Guidelines for Requesting Approval for Variable Tuition

The following guidelines apply to graduate programs – distance or residential – and online credit bearing programs excluding undergraduate degree programs. These guidelines were developed in response to the removal by the legislature of the 40% rule governing out of state tuition rates for graduate and distance programming in Spring 2014 and the Fall 2014 Board of Trustees (BOT) approval of a resolution setting the decision to approve a variable rate at the level of the UVM president. The BOT resolution further stipulated that the rate may not be lower than the in state (IS) undergraduate residential rate, or higher than the out of state (OS) undergraduate residential rate. The intent is to price graduate and distance programs for out of state students at competitive prices to successfully recruit these students. The guidelines are based on recommendations of a committee comprising faculty, associate deans, an administrative director, a dean and an associate provost. The guidelines were vetted through the Council of Deans.

The purpose of a variable tuition

- Variable tuition provides an audience sensitive approach to setting tuition based on a desire to attract students from a broad geographic region to increase enrollments and build financial stability for a program.

- Additional reasons to lower OS tuition for a program include attracting a broader student group to enhance the quality of a program, diversify the student body or respond to societal needs.
  
  - Building diversity in the student body includes geographic, cultural, experiential and socioeconomic diversity as well as increasing enrollments from underrepresented groups.

  Responding to societal needs includes meeting societal needs for training in the professions – particularly health and social service professions, decreasing student debt loads and increasing the numbers of highly trained individuals that remain in Vermont after receiving their degree.

Data required to support a request for a variable tuition rate

- Data to support a request must include evidence of the potential to bring new and/or different students and an analysis of financial viability.

  - For a variable rate requested primarily for reasons other than enhancing revenue, a substantive argument for the benefit accrued must be included.
Financial viability projections require a market analysis to set a price point that will increase student numbers sufficiently to enhance overall revenue even with the lower OS tuition.

- Continuing and Distance Education (CDE) will do this analysis for online, on-campus and out of country programming.

- Estimates of incremental infrastructure cost increases (e.g., student financial services) and other resources required to support the variable tuition and additional students must be included.

Parameters

- A variable tuition request must be for a flat per credit rate, not a percentage reduction, and be applied to all OS students in the program. Billing will be coded by student level and program.

- Minimal residency programs require a different financial aid package when students are required to be on campus vs when they are in the distance component. A definition of a distance student must include a ceiling for any required minimum residency component (e.g., ≤3 weeks required on campus activity per year).

- For distance programs, only those students matriculated into the distance program are eligible for the reduced tuition.

  - Residential students would pay at their usual IS/OS rate for any distance courses they could take; distance students would be prohibited from taking residential courses unless a mechanism is devised to bill by course in addition to student level and program.

Process for requesting variable tuition for a graduate program

- A proposing unit must discuss the request and its ramifications with existing programs likely to be affected by the variable tuition request. Evidence of the discussion should be presented in the document requesting variable tuition.

  - Variable tuition is only applied to OS tuition. IBB algorithm 2 states that graduate tuition follows the student – and payment for teaching outside a student’s program is by transfer fee of 85% on IS tuition; thus there is no loss of resources to other units teaching in the program related to a reduction in OS tuition. However, related programs may see a drop in enrollment because students choose the reduced rate program.

- A complete request should come from the Dean of the Academic Unit to the Dean of the Graduate College, who will forward it to the Provost with a recommendation of approval or disapproval.
For distance graduate programs, the completed request should come jointly from the Dean of the Academic Unit and the Dean of Continuing and Distance Education to the Dean of the Graduate College.

- For a distance program that is not graduate (and is not an undergraduate degree program), the request would go from the Dean of the Academic Unit(s) to the Dean of CDE who would forward it to the Provost with a recommendation of approval or disapproval.

- A template will be provided for the proposal to standardize requests.

- The sequence and approvals required for a request for variable tuition for a graduate program is:
  
  - Graduate Program Coordinator/Director (faculty) of requesting program
  - Chair of department if program is departmental
  - Dean of the requesting unit
  - Dean of CDE, if a distance program
    - CDE Dean will secure approval of Distance Education Advisory Board before the request is sent to the Graduate College
  - Dean of the Graduate College
    - Graduate College will circulate an abstract to all Deans/Chairs/Program Directors to identify any concerns and secure approval of the Graduate Executive Committee (or other designated committee)
  - Provost
  - President

- The sequence and approvals required for a request for variable tuition for a non-graduate program is the same with the exception that the Dean of the Graduate College is not involved, and that the request goes from the Dean of CDE directly to the Provost with a recommendation of approval or disapproval.

**Review of a variable tuition**

- When a reduced tuition is approved, it is expected to take a number of years to manifest an effect. Annual review of numbers (tuition and students) should occur jointly by the Program Director, Academic Dean, Continuing and Distance Education Dean (if distance) and Graduate College Dean, or their designees.

- A fifth year review of the effect of the variable tuition requires a formal request to continue, change or eliminate the variable tuition with a similar process to the original request. The Associate Provost for Teaching and Learning will request and track the fifth year reviews.

David V. Rosowsky, Provost and Senior Vice President
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