

## Examination of possible statutory changes to reduce/redirect use of USHE tuition waivers

In 2016, 80% of the \$125m awarded in tuition waivers were granted in the following 4 types of waivers.

- \$40.1m in Resident 10% waivers
- \$29.8m in non-resident meritorious undergraduates
- \$18.2m in legacy waivers
- \$11.9m WICHE/WUE waivers (Reciprocal agreement)

The Commissioner's Office has been working with the Board of Regents in recent months in formulating possible options to improve the effective use of tuition waivers. Below are proposals for possible consideration that have not yet been formalized by the Board. Institutions would not be able to implement these changes until 2019-2020 academic year since waivers have recently been awarded for the 2018-19 year. The overall impact of these changes would result in significant decrease in the amount of USHE tuition waivers reported annually.

### Possible Courses of action

#### *Resident 10% Waivers*

1. Using intent language or statutory language, direct the Board to establish policies requiring institutions to examine the use of resident tuition waivers and increase the waivers given to impecunious (based on financial need) students, including allowing the use of these waivers to support programs similar to Dream Weber and SLCC Promise.

#### *Non-resident meritorious undergraduate waivers*

2. Consider statutory language that either:
  - directs the Board to review and establish caps on the number of discretionary non-resident tuition waivers and reevaluate annually based on economic conditions and enrollment goals for each institution, or
  - caps the % or amount of discretionary non-resident tuition waivers for the system similar to the cap established for Resident tuition waivers.

#### *Alumni Legacy Tuition Waivers and other similar waivers*

3. Change statute to allow students receiving alumni legacy waivers to become residents of the state of Utah after the first year in college (if eligible). The Legacy waiver is a 4-year waiver that is growing in popularity. The statute does not allow for the student to gain residency:

53b-8-103.5 (4) A student who attends an institution within the state system of higher education on an alumni legacy nonresident scholarship may not count the time during which the scholarship is received towards establishing resident student status in Utah.

This would potentially have a significant impact by reducing the total tuition waived for alumni legacy waivers each year by up to 60% as students transition to resident status.

#### *WICHE WUE/WGRP Tuition Waivers*

4. Consider statutory language directing the Board to establish a tuition rate specifically for the WICHE WUE and WGRP programs that align with the reciprocal agreement requirements. This will eliminate the waiver from the report – as it is not a waiver but an approved tuition rate.

The WICHE WUE/WGRP program is a reciprocal program that the state of Utah participates in which allows students in the western states to attend colleges in surrounding states at 150% of the resident tuition rate for undergrads and resident rate for graduate programs. By establishing a tuition rate for this group – it will no longer be a waiver and be part of the “waived revenue” report.

By implementing each of these changes, we would expect to see a significant decrease in the amount of tuition waivers reported annually by the USHE system.