

Per-Credit Tuition Model – Especially for Faculty Advisors

- IUP is moving to a per-credit tuition model for undergraduate students who domicile in Pennsylvania starting in the fall 2016 semester
- This is not a tuition increase
 - Tuition is not set by IUP or by any individual university; it is set by the Board of Governors (BOG) for all of the PASSHE schools (annually in July)
 - We will know the per-credit tuition rate in July after it is set by the BOG
- The per-credit model only applies to undergraduate students who domicile in Pennsylvania
 - Out-of-state students will continue to pay tuition at the flat, full-time rate, which is already greater than for in-state students
- All graduate students already pay tuition per-credit
- All summer and winter courses are already a per-credit model
 - Summer and winter terms account for 12% of the annual credit hours (more than 35,000 credit hours)
- The average IUP student who graduates completes their degree in 4 years plus one semester
- The average completed credits at graduation for IUP students is 129
- Millersville University instituted the per-credit model in 2015, with somewhat different parameters
 - Millersville has seen “no major change” in applications or enrollment
 - The per-tuition credit has created about \$3.9 million in additional tuition revenue at Millersville

IUP’s Model – Financial Incentives/Assistance for Students (UG, who domicile in PA only)

- Based on the tuition rate set by the PASSHE Board of Governors, IUP will **discount the per-credit tuition rate across the board for all undergraduate students who domicile in Pennsylvania** in the first three years:
 - A 7% discount in 2016-17; a 4% discount in 2017-18; a 1% discount in 2018-2019
- The **Academic Success Initiative (ASI)**:
 - Students with a GPA of 3.5 or above, no course withdrawals in the last two semesters, and 30 credits over the last two semesters, earn an Academic Success Incentive (ASI) scholarship equivalent to two credits of tuition for the academic year
 - Students with a GPA from 3.0 to 3.49, no course withdrawals in the last two semesters, 30 credits in last two semesters earn an Academic Success Incentive (ASI) scholarship equivalent to one credit of tuition for the academic year
 - Students do not need to apply for the ASI. The awards will be automatically included in their billing statement
 - In addition to providing financial support, the ASI is an incentive for current students to maintain or strengthen academic performance and to choose classes

strategically and carefully to avoid withdrawals, maintain 30 academic credits in two semesters and maintain progress toward graduation

- National research shows that recurring performance-based scholarships are most effective
- Students with unmet financial need also qualify for a **Need-Based Grant** of two credits of tuition for the academic year.
 - Students do not need to apply for the Need-Based Grant, but they must submit a FAFSA and must maintain satisfactory academic progress
- Students can qualify for both the ASI and the Need-Based Grant for a total of four credits of tuition for the academic year
- For new students, the Sutton Scholarship, IUP Grant programs, and all other scholarships will continue (students do not qualify for the ASI until they achieve 30 credits)
 - Sutton Scholarships are for undergraduates who domicile in Pennsylvania, based on HS GPA, SATs
 - Sutton Scholarships are for \$2,000, and many can be renewed annually for a total award of \$8,000
- Approximately 88% of IUP undergraduate students already receive some kind of institutional financial assistance, and that level of support will continue

Why A New Tuition Model?

- *Equity*: this system will increase fairness, as students will pay for what they take.
- *Flexibility*: Students who choose to be/need to be part-time or even full-time at 12-credits will pay significantly less than under the current (flat-rate) model.
- *Accountability and Agency*: This model addresses the issue of withdrawals and unused seats, encouraging accountability and economic savvy by students and discouraging the “shopping” behavior, which takes seats away from students who need those courses to make progress towards their degree
 - **More than 7,083 credit hours each semester** go unearned because of withdrawals
 - Approximately **2,400 seats each semester**, paid for by students, become available through withdrawals. These seats are then unavailable to students who needed to be in those classes to move forward for graduation
 - This level of inefficiency drives up costs for students, and costs IUP more than \$3 million every year
 - By working to change the “W” behavior, class headcount will be more accurate and students can more easily get the classes they want and need
 - By including “no withdrawals” in the ASI for the 30-credit period considered for the ASI, the system will incentivize students to avoid re-taking classes.
- IUP is facing a budget shortfall. The per-credit tuition model is projected to generate approximately \$4 million in tuition revenue

- IUP receives less than 28% of its funding from the commonwealth. The rest must be generated through tuition and fees and fundraising
- The university requires a new innovative business model if we are to continue delivering excellent educational programs at the lowest possible cost

Communication/Feedback

- The Academic Success Center (ASC@IUP) has communicated the per-credit model to advisors through the Advisor Resources newsletter