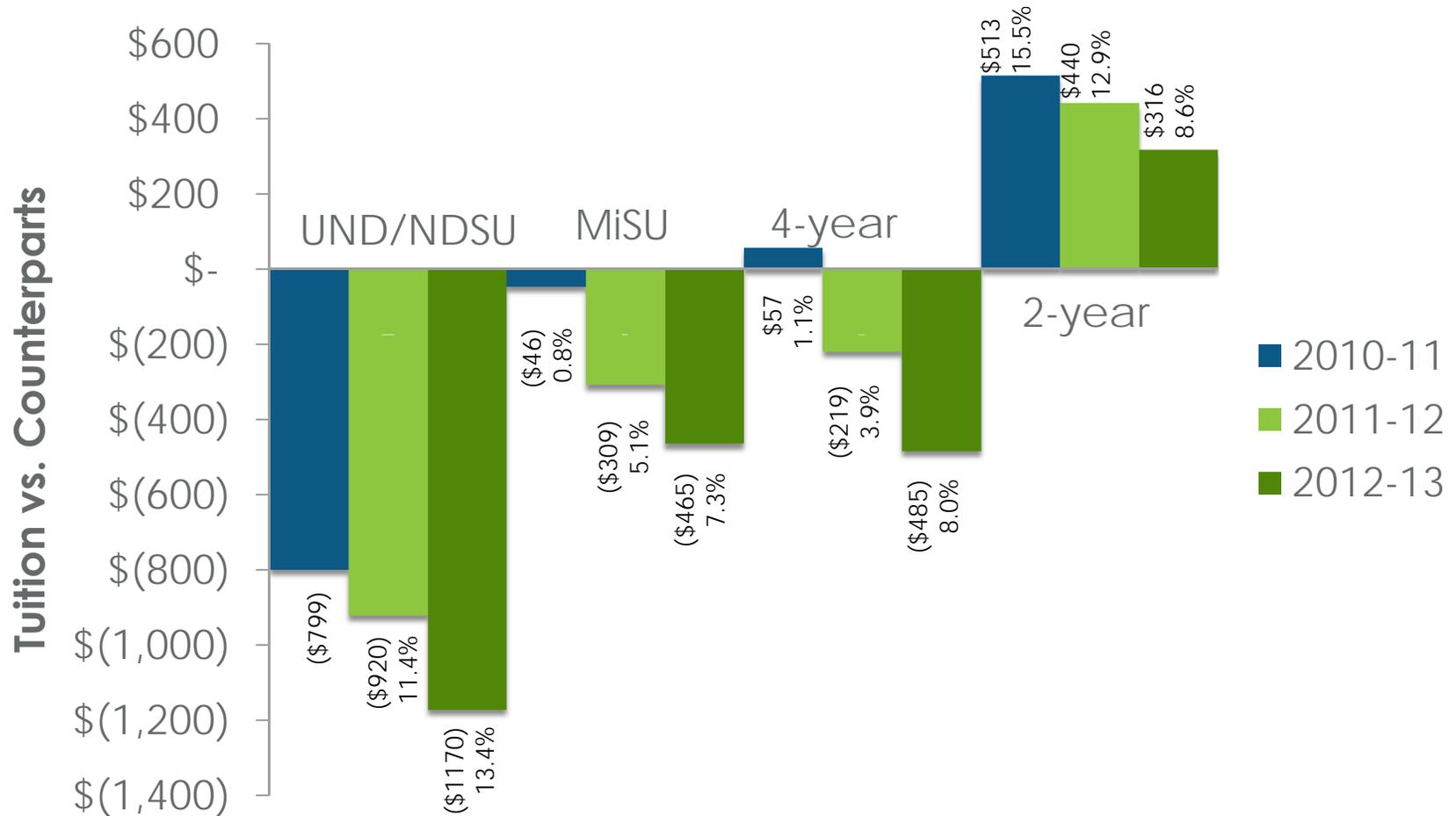
February 20, 2014



# HOW DOES ND'S TUITION AND FEES COMPARE TO REGIONAL COUNTERPARTS?

- Tuition and mandatory fees at all NDUS four-year campuses are less than regional counterparts
- Although two-year rates are still considerably higher than the regional average, the gap has narrowed due to tuition freezes in ND in the past four years

# NDUS Tuition & Fees Compared to Regional Counterparts



Region includes: CO, IA, KS, MN, MO, MT, NE, OK, SD, WI, WY  
 Sources: 2013 Student Affordability, page 3



# Two-Year College Rates

- Rates frozen for four years
  - ✓ 2009-10
  - ✓ 2010-11
  - ✓ 2011-12
  - ✓ 2012-13
- Add'l legislative appropriation to cover "student share" of cost. Thank you!
- Prior to the rate freeze, NDUS rate was about \$660/21% more than regional average; now it is about \$325/8.6% more.

# Student Debt-Class of 2011

- Nationally
  - About 7 out of 10 had student loan debt
  - Average \$26,600
- North Dakota (public and private)
  - About 8 out of 10 had student loan debt
  - Average \$27,425
  - Ranked 13<sup>th</sup> nationally

# Why

- Fed'l changes permit higher levels of unsubsidized student loans
- Cost of attendance outpaced growth of federal grant programs → more loans
- Family economics; especially middle income families
- Chancellor asks ND Student Association for feedback

# Middle Income Families

- College students from middle-income families are more likely to end up with student loan debt than their peers from both lower and higher socioeconomic backgrounds.
- Study found that middle income families with incomes between \$40,000-59,000 incurred 60% more debt than lower income students.

Source: Student: Student Debt Squeezes Middle Income Class the Most, Inside Higher Ed 2013.

# 15-17 NDUS Budget Request

- Chancellor's Recommended Centerpiece: Student Affordability
- Possible Budget Elements
  1. Financial Aid
    - ❖ Middle income families
    - ❖ ACA/CTE Scholarship
  2. State/Student shares
    - ❖ Increase state share/reduce student share at some or all campuses
    - ❖ Reduces or eliminates tuition rate increases for students in 15-17 biennium

# Middle Income Families Aid

- New Middle Income Family aid program
  - Not eligible for PELL or state grant
  - Based on income, expected family contribution and GPA
  - ND residents
  - Full-time (12 or more hours)
  - Award of about \$1,500 per year (tentative)

# ACA/CTE Scholarship

- Eligibility Criteria
  - ❖ Minimum 24 on ACT
  - ❖ WorkKeys score of 5 on three assessments
  - ❖ Complete specific high school curriculum
  - ❖ ND high school graduate
- Current Award
  - ❖ 17% of 2013 high school seniors met requirements (1,498 of 8,398)
  - ❖ \$1,500 per year
  - ❖ \$6,000 total (must maintain 2.75 cum GPA)
  - ❖ Current 13-15 appropriation=\$10 million

# ACA/CTE Scholarship, cont'd

- Options under consideration
  1. Maintain program at current award amount
    - ❖ Four full years of four classes
    - ❖ 15-17 est. cost increase = \$3.5 million
  2. Increase annual award from \$1500 to \$2500
    - ❖ Increase max from \$6000 to \$10,000 over 4 years
    - ❖ For Spring 2015 graduating class forward
    - ❖ 15-17 Estimated Cost increase = \$7.4 million

# ACA/CTE Scholarship, cont'd

- Considering recommending other program changes including:
  - ❖ Undergraduate vs/ graduate/professional
  - ❖ Full-time definition

# State/Student Shares

- Applied to “Cost to Continue”
- Current Shares

	State Share		Student Share	
	<i>Goal</i>	<i>Est. Actual</i>	<i>Goal</i>	<i>Est. Actual</i>
UND/NDSU	60%	35-45%	40%	55-65%
Four-year	70%	50-65%	30%	35-50%
Two-year	75%	50-75%	25%	25-50%

# State/Student Shares, cont'd

## □ Possible options

	<i>UND/NDSU</i>	<i>4 yr.</i>	<i>2 yr.</i>	<i>Add'l State Cost Incr.</i>
Current	60/40%	70/30%	75/25%	
Option 1	70/30%	80/20%	85/15%	\$10 million
Option 2	80/20%	90/10%	95/5%	\$18 million
Option 3	90/10%	100/0%	100/0%	\$24 million
Option 4	100/0%	100/0%	100/0%	\$30 million

# Pathways Plan – Tuition Model

- Overall Goals
  - ❖ Increased Transparency
  - ❖ Consistency, where practical
  
- Model still under development
- Target is still Fall 2015 implementation

# Tuition Model – Structure

## Current

### Per credit

- BSC, NDSCS, VCSU, WSC

### Per credit <12, flat rate $\geq 12$

- DCB, DSU, LRSC, UND

### Per credit <12, flat rate $\geq 12$ , program-specific

- NDSU

### Per credit <12, flat rate 12- 18, per credit >18

- MaSU, MiSU

## Proposed Tentative Pathways

### Per credit

- All 2-year campuses
- All 4-year campuses

### Per credit <14 or 15, flat rate $\geq 14$ or 15

- NDSU, UND

### More program-specific tuition rates/tiers

# Tuition Model - Fees

## Current

- Non-mandatory and mandatory fees separately billed

## Proposed Tentative Pathways

- Non-mandatory merged with tuition, to largest extent possible
- Mandatory fees separately billed

# Tuition Model – Rates by Residency

## Current

Resident	1.0
Minnesota	1.12 undergrad 1.27 grad
Contiguous	1.25 undergrad 1.5 grad
WICHE / MHEC	1.5
Non-resident	2.67

## Proposed Tentative Pathways

Resident	1.0
Minnesota	1.12 undergrad 1.27 grad
Contiguous	1.25 undergrad 1.5 grad Or same as MN
In Country Non-resident (including WICHE/MHEC)	1.5
International	1.75

# Tuition Model – On-campus and On-Line

- Single blended rate, if practical
- May require multi-year implementation plan or other adjustments, due to impact