

## NDSU Tuition Waiver Comparability

In order to compare tuition waivers between institutions the following factors must be considered:

### A. Tuition rates at each institution

### B. Tuition contract agreements

The recording of contracts under SBHE Policy 805.1.4 can directly impact waivers. This policy allows institutions to negotiate a flat rate charge, not less than the residence tuition rate, to be paid by a third party. Therefore, the tuition on these contracts may be recorded at the negotiated rate without recording a waiver. NDSU has numerous contracts with international institutions that provide for reduced tuition rates (the majority of the students pay 133.5% of the ND rate). However, since these contracts stipulate the student pays the institution and not the third party paying, the tuition is recorded at the higher rate with a corresponding waiver. If NDSU recorded these contracts at the negotiated tuition rate, the international waiver would decrease by approximately \$1.2 million.

### C. Business needs of each institution

Due to varying business needs of the university system institutions, which include factors such as mission and type of institution, the SBHE has approved different tuition rate structures. Because of these varied tuition rates, waivers are difficult to compare. Institutions that charge non-resident students at lower rates will have lower tuition waivers.

Following is an illustration of approved tuition rates (may not include contract agreements):

Chart 1 2010-2011 SBHE Approved Rates (% of ND Rate)							
	ND	Non-Resident	International Students	Contiguous	MN Reciprocity Agreement Undergraduate	MN Reciprocity Agreement Graduate	MN - Professional
BSC	100%	267%	267%	125%	137.5%	-	-
DCB	100%	150%	150%	125%	148.3%	-	-
DCB - all Canadians			100%				
DSU	100%	267%	267%	125%	107.6%	-	-
LRSC	100%	100%	250%	100%	100%	-	-
MaSU	100%	150%	267%	125%	107.6%	-	-
MaSU - Canadians other than Contiguous			150%				
MISU	100%	100%	100%	100%	100%	-	-
NDSCS	100%	267%	267%	125%	137.4%	-	-
NDSCS - Students living on-campus	100%	100%	100%	100%	100%	-	-
NDSCS - business & industry programs	100%	100%	100%	100%	137.4%	-	-
NDSU	100%	267%	267%	150%	104.6%	118.5%	-
NDSU - Pharmacy	100%	267%	267%	150%			106.4%
UND	100%	267%	267%	150%	110.8%	125.1%	-
UND - Law	100%	267%	267%	150%			150.0%
UND - Medicine	100%	185%	185%	185%			110.0%
UND - Physical Therapy	100%	138%	138%	138%	100%	-	-
UND - Occupational Therapy	100%	140%	140%	124%	100%	-	-
VCSU	100%	267%	267%	125%	107.6%	-	-
WSC	100%	100%	135%	100%	100%	-	-

Note: For 2012-2013 DSU and MaSU received approval to charge all graduate students regardless of residency at 100%

The following chart displays how the amount of total waivers could be reduced if NDSU were to charge comparable tuition rates:

Chart 2	Grad Assistant	Employee Waiver	Spouse/Dep Waiver	National Guard	International Student	POW/VETS/Dep Waiver	Cultural Diversity	Sr Citizen	Institutional Waiver	Total Waivers
2010-11 Tuition Waiver Information Report (Actual)	\$7,938,573	\$413,761	\$570,090	\$192,133	\$3,908,301	\$129,937	\$1,558,260	\$3,231	\$513,210	\$15,227,496
Analysis A - Assumes the top tuition rate charged is 150% of ND rate (not at 267% of ND rate)	\$5,160,677	\$374,611	\$569,677	\$192,133	\$738,878	\$118,393	\$1,558,260	\$3,231	\$371,849	\$9,087,709
Analysis B - Assumes all residencies charged at the ND rate	\$3,771,877	\$349,808	\$563,873	\$192,133	\$163,515	\$113,338	\$1,558,260	\$3,231	\$352,837	\$7,068,872

- Analysis A – NDSU's waivers would decrease by \$6.1 million annually if all non-resident students except for MN students were charged at 150% of the ND rate.
- Analysis B – NDSU's waivers would decrease by \$8.1 million annually if all students were charged at 100% of the ND rate. Please note, NDSU is not advocating this method.

In addition, as a doctoral-granting flagship research university with an emphasis in Sciences, Engineering and Math; NDSU has a high proportionate share of graduate assistants that support the instructional and research mission. As a national best practice for compensation these assistants receive tuition waivers.



## 2010-2011 NDSU Tuition Waiver Information

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	Grad Assistant	Employee Waiver	Spouse/Dep Waiver	National Guard	International Student	POW/VETS/Dep Waiver	Cultural Diversity	Sr Citizen	Institutional Waiver	Campus Total	Unduplicated HC Total
# of Students	1,006	273	264	197	631	19	321	7	348	3,066	2,939
Dollars	\$7,938,573	\$413,761	\$570,090	\$192,133	\$3,908,301	\$129,937	\$1,558,260	\$3,231	\$513,210	\$15,227,496	

### 1) Grad Assistant –

- Students receiving graduate assistantships also receive a 100% tuition waiver. To be eligible for a tuition waiver, the assistantship must be at least 160 hours per semester (.25 FTE). Approximately 70% of assistantships are full time consisting of 320 hours per semester (.50 FTE). Graduate assistants must be paid a stipend for at least the federal minimum wage for work related activities.
- The graduate waiver for students who hold an assistantship represents the national best practice model for institutions seeking competitive students. Nominally it reduces tuition revenue collections, although that effect is offset via exchange for services in support of the instructional and research mission of the university that are performed by these students.
- The graduate waiver also serves to compensate students for low stipends. As a recruitment tool for graduate students, the compensation package includes tuition waivers and stipends. Graduate assistantship stipends have often been lower than competing universities. The use of graduate waivers instead of higher salaries or tuition reimbursements through grants, frees these resources for other operating expenses.

### 2) Employee Waiver – Per NDSU Policy 133 and SBHE Policy 820, benefitted employees employed on at least a half-time basis are eligible for a 100% tuition waiver for up to 3 classes per calendar year.

### 3) Spouse/Dependent Waiver – Per NDSU Policy 133.1 the spouse and dependents of regular, benefitted NDSU employees are eligible for a 50% tuition waiver.

### 4) International Students –

- Academic & Cultural Sharing Scholarship – International students who are eligible for this waiver will receive a 50% waiver off of the 267% Non-Resident tuition rate. As a result these students still pay 33.5% more than a ND Resident. Students must maintain a 2.5 cumulative GPA and complete 10 hours of volunteer service each semester. This 50% waiver represents the majority of the International Student waivers.
- Junior-Senior Scholarship – 10 international students received a 100% waiver awarded based on academic achievement, leadership contributions and involvement in campus activities.
- International Exchange students – NDSU has Study Abroad programs where the NDSU student is "exchanged" with the International student. The international student pays tuition to their home institution and their tuition is waived at NDSU. The NDSU student pays NDSU for the Study Abroad tuition and does not pay it to the international institution. There were 29 students in this program.
- Contract Agreements – NDSU has contract agreements with other international institutions. Under the contract terms NDSU has agreed to provide a reduced tuition rate to the international student. The majority of these students receive a 50% waiver (the students still pay 133.5% of the ND rate). **NDSU does not pay an institution to recruit the students.**

### 5) Cultural Diversity – Awarded to U.S. students who are from underrepresented groups with priority given to full-time students with high financial needs or who are first generation students. The award is up to 100% of the ND Tuition rate.

### 6) Institutional Waiver – Other institutional waivers granted by NDSU under SBHE Policy 820.

- Graduate Tuition Waiver (\$206,551) – Award granted to graduate students based on academic standing. The waiver is for 100% of tuition on the number of credits granted.
- Non-Resident Tuition Waiver (\$121,770) – Award granted to U.S. Non-Resident students. The waiver of tuition is from the 267% Non-Resident rate down to the 150% Non-Resident rate.
- Remaining waivers (\$184,889) – Awards granted for tuition appeals, contract agreements and other various reasons.



## **NDSU – Strategic Use of Waivers at Research Universities**

"Tuition Waivers" at Research Universities serve a number of critical strategic functions. The five major strategic functions include: (1) acquisition of resources via tuition revenues that would otherwise not exist, (2) acquisition of student talent, (3) recognition of select groups such as veterans, (4) support of the institutional mission for instruction, and (5) support of the institutional mission for research. To fully appreciate these factors, it is necessary to disaggregate major differences in waivers for various subgroups of students. It is important to understand that the term "waiver" is a misnomer somewhat unique to North Dakota when applied to undergraduate students (it is very common nationally when applied to graduate students); the more commonly used term in higher education circles of "tuition discounting" is far more appropriate and accurate (for undergraduate students)..

**(1) Acquisition of resources via tuition revenues that would otherwise not exist.** Undergraduate and graduate international students seek research universities in the United States as a highly desirable provider of high quality degrees with high global value. In general, so do their parents and in some cases their nations (the interest of foreign nations is mainly at the graduate level). There is fierce national and international competition in the value-price domain. Typically, it is necessary to offer some tuition reduction to be competitive. At the graduate level the situation is significantly different, as many nations will provide full tuition for master's study in the United States, although the ability to engage in cohort and contract pricing is becoming nearly essential. Trap: lure of simplistic, 'one size fits all' tuition models (e.g., per credit; all levels, all groups) that overprice for economically disadvantaged groups and underprice for economically affluent groups in the highly competitive global value-price domain.

**(2) Acquisition of student talent.** The world's best students are in high demand, and North Dakota's universities are engaged in a nationally and globally competitive process where both undergraduate and graduate students with high aptitude and high credentials are extremely sensitive to their 'academic market value'. Typically, each university will adjust price via waivers or 'tuition discounts' to reflect a number of factors that include but are not limited to degree quality and institutional ranking, 'list price' tuition, and the natural limitations that exist in the capability of the person who pays the tuition to do so.

**(3) Recognition of select groups such as veterans;** widows or children whose parent was in law enforcement, and in many cases, underrepresented groups. Offering discounted or waived tuition is a typical strategy that is found in most states. Some states also provide tuition waivers or discounts for system employees who meet various policy thresholds.

**(4) Support of institutional mission for instruction.** Almost all research universities make extensive use of Graduate Teaching Assistants (GTA) and Graduate Laboratory Assistants (GLA) in delivering instruction. Graduate students, who as part of their education also perform related work for the university, are partially compensated through waiving of their tuition in exchange for said work, so as to minimize the need for larger stipends.

Graduate Assistants represent an extremely capable and talented cadre of professionals who—although they are engaged in pursuit of an advanced degree—also offer their institutions the ability to deliver support for faculty instruction, and in certain cases, to provide instruction directly (for example, laboratory sections in physics, biology, chemistry). Typically, the value of instructional tuition revenues for such services vastly outstrip the value of the stipend that is provided to the student. Simply, the nation's best graduate students will matriculate at the university with the best academic programs, and the best and most highly competitive compensation package (that is, graduate assistantship typically pay zero tuition—it is waived in response to market forces).

**(5) Support of the institutional mission for research.** The same is true for Graduate Research Assistants (GRA) with a subtle but important nuance—in some cases the tuition for GRAs need not be waived but can be obtained directly from research sponsors via competitive grants and contracts.