UNIVERSITY *of* ALASKA

Many Traditions One Alaska

Memorandum

Date: December 7, 2017

To: President James R. Johnsen

From: Saichi Oba, AVP

Subject: Options for implementing the 25% discount for OEC/Certificate courses.

On the following pages please find the recommendations from the small team of faculty and staff[1] from around the system that discussed and debated the issues surrounding the 25% discount for OEC / 1-year certificate courses.

Background:

> *"While university tuition is low compared to its peers and to other universities in the western states…UA's tuition for certain career and technical education (CTE) programs is high. This imbalance contributes to UA's low college going rate in Alaska. To provide some relief to students in selected CTE programs, grow enrollment, increase completion, and meet the state's workforce needs, the president will seek an additional $1.0M in state support to be used toward a 25 percent reduction in tuition rates in eligible programs. This tuition discount would be provided in CTE programs that include, for now, all occupational endorsements and undergraduate certificates. This plan is not without some risk. If the state does not provide the requested funds the university will need to reallocate resources to meet this commitment."*

> *(Excerpt from the President's tuition narrative for the BOR, November 2017)*

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[1] See appendix A

The team was provided a document[2] developed by the Community Campus Directors Council (CCDC) at the onset as a primer for many of the issues germane to the discussion. While the document provided considerable guidance, the group was not bound by the contents. The document did however, provide information that helped level the playing field for all on the team.

Typical of complex issues, the group wrestled with many questions - for example, should the discount apply to the program, the course or the student? What level of Banner programming would be required? What about any negative impact to tuition revenue? Will students easily understand the discount - and will it compel them to enroll?

These questions and many more helped the group focus and agree on the options presented in the attached matrix, but before we turn to them please consider the following:

- Almost all of the options considered require considerable manual intervention. This is because the discount is specifically targeted to a subset of courses within UA.

- The more caveats we put on who or what course would receive the discount the more difficult it becomes for students to easily understand the benefits of the discount.

- Regardless of the strategy selected, tuition revenue will likely be negatively impacted - at least in the first term or two. The group recommends that campuses remain tuition revenue neutral. The group also recognized that some community campuses could see a positive impact on tuition revenue - but this will be largely confined to the CC's accessible by road.

- The group supports the identification of metrics to gauge the impact of the discount. As a starting point the group supports the following metrics (from the CCDC white paper) to include, but not limited to increases/decreases in:

  o Student credit hours
  o Headcount

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[2] See appendix B

- OEC/certificate completers
- Admits to OEC/certificate programs
- Revenue impact by campus

As you will see on the next page the Team has provided you five potential options to consider. They are presented in rank order. Note the last two - options D and E have far less support from the group - but have been nonetheless included.

Finally, all the options indicate OEC courses in the description - we could have just as easily used 1-year certificates. It was deliberate that we did not include both course types. ***The group strongly suggests that you consider phasing in the 25% discount to both OEC and 1-year certificates over a multi year timeline.***

The group recommends this since the likelihood that applying the discount will take considerable manual intervention, applying to only OEC courses or only 1-year certificate courses would lessen the administrative burden and allow us to better understand any unintended consequences. By starting with one group of courses we could observe and learn and then build on lessons learned.

Next steps - regardless of the option selected, an analysis of the potential revenue impact must be undertaken. In addition, guidelines for the program should be ratified. For example:

- The discount will run for three years starting with the Fall 2018 term.
- The discount will apply to all OEC courses in year one, followed by 1-year certificates in year two.
- Current as well as new OEC students are eligible for the discount.
- The discount only applies to tuition - not the non-resident surcharge.

Marketing of the discount and the programs impacted should begin in earnest following the last day for tuition and fee payment for spring 2018, which is on Monday, January 29, 2018.

			25% Discount Options (priority order)		
Option	A	B	C	D	E
	<u>New Rate of Tuition</u> New level of tuition for OEC core courses. Would not be applied to courses such as GERs or BIOL, MATH, COMM, WRTG, etc.	<u>25% Discount applied to only OEC core courses</u>. Would not be applied to courses such as GERs or BIOL, MATH, COMM, WRTG, etc.	Scholarship	Partial Tuition Refund after successful course completion	25% Discount applied to student's accounts receivable record
Description	Similar to other codified rates of tuition (i.e. LD, UD, Graduate, etc.)	Discounted rate of tuition applied to each OEC core course; Tuition Rate vs. Discount: Tuition Rate is set in Banner; Discount will need to have a org/account where that discount is charged against.	Students admitted into the OEC and who apply for financial aid would receive a scholarship.	Applied after the course is complete - a credit to be used in a subsequent semester	Create attributes for both OEC courses and of student admitted into OEC/cert to automate a 25% discount.
Formal admission into OEC?	No	No	Yes	Yes or No	Yes
Pros	Easy for students to understand; easy to market; automated after Banner set-up. (In Banner this rate would be coded similar to how we code other rates of tuition.)	Easy for students to understand; easy to market	Easy for students to understand; easy to market; if there is program and campus differential based on different campus' capacity, this would allow that level of flexibility.	*No support for this method from the group*	*No support for this method from the group (one team member supported this option)*
Cons	Would this need BOR approval? Rate is applied to course regardless if used for OEC/Certificate or AAS - could find considerably more students using the discount.	Considerable manual intervention - each OEC course would have to have either the discount rate applied or an account to where the discount would be charged against. As with option A, we could find more students using the discount.	Considerable manual intervention - this means every OEC course would have to have a new tuition rate (the 25% discounted rate); Will this incentivise enrollment? Will SAP apply? Tax implications?	Considerable manual intervention required. Revenue reductions and less appealing to students - may not be an incentive to enroll.	Considerable manual intervention - attributes would have to be applied to each student and course in Banner.
Need more resources to implement?	No	Yes	Yes - at least one FTE for the system.	Yes	Yes
Limit availability of discount	No flexibility for campus' to adjust to variability in enrollment capacity.		Easy to adjust for differences in campus' capacities.		
Other?	*As noted above under CONS - it would be difficult to limit who would receive the discount.*		Financial Aid Officers need to review this option.		

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Appendix A

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Gwen Gruenig, Associate Vice President, OIR (UA)

Paula Martin, Interim Dean, School of Arts and Sciences; Interim Vice Provost for Research & Sponsored Programs (UAS)

Monique Musick, Public Information Coordinator, OPR (UA)

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Reduced CTE Tuition White Paper
Prepared by CCDC

General Info
- 25% reduced tuition cost in Fall 2018=$159
- $1 million will cover 18,868 credits annually
- 6,289 3-credit courses annually (some are 4-credit courses so this number will be less)
- 3,145/semester (some are 4-credit courses so this number will be less)

Challenges/Reasons Leading to Proposal
- Many CTE programs/classes are already fully enrolled so discounting tuition could lead to more students wanting to enroll when UA can't handle the excess due to lack of faculty and/or space. Not being able to accept these students after enticing them with a discount could hurt our credibility. These classes could see no increase in tuition revenue or enrollment.

- Many CTE students don't enroll as OEC/certificate seekers, but enroll in classes in order to enhance their skills or get the 1-2 courses that will get them a raise in their current job or make them more competitive in a job search. They're not looking for the OEC or certificate.

- Advising will steer them to become OEC/certificate seekers, but most of these students don't seek advising in advance and we won't catch them easily before they enroll online as non-degree seekers and pay their tuition. For those students who do become CTE program seekers after they've registered, each will need to be manually changed in Banner to refund the students' money, which will increase the workload of the registration and business office staff.

Proposal
- All courses in OEC/certificate programs including GERs/non-CTE courses will be eligible for tuition discount. Eligible programs based on next bullet.

- We have created our eligibility list by cross referencing the AK DOL high demand job list against UA OECs and 1-year certificates.

- Pull AK DOL list of AK high demand jobs. Done.

- Cross-walked UA's OECs and 1-year certificates to the DOL list and created table. Done.

- Request SW IR pull data from attached table; delete those programs that have been deleted, suspended or added by UA since 2014.
    - Populate table:

- Column 1-List OEC and 1-year certificate programs that fall under the DOL high demand job list per the table. Only list each campus within a MAU once for the same program.
- List under each program-Classes required by each program to include GERs/non CTE courses.
- Column 2-Show campuses that offer the program.

- SW IR pull HC, SCH and fill rate data for last three years on the listed classes to create a baseline to compare to after Year 1 to measure success and inform possible changes.

- Metrics to include, but not limited to increases/decreases in:
  - Student credit hours
  - Headcount
  - OEC/certificate completers
  - Admits to OEC/certificate programs
  - Revenue impact by campus

Cautions
- **REQUIREMENT:** to be eligible for reduced tuition students must be enrolled in an eligible OEC/certificate at the time they enroll in classes.

- Some certificates require non-CTE courses to include GERs.
  - Students not interested in an eligible CTE program could become an OEC/certificate seeker and enroll in those GERs that apply to whatever program they are already enrolled in or plan to enroll in that are required for the OEC/certificate.
    - **Result:** students in GER courses will pay different tuition rates; i.e., a WRTG A111 class could have 10 students paying full tuition and six paying reduced tuition.
      - **Potential Result:** overspend the $1 million.

- Need for communication plan.
  - Create a user-friendly way to learn about and use the initiative.
    - Possibly create a web page on UAOnline listing eligible programs. Click on program and classes required are shown and where the program is offered and if the courses are available via distance.
  - University course catalogs will need to indicate the eligible programs with a link to the above page.

Next Steps in Subsequent 3-5 Years
-Invest funds to increase headroom in those classes and programs that lack capacity created by the discount; i.e., additional faculty/space.

Prepared by CCDC 11/9/17.