

DIFFERENTIAL TUITION REQUEST

College/School: College of Arts and Science **Department/Program:** N/A

Contact: Mark Peceny, Dean **Phone:** 277-7381 **Email:** markpec@unm.edu

Level: Undergraduate

Proposed Differential to be applied as: by student type (major): X by course: __

Requested Differential Tuition (shown as amount per student credit hour):

Student Type	Current Differential	Proposed Differential	Increase/Decrease or New Differential
Residents	\$0	\$15	\$15
Non-Residents	\$0	\$15	\$15
Other	\$0	\$0	\$0

Effective Academic Year: AY2018-19

*If the differential tuition request is approved it will be applied in the following academic year **beginning in the fall semester.***

Rationale for Request: *Please provide a detailed explanation on the reasoning for the increase/decrease or new differential tuition. Please refer to policy **UAP 8210 2.2** for qualifying justifications for differential tuition.*

The College of Arts and Sciences produces the greatest number of student credit hours (SCH) as well as the most research of any main campus unit. As the College delivers the lion's share of common core and introductory courses for all units and students at the University, including its own 21 Departments, one School, eleven interdisciplinary Programs, and many more majors, a strong College of Arts and Sciences is essential for the success of every unit at UNM. It has always been difficult for the College to provide the high quality instruction on which every unit on main campus depends, given that the College has been chronically underfunded for years and provides a revenue subsidy to other units at UNM. The recent significant decline in state funding, following a nationwide trend of falling state government support for public higher education, has deepened the College's struggles to attract and retain the highest quality faculty, staff, advisors, and graduate students. UNM still offers one of the most affordable Carnegie Research 1 category educations in the nation, but must find ways to sustain the excellence in education our students deserve. Increasing tuition in ways that directly

benefit the academic mission is a crucial part of how we must re-engineer UNM to accomplish this goal.

Both the State and our students require greater transparency and accountability from the University, and justifiably so. They wish to know how their money is spent, and seek the best value in terms of quality outcomes for students. Quality not only means a higher graduation rate and shorter time to graduation, but depth and breadth of instruction, and exposure to cutting edge research that can only be offered by the best faculty and instructors. If students are to pay more tuition to make up for state funding shortfalls they should expect that money to go directly to increasing the quality of instruction, and they should have a say in how the money is allocated.

The current financial situation forces the College of Arts and Sciences to request differential tuition to cover the extraordinary costs of instruction, and to better reflect the value of the degrees produced by its many programs. At current funding levels the College is unable to retain the highest quality faculty: the faculty who directly provide the highly valuable, and valued, education our students receive. In addition, the College is in dire need of more student advisors, and struggles to retain the excellent advisors in its ranks. It is a well-researched fact that advisors are a key element in the success of our students.

UNM Policy 8210 requires justification of differential tuition on a cost basis, and/or a value-benefit basis. The College of Arts and Sciences, with 22 departments in Physical Sciences, Social Sciences, and the Humanities, can justify this Request on both these bases. All departments suffer from being unable to pay faculty competitive market salaries. The many departures of excellent faculty over recent years are testament to this problem. Many departments in STEM fields have high instructional costs due to required labs and experiential learning opportunities. Some of our degree programs are accredited and have high costs associated with that status. Many of our STEM and Social Science departments produce graduates who go on to earn salaries in the upper 50% of the mid-career earnings distribution. Many of our Humanities disciplines matriculate students to MA, PhD, and other professional degree programs at a higher than average rate, and earn a higher graduate wage premium. It is a fact that those with graduate degrees earn amongst the highest salaries of workers. Each department in the College has something to contribute when identifying the need for differential tuition, and each will receive the benefits of the differential tuition should this Request be approved.

Currently every dollar of tuition our College majors pay goes to fund all University activities, not just instruction in the College of Arts and Sciences. Based on national statistics, approximately 63 cents of every regular tuition dollar goes to producing student success (instructional, academic, and student support activities.) But every cent of a differential tuition dollar would go to the College, and the College is committed to allocating all differential tuition revenue to improving the instructional quality and success of our majors. In addition, currently students in other units at UNM charging

differential tuition are receiving that additional tuition while placing an uncompensated burden on the College of Arts and Sciences. The College does not discriminate between students by major, and offers a high cost but extremely valuable instruction to all students regardless of which unit they are enrolled in. Consequently, as other units receive differential tuition, the College of Arts and Sciences incurs the costs of instruction against an under-funded budget.

The College is especially sensitive to the debt many students accrue while in college. Student debt builds as they fall behind in earning the credit hours to graduate, extending the time needed to graduate. Adding an additional year to the time to graduate adds almost \$22,000 to a student's cost of education. The College intends to spend the differential tuition on those activities that will increase student retention and shorten time to graduation, thereby helping to reduce student indebtedness.

Market Analysis: *Please provide detailed information on whether the college/school or department/program cost of instruction is markedly higher than the university average program costs or market conditions warrant additional tuition.*

Students in the College deserve to be taught by the best faculty we can hire and retain, and the College is unable to offer salaries competitive with peer institutions.

At the current funding level, the College is losing faculty to other institutions, and departments cannot hire their most preferred candidates with below-market salary and startup packages. The recent study by UNM's Provost Office of the CUPA data for 77 comparable institutions shows that 30% of UNM faculty are below the 25th percentile for salaries. The situation is worse in the College of Arts and Sciences. Six departments (English, American Studies, Chicano Studies, Economics, Foreign Languages and Literature, and Communications and Journalism) have significantly more than half their faculty below the CUPA median. Another four departments (Physics and Astronomy, Spanish and Portuguese, Earth and Planetary Science, and Biology) have approximately half their faculty below the CUPA median. The College has suffered significant losses of excellent faculty as a result. For example, 22 faculty have left the College in the last two years in part because of attractive offers we could not match, or even provide a preferred alternative to. Additional revenue from the tuition differential will allow us to be more competitive against our peers.

Many programs within the College of Arts and Sciences have higher than normal costs of delivering the education our students deserve. According to Delta Project cost data, degrees in Liberal Arts are costlier to produce than Business degrees, and Social Science degrees are costlier than Law degrees. Science degrees cost more to produce than all of these other degrees. Some departments, such as Geography and Environmental Studies, require expensive computers and software to provide state of the art Geographic Information Systems training. Departments in the physical sciences offer students

laboratory experiences requiring high quality instruments and technical support. Other departments offer students costly experiential learning opportunities. Our accredited programs must maintain costly, but required, teacher to student ratios required by the accreditation agencies. Many of these costs cannot be supported with the current level of funding. Additional revenue from the tuition differential will allow us to fund these much-needed and highly beneficial services to students.

Students deserve the best advisors we can attract and retain and in sufficient numbers that students can interact with advisors frequently. High quality advising is essential to student retention and graduation. While the College of Arts and Sciences advising unit is well coordinated and has an excellent training program for new advisors, other colleges (especially those that charge differential tuition) can afford to pay advisors higher salaries. Nine have left for higher paying positions in other units in just the last two years. This means that our students may have to work with a different advisor every semester and that our number of trained advisors is always below the number that would allow for an advisor-to-student ratio that meets national standards.

The primary measure of the value of a degree is post-graduation earnings, and College of Arts and Sciences students do extremely well, particularly with respect to mid-career earnings. For example, mid-career earnings for those with degrees in Physics, Statistics, and Economics are ranked in the highest 25 occupations nationally. Perhaps more importantly College of Arts and Sciences students are more likely to go on to earn a graduate (Masters or PhD) or professional degree, which increase life-time earnings considerably. Compared to Architecture students and Engineering students, Social Science, Humanities, and Physical Sciences students all have higher rates of earning graduate degrees. These same students earn higher graduate degree wage premiums (relative to their earnings with only an undergraduate degree) than Architecture and Engineering graduates, for example. Thanks to our support of graduate students they graduate with lower debt than many of those with professional degrees.

Student Consultation: *A preliminary request should be submitted to the Provost Office (Main Campus) or Chancellor's Office (Health Sciences Center) no later than October 1st. Per policy it should be posted to the unit's website no later than October 1st to allow for at least 30 days of constituent comment prior to final submission to the Provost or Chancellor by November 1st.*

The College is committed to extensive consultation with students regarding this Request. The following activities are already in progress:

1. Department forums with both undergraduate and graduate students.

The College has 22 departments and 11 programs. Meetings are scheduled for the Dean to present the Request to groups of students from each department to allow for review, comment and questions.

2. Student survey.

The College will conduct an online survey of all College majors during the month of October to determine students' preferences regarding the allocation of the differential tuition funds if the Request is approved.

3. Student leadership presentations

The Dean has approached student-governing organizations to make presentations regarding the Request to student leaders. Meetings with ASUNM Full Senate and Joint Committee are scheduled.

4. Per the Policy requirements, the Request will be posted on the College website from October 1, 2017 and open for comments from all constituents for at least 30 days.

Accountability/Budget Information: *Please provide budgetary information about how the revenue generated will be expensed. It is highly encouraged to set aside a portion of the revenue generated by the differential for financial aid. (See policy UAP 8210 2.2.2)*

Financial Aid Set Aside Amount: Minimum 20%

Proposed Annual Revenue

Differential Tuition (per SCH)	\$15
Projected # of SCH (all student SCH taken by student majors in the program)	229,083
Total Revenue	\$3,436,243

Proposed Annual Expenditures (\$)

Financial Aid Set Aside (21.5%)	736,243
Advising Personnel	300,000
Faculty Retention and Hiring	2,000,000
Instructional Support Personnel	400,000
Operating Expenses	0
Administration Expenses	0
Total Revenue	3,436,243

Please provide a detailed explanation on how the revenue will be used for this program:

All revenue from the tuition differential will go to improving the quality of instruction and the educational experience for all College majors. The money will be used to reduce

student attrition and increase the probability that all students graduate in as short a time as possible. It will be used to retain and attract the highest quality faculty to teach our students and to engage and mentor our students in cutting edge research. Every dollar will be allocated to student success, and not one dollar will go to administration.

1. Financial Aid to students

In order to improve student retention and shorten the time to graduation as well as the burden of student debt, a minimum of 20% (estimate is actually 21.5%) of the tuition differential revenue will be used to ensure student success. Some of the aid will go to fund summer scholarships. Since the majority of summer classes are on-line, students will be able to take needed classes while still working or pursuing other summer activities. In addition the college will offer *Finish Line* scholarships for students needing additional support to complete their degree requirements (e.g., when they may have exceeded the maximum number of semesters for the Lottery Scholarship, etc.). The College will ask UNM's Financial Aid office to determine financial needs.

2. Student Advising

The College Advising Center is critically under-staffed and chronically under-funded. In order to provide much-needed and high quality advising to our students we must fill vacant positions in the Advising Center that can't be filled under current policy. These vacancies have been created, in part, by an inability of the College to pay advisor salaries matching those of other units at the University. Funds will be used to supplement advisor salaries in order to retain our best staff to serve student needs.

3. Faculty

The recent study from UNM's Provost Office of CUPA data clearly shows that faculty at UNM are underpaid relative to our peer institutions and nationally, and the faculty in the College fare poorly within the University. This fact has impacted the College of Arts and Sciences especially hard as we attempt to retain our best faculty, and attract the best new faculty to our ranks. Retention has become a major concern as faculty salaries have seen little or no growth over the last nine years. The College has suffered resignations over the last five years with many going to peer or similar institutions offering higher salaries, larger research support, and/or a lighter teaching load. In order to offer our students the highest quality instruction and research opportunities the College will use the tuition differential money to retain and attract the best faculty possible.

4. Instructional support personnel

The College is currently unable to hire sufficient Term Teachers, Temporary Part-time Instructors (PTIs) or graduate Teaching Assistants to offer all the classes demanded by our students. This need remains despite efforts by the College to meet student demand through greater online offerings, more half-semester classes, and more intersession classes. Tuition differential revenue will be used to hire additional teachers of the highest quality to offer the classes needed by our students to graduate in less time than

they can currently. Where needed tuition differential money will also be used to hire technical support staff working with students directly in classroom labs.

5. Operating and Administrative expenses

Absolutely none of the tuition differential revenue will be allocated to cover operating or administrative expenses in the College.

Accountability and reporting

The College believes the students who pay the tuition differential not only deserve transparency and accountability, but also should have input as to how the money is allocated. This proposal uses the recently approved differential tuition levels for the School of Engineering as a benchmark, but we are now starting our consultation period with students and the allocation of resources in our final proposal could very well be amended based on the feedback we get from students. The College will provide an annual report of how the tuition differential was spent on its website. In addition, a Student Advisory Board will be established to review the annual report and advise the Dean regarding the allocation of the tuition differential.

Student Access and Affordability: *Please explain how student access and affordability will be addressed.*

UNM takes pride in being affordable and as shown below, our tuition is amongst the lowest of our peers. But affordability is more than the net tuition. Affordability must be combined with consideration of the value proposition we offer our students, including the quality of education received and the chance of graduating without adding extra years to a degree plan. The College's plans for differential tuition will increase the quality of education and the opportunities to graduate in four years. Student indebtedness will also be reduced.

While differential tuition increases immediate costs, it has the great potential to reduce the total cost of obtaining a UNM degree. Differential tuition improves the pass-through efficiency of tuition by reducing the implicit tax the UNM budget process imposes, and allows the College to target student needs. The College intends to invest the differential tuition into improving the quality of the educational experience for our majors, and by doing so reduce the time needed to obtain a degree. By graduating in a shorter time, students reduce their cost of education. A student who takes 15 hours per semester for four years as an Arts and Sciences major would pay an additional \$450 per year or a total of \$1,800 in differential tuition. Resident tuition for an extra year is currently \$7,146 and the current cost of attendance for one year is \$21,844. Differential tuition is an investment of \$1800 that saves \$21,844. No other investment opportunity offers such an incredible rate of return.

Nonetheless, to offset the immediate increase in costs that the tuition differential represents, we plan to spend at least 20% of the tuition differential on targeted financial aid. As more students wishing to graduate faster take more summer classes the College has increased its Summer Session offerings. Unfortunately, most financial aid does not cover summer tuition. We plan to expand our current summer scholarship program with the tuition differential. Applicants for the current program outnumber awards four-to-one and the success rate for awardees is almost 100%. \$100,000 of tuition differential money would allow us to offer 100 summer tuition scholarships.

Finally, a number of students need one more semester, or one more year, after they run out of lottery scholarship availability to finish their degrees. Offering tuition scholarships for some of these students is of direct benefit to the students and will help the university continue to increase five and six year graduation rates. Finish Line Scholarships will be available to both traditional and non-traditional students needing help with the last year of their program.

Peer Comparison Chart: *Please complete the Excel peer comparison spreadsheet. If the peer institutions listed do not have a similar college/school or department/program add an institution that most closely resembles your unit. Please not this adjustment below.*

The table below provides comparisons to UNM's 22 HED-approved peer universities. We follow the template provided by UNM Academic Affairs. Data for the 22 peer institutions were obtained from University websites in September 2017 for the current academic year. According to the template comparisons should be made for 12 credit hours per semester (Fall plus Spring). At the requested rate that is \$360 per academic year (Fall and Spring). Finally, the completed template is based on resident undergraduate, but note that our request applies to both resident and nonresident undergraduates. For nonresidents, the differential tuition is the same increment and per SCH amount. Consistent across our peers, nonresident tuition is much higher than resident tuition.

The Comparison table reveals that UNM's tuition is 69.9% of the median tuition of our peer institutions (\$5,646 compared to \$8,066). The modest increase in tuition represented by the tuition differential requested (\$360 for 12 credit hours per year) will raise UNM's tuition to 71.5% of the peer average, assuming no increase by our peers. With the tuition differential College majors will be paying tuition slightly higher than only 3 of our 22 peer institutions.

As noted by Academic Affairs in their template, it is difficult to make apples-to-apples comparisons across universities. Many public universities have moved away from a single price (tuition) model and there is greater use of price discounting and price differentiation. Many of our peer institutions do not have a comparable College of Arts and Sciences. Consequently we made the most appropriate comparison of UNM's

tuition to each institution's differential tuition and/or program fee. Footnotes are provided to explain in greater detail the choices made. Of those peer institutions charging a differential tuition or similar, many are greater than that proposed by the College of Arts and Sciences. And total tuition, including the differential charge, at UNM remains lower than all but three peer institutions.

The University of New Mexico

2016-17 Tuition with 2017-2018 Differentials/Program Fees Added

Arts and Sciences
Program: Arts and Sciences (all)

Undergraduate Resident

	Resident	Tuition (i)	Differential for Peer College/ Program (ii)	FY 2016 Projected Tuition @ 2% Increase	Proposed Differential	Total Proposed Tuition
	University of New Mexico	\$5,646		n/a	\$360	\$6,006
	Peer Median	\$8,066	n/a	n/a	n/a	\$8,393
1	Arizona State University*	\$10,478	\$800	\$226	n/a	\$11,504
2	Florida International University*	\$4,934	\$1,255	\$124	n/a	\$6,312
3	New Mexico State University*	\$6,094	\$0	\$122	n/a	\$6,215
4	Oklahoma State University*	\$7,778	\$575	\$167	n/a	\$8,519
5	Texas A&M University**	\$4,816	\$192	\$100	n/a	\$5,109
6	Texas Tech University*	\$8,028	\$0	\$161	n/a	\$8,189
7	The University of Tennessee (Knoxville)	\$12,436	\$0	\$249	n/a	\$12,685
8	The University of Texas at Arlington*	\$9,380	\$52	\$189	n/a	\$9,621
9	The University of Texas at Austin**	\$9,678	\$0	\$194	n/a	\$9,872
10	The University of Texas at El Paso*	\$5,853	\$0	\$117	n/a	\$5,971
11	University of Arizona*	\$11,924	\$689	\$252	n/a	\$12,865
12	University of California-Riverside	\$7,480	\$0	\$150	n/a	\$7,630
13	University of Colorado-Boulder**	\$11,273	\$0	\$225	n/a	\$11,498

14	University of Colorado-Denver	\$9,072	\$0	\$181	n/a	\$9,253
15	University of Houston**	\$9,710	\$480	\$204	n/a	\$10,394
16	University of Iowa **	\$8,104	\$0	\$162	n/a	\$8,266
17	University of Kansas*	\$8,395	\$0	\$168	n/a	\$8,563
18	University of Missouri-Columbia*	\$10,586	\$960	\$231	n/a	\$11,777
19	University of Nebraska-Lincoln**	\$7,048	\$0	\$141	n/a	\$7,189
20	University of Nevada-Las Vegas	\$4,782	\$600	\$108	n/a	\$5,490
21	University of Oklahoma-Norman Campus*	\$7,782	\$0	\$156	n/a	\$7,938
22	University of Utah**	\$7,486	\$60	\$151	n/a	\$7,697

(i) Tuition is based on full time status, (12 credit hours for undergraduate tuition per semester) Fall & Spring semesters

(ii) Please indicate the peer's differential tuition based on the college/program your unit is comparing to.

* includes student fees

** rates vary depending on field of study

corrected from template to not include UNM in calculation of peer median

Table Notes: Numbers correspond to numbered peer institution

1. CLAS - rough comparison to A&S. Program fee that acts like Differential; applies to all Life and Natural Sciences and Math; equivalent fee also applied to Economics in business school & C&J in com school.
2. Only rough comparison to UNM A&S; FIU has College of Arts, Sciences and Education (e.g., includes Education but excludes C&J). The Provost's Office template base tuition of \$4934 (\$205.57 *24 SCH annual tuition for. 16/17 is mistaken in that it clearly includes a "differential tuition, delivered to each college of \$52.29 per SCH. This can be seen at: http://finance.fiu.edu/controller/UG_Calculator.htm. No 17/18 info for FIU was available as of 9/15/17.
3. Only rough comparison to UNM A&S; their CAS includes the Fine Arts (e.g., Music and Theatre) but excludes Economics.
4. A&S comparison but does not include Economics.
5. No simple A&S comparison available; their Liberal Arts (CLA) does not include either Sciences, or Geosciences, which are separate colleges. Differential tuition charge of \$192 is made against base of College of General Studies for CLA, but this understates College of Science (\$407) or C. of Geoscience (\$498).
6. Relatively close comparison to UNM A&S in their CAS. Absence of differential tuition fails to account for annual differential tuition for C&J of \$600 and same for Applied Economics.

- 7.** Loose comparison to UNM A&S excludes Economics, PA, C&J and Social Work. Absence of differential tuition fails to account for UG Economics and Public Administration program fees of \$2,376 annually
- 8.** No clear comparison to UNM A&S; their CLA excludes Sciences, Psychology, Social Work and Economics, but includes some Arts. Calculated Diff. Tuition of \$52 annually is simple unweighted average of 1 (Econ) at \$216, 6 Sciences +Psych. at \$72 and remaining 13 CLA depts. at \$24m, against C. of Education base tuition (their lowest).
- 9.** No clear comparison to UNM A&S; their CLA excludes separate colleges of: (i) Sciences; (ii) Geoscience; and (iii) Communication. Absence of differential tuition for their CLA, excludes the annual differential tuitions of: (i) \$372 Sciences; (ii) \$778 Geosciences; and (iii) \$338 Communication.
- 10.** No clear comparison to UNM A&S; their CLA excludes Sciences and Economics, but includes fine arts. Absence of clear differential tuition does not account for clinical lab major fee of \$600 annual to all science lab majors or \$150 annual Social Work major fee as examples.
- 11.** No simple A&S comparison available. New collaborative College of Letters, Arts & Sciences. Separate colleges of (i) Sciences (ii) Social & Beh. Sciences, and (iii) Humanities. Calculated value of \$689 annual is average of program fees for: Env. Sci; Journalism; Pub Policy, PS; Geog; Soc; Econ; Psych; Geo-sciences; and Philosophy.
- 12.** College of Humanities, Arts and Social Sciences is closest comparison to UNM A&S, but excludes Natural Sciences. There is $\$1984 \times 3 = \$5,952$ supplemental tuition on professional UG programs in Public Policy
- 13.** UNM A&S rough comparison; but does not include Economics and C&J. The ** in UNM template hides numerous varying program fees.
- 14.** Relatively close comparison to UNM A&S in their CLAS
- 15.** Their CLASS+ is a rough comparison to A&S minus the Phys. Sciences. Their DT/PF applies to Social Sciences in CLASS, and to all Departments in Natural Sciences and Math
- 16.** UNM A&S comparison but does not include Economics, which has a \$1420 differential tuition.
- 17.** Comparison to CLAS, which is larger than A&S UNM in that it also includes the Arts. No differential tuition, but in addition to student fees and specific class fees; they charge general "course fees" and "lab fees" that go directly to departments, and appear more fungible than their individual class fees: Journalism: \$22 per sch or \$528; Chemistry \$25 per sch or \$550; Biology and Geography \$20 per sch or \$480; and Physics \$40 per sch or \$960
- 18.** Relatively close comparison to UNM A&S, except UM A&S includes Arts, Art History and Theatre, and excludes Journalism (which is its own separate school)
- 19.** Close comparison UNM A&S
- 20.** No simple UNM A&S comparison available. They have Academic Success Initiative Fee, acts like a differential tuition
- 21.** They have A&S, but no simple comparison to UNM A&S available. * in the template includes \$1980 academic excellence fee; Also, \$620 Diff. tuition for Atmospheric \$ Geologic Sci; \$720 for Earth and Energy; \$720 C&J; \$270 international and area studies.

22. No simple UNM A&S comparison available. They have Student Success Fee of \$30 per semester - a program fee that can be used for labor etc.; there are also various program fees for equivalent UNM A&S depts: E.g., \$40 per SCH BA language requirement.

Unlike regular tuition dollars, which are subject to implicit taxation in moving through a university financial system and the inherent trade-offs in an annual budget process, differential tuition dollars go directly to the College, and due to administrative efficiencies, every dollar will go to instructional and student support.

Other Information: *Please provide any additional information that supports this request for differential tuition.*

Dean/Director Approval:

Printed Name: Mark Peceny



Signature:

Date: Oct. 1, 2017