



Memorandum

To: Ronald M. Berkman, President
From: Geoffrey S. Mearns, Provost and Senior Vice President for Academic Affairs
Date: March 14, 2011
Re: Tuition Band

Mearns

I submit this memorandum on behalf of the budget advisory task force as part of the task force's ongoing responsibility to provide recommendations as to how the University should prepare for the possible reduction in state support for higher education.

As part of the task force's consultation with the University community, the task force received a suggestion that the undergraduate "tuition band" should be altered in order to generate additional revenue. The current undergraduate "tuition band" is 12 to 16 credit hours.

The task force evaluated four alternative scenarios: (1) increasing the bottom of the band to 13 credit hours, so that the "tuition band" would be 13 to 16 credit hours; (2) increasing both the bottom and top of the range, so that the "tuition band" would be 13 to 18 credit hours; (3) increasing both the bottom and the top of range, so that the "tuition band" would be 14 to 18 credit hours; and (4) completely eliminating the "tuition band."

Each of these alternative scenarios would generate additional revenue. (Estimates for each scenario were developed; those projections are attached.) After some discussion, however, the task force decided to recommend that the University not alter the current undergraduate "tuition band" for the following reasons.

The task force rejected scenarios #3 and #4. While both scenarios would generate additional revenue, the task force concluded that either of these proposed changes would be too drastic.

The task force also rejected scenario #2. The task force concluded that such a change would not generate sufficient additional revenue to justify the disruption to our students.

After some discussion, the task force decided not to recommend scenario #1, which is the most plausible one. The task force had three principal concerns.

First, the task force anticipates that the University will likely increase undergraduate tuition and fees next year. Adjusting the "tuition band" would effectively constitute an additional, but somewhat hidden, increase in costs that would be incurred by our undergraduate students. The task force believes that any cost increase should be transparent.

Second, the task force was concerned that adjusting the "tuition band" would have an adverse effect on our efforts to increase enrollment, because the current "tuition band" is already among the least beneficial to students among Ohio public universities. If the University adjusted the "tuition band" pursuant to scenario #1, our University would have the least beneficial "tuition band" of all the public universities in the state.

Third, the task force was concerned that adjusting the "tuition band" might impede the University's efforts to improve undergraduate retention and graduation rates, because some students may opt to take fewer courses each semester, thereby slowing their progress towards degree completion. While it is not clear that adjusting the "tuition band" would have this effect, the task force concluded that this risk outweighed the potential financial benefit.

In sum, the task force recommends that the undergraduate "tuition band" remain at 12 to 16 credit hours.