

November 7, 2018

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Tuition and Student Aid Scope Approval

Issue

The Finance and Facilities committee of the Board of Regents has been assigned to serve as the steering committee for the Board's strategic initiative focused on tuition and student aid policies. The Board is asked to review and take action on the final scope of work document associated with the Board's Tuition and Student Aid policy study.

Background

The Board of Regents recognizes that Utah must increase the proportion of its population with a college education to build state prosperity into the future. This can only be accomplished by ensuring higher education remains accessible and affordable for Utahns. Affordability is an issue of concern for Utahns, given larger family sizes (3.12 persons per household, compared with 2.63 nationally) and thus the likelihood of more students attending college from the same family, simultaneously. As the Board considers an affordability strategy, it will be important to recognize that although tuition at Utah's four-year public institutions is the third-lowest in the nation, Utah community colleges rank 16<sup>th</sup> lowest in the nation, which creates questions about college affordability for students pursuing career and technical training, an associate's degree, or a cost-effective alternative way to complete their first two years of school before transferring to a four-year institution.

In May 2018, the Board adopted three strategic priority initiatives including the request that the Commissioner and his staff engage in a comprehensive evaluation study of the Board's current tuition and student aid policies in order to create an affordability strategy and framework; recommend revisions to tuition and student aid policies to support the affordability strategy; identify the economic benefit of nonresident students for the state of Utah; and create system and institution metrics and benchmarks to review system and institution performance against the affordability strategy.

Over the course of the last few months, the Commissioner's staff has worked with institutional representatives including Presidents, Business Vice Presidents, Student Financial Aid Officers, and Enrollment Management and Admissions Officers to develop a scope of work document to guide the work of the Kem C. Gardner Institute.

The currently proposed study will address the following three actions:

1. Conduct a tuition and student aid policy baseline assessment;
2. Identify the value of nonresident students to the USHE institutions and state of Utah; and
3. Identify potential options for the Board to consider when defining affordability and appropriate system metrics.

Commissioner's Recommendation

The Commissioner recommends the Regents review and approve the scope of work document for the Board's tuition and student aid study as outlined by the Kem C. Gardner Institute.

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David L. Buhler  
Commissioner of Higher Education

DLB/KLH  
Attachments

**Proposal to Conduct Research  
For the Utah System of Higher Education  
October 8, 2018**

## **Objective**

The Kem C. Gardner Policy Institute will assess system-wide tuition and student aid policies, evaluate the net value of nonresident students, and contemplate affordability. This research will inform the Utah System of Higher Education (USHE) decision-makers as they consider potential policy modifications and enhancements.

## **Action Items**

### *Tuition and State Aid Policy Baseline Assessment*

General tuition and aid policies, practices, and even terminology vary among Utah's public colleges and universities. We will catalogue current policies and practices for each of the eight USHE institutions, identifying both opportunities for systemization and justifications for certain variances. We will also propose a common terminology for tuition and aid.

In addition to assessing the current landscape of tuition and aid for USHE institutions, we will study tuition policies and practices of selected higher education systems in other states and conduct a brief academic literature review to identify any best practices.

### *Value of Nonresident Students*

We will apply a traditional economic impact analysis framework to assess the economic benefits of students who come to USHE institutions from outside of Utah and of those who remain in Utah after graduation. To do this, we will first evaluate the feasibility of using existing data from the institutions and other sources to estimate the direct in-state expenditures of these students. If these data sources are sufficient for estimating in-state expenditures, we will calibrate and run an economic model to assess total impacts. If the data sources are insufficient, we may need to expand the scope and budget of this proposal to include surveying of nonresident students.

We will review selected economic literature to identify those benefits and costs associated with nonresident students at public universities that are not easily quantified.

### *Measuring College Affordability*

We will conduct a review of academic literature and other sources to identify potential options for defining college affordability. We will then use existing demographic and economic data to demonstrate how these options would apply to Utah's institutions and develop a proposal for more refined research.

## **Deliverables**

For each deliverable, the client should provide any feedback, in writing, within two weeks of the delivery of each draft. The Gardner Policy Institute will deliver a final electronic publication of each deliverable four weeks after delivery of the initial draft (client requests for substantive changes may require more time).

### Technical Memoranda

The Gardner Policy Institute will deliver three technical memoranda, each containing a detailed analysis of an action item. A technical memorandum concisely summarizes results of an analysis for an informed internal audience (i.e. less context is provided than would be for a more general audience).

- On or before April 1, 2019 we will deliver an electronic draft of the Tuition and State Aid Policy Baseline Assessment Technical Memorandum.
- On or before April 1, 2019 we will deliver an electronic draft of the Value of Nonresident Students Technical Memorandum.
- On or before June 28, 2019 we will deliver an electronic draft of the Measuring College Affordability Technical Memorandum.

### Comprehensive Report

On or before July 29, 2019 the Gardner Policy Institute will deliver an electronic draft of a comprehensive report that includes all of the research in this proposal and an executive summary.

### Presentation of Results

Juliette Tennert, Director of Economic and Public Policy Research, and Angela Oh, Senior Managing Economist, will be available for presentation of the results after completion of technical memoranda. We ask that the presenters are given notice at least 20 days in advance for adequate preparation.

## **Client Responsibilities**

Our research is contingent upon the cooperation of all USHE institutions. The client will identify point-people at each institution to support the collection of data and other information.

Delays in communication with Gardner Policy Institute analysts or information requests may delay the delivery of final products and require an amendment to the contract.

## **Key Personnel**

Angela Oh will serve as the Lead Analyst in fulfilling this scope of work and will be primary point of contact for day-to-day project execution. Juliette Tennert will serve as the Principal Investigator, advising on and reviewing methodology and results. In addition to Angela and Juliette, other Gardner Policy Institute analysts will contribute to this project. Meredith King will serve as the research coordinator.

All amendments to the contract, including changes to the scope of work and deliverable dates, and administrative and budget inquiries should be coordinated through Meredith King.

INFORMED DECISIONS™

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