

ITEM - FOR DISCUSSION PURPOSES ONLY

Connecticut Community Colleges (CCC) Banded Tuition & Fee Policy

BACKGROUND

Section 10a-6 of the CT General Statutes states that it is the responsibility of the Board of Regents to “establish tuition and student fee policies for the Connecticut State University System, the regional community-technical college system and Charter Oak State College.”

In addition, section 6.5.2 of the Board of Trustees of Community-Technical Colleges Policy Manual states that “tuition charge per semester hour, up to a maximum full-time rate for twelve or more semester hours per semester, shall be made for each credit course supported primarily by general fund and tuition resources.”

Our Community Colleges currently charge per credit for the majority of our students (83%) who take 12 credits or fewer. The remaining 17% take more than 12 credits with no additional charge. We are proposing that all students pay the same rate per credit hour taken.

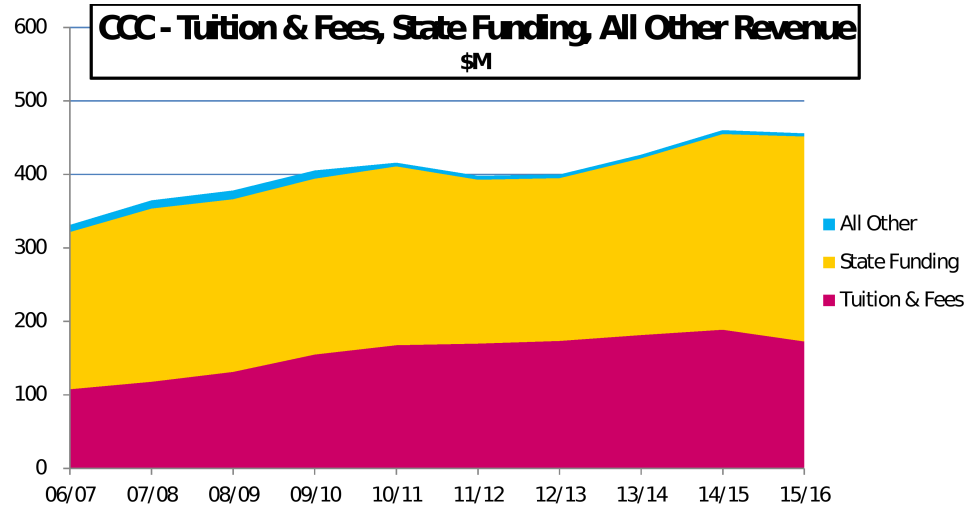
This strategy is being proposed as we continue to examine all revenue enhancements and cost cutting options in order to provide access and a high quality of education to all students and prospective students. State funding of the community colleges continues to be negatively impacted by the state’s fiscal position, and we understand that the next biennium will be provide even greater challenges. In addition, there are numerous fixed costs that the System must also fund internally, including collective bargaining requirements, facilities costs, and unfunded state mandates which limit our cost cutting options.

We have considered un-banding of tuition as a means to charge for services provided in proportion to the level of credit hours taken. Our research shows that charging tuition by the credit hour is consistent with tuition schedules in Massachusetts, Maine, New Hampshire, and Vermont community colleges.

A number of concerns have been raised by Board members and by presidents of our Community Colleges, and we want to be responsive and to consider all facts before asking the Board to vote on this matter. As a result, we have moved this to a discussion matter at this time and will bring it forward at a later date.

DISCUSSION

The following chart shows that over time, the Tuition & Fee share of revenue has grown faster than the State Funding provided (CAGR: Compounded Annual Growth Rate):



As indicated in this chart, the community colleges are heavily reliant on state funding (approximately 61% of revenue in FY16). This makes the colleges highly vulnerable to reductions in the level of state funding, which prompted us to examine our tuition and fee structure.

Currently, the majority of Community College Presidents along with System management would propose to un-band tuition. We would further propose that we continue to study the structure of fees in order to provide a more thoughtful recommendation in the near future.

The impact of un-banding tuition at each of our colleges would have totaled \$6.1M in FY16, as follows:

Fall/Spring 2015-2016 Total

College	Headcount	HCAbove 12			Credits Above 12	Gross Revenue		Fees Collected above 18 Credits	Net Revenue		FTE Enrolled at No Cost	% of FTE Enrolled at No Cost
		FTE	Credits	Percentage		Loss	Loss					
Asnuntuck	3030	1788	749	24.7%	2289	\$343,350	\$10,200	\$333,150	152.6	8.5%		
Capital	6740	3589	599	8.9%	1264	\$189,600	\$1,300	\$188,300	84.3	2.3%		
Gateway	15008	8313	2161	14.4%	4785	\$717,750	\$4,700	\$713,050	319.0	3.8%		
Housatonic	10307	5713	1327	12.9%	3636	\$545,400	\$13,400	\$532,000	242.4	4.2%		
Manchester	13377	7628	2350	17.6%	5288	\$793,200	\$4,900	\$788,300	352.5	4.6%		
Middlesex	5588	3281	1073	19.2%	2815	\$422,250	\$2,800	\$419,450	187.7	5.7%		
Naugatuck Valley	13163	7685	2544	19.3%	5692	\$853,800	\$7,100	\$846,700	379.5	4.9%		
Northwestern	2861	1522	551	19.3%	1390	\$208,500	\$3,900	\$204,600	92.7	6.1%		
Norwalk	11586	6904	2546	22.0%	5815	\$872,250	\$10,500	\$861,750	387.7	5.6%		
Quinebaug Valley	3148	1763	480	15.2%	1256	\$188,400	\$2,800	\$185,600	83.7	4.7%		
Three Rivers	8175	4672	1402	17.1%	3860	\$579,000	\$14,200	\$564,800	257.3	5.5%		
Tunxis	7691	4486	1291	16.8%	2865	\$429,750	\$5,600	\$424,150	191.0	4.3%		
Total	100674	57344	17073	17.0%	40955	\$6,143,250	\$81,400	\$6,061,850	2730.3	4.8%		

Evaluating the data at Asnuntuck Community College by way of example discloses the following:

- 83% of students registered for 12 or fewer credits in FY16. Un-banding tuition would have no effect on the cost of college for them, so one can assume that there would be no corresponding change in enrollment behavior as a direct result of such a change
- With respect to the remaining 17%, we believe that either students will be able to pay

the difference, PELL would support those students most in need, and institutional aid could support the remainder.

The following is the current tuition table for one semester using FY17 approved tuition rates:

Credit Hours	Current FY.17 Tuition	Un-banded FY.17 Tuition	#of FY16 Fall Students	%Total
1	\$155	\$155	168	0.3%
2	\$310	\$310	230	0.4%
3	\$465	\$465	6918	13.1%
4	\$620	\$620	3193	6.1%
5	\$775	\$775	92	0.2%
6	\$930	\$930	9294	17.6%
7	\$1,085	\$1,085	3571	6.8%
8	\$1,240	\$1,240	1208	2.3%
9	\$1,395	\$1,395	6689	12.7%
10	\$1,550	\$1,550	3216	6.1%
11	\$1,705	\$1,705	774	1.5%
12	\$1,860	\$1,860	8088	15.4%
13	\$1,860	\$2,015	3654	6.9%
14	\$1,860	\$2,170	1522	2.9%
15	\$1,860	\$2,325	2346	4.5%
16	\$1,860	\$2,480	1152	2.2%
17	\$1,860	\$2,635	281	0.5%
18	\$1,860	\$2,790	262	0.5%

As noted in the background, our peer institutions in New England charge a fixed tuition by the credit hour, which is consistent with this current proposal.

CONCLUSION

We believe that the sustainability of the community colleges will require systemic changes in the near future and therefore propose un-banding of tuition as one avenue for discussion. We look to solicit questions and concerns from our Board members on this item and will return to the Finance Committee with our final request when appropriate.

10/13/16 – Finance Committee

10/20/16 – Board of Regents