

Date: April 13, 2018

To: Prof. Terri Camesano, Dean of Graduate Studies,
Prof. Bogdan Vernescu, Vice Provost for Research

From: Prof. Tanja Dominko, Chair, Financial and Administrative Policy Committee,
Prof. Karen Troy, Chair, Committee and Graduate Studies and Research

Re: Recommendations for adjustment of graduate tuition

There is a growing concern among WPI faculty conducting research that high tuition costs are jeopardizing their ability to staff research projects with graduate students and hence affecting their research productivity. Both FAP and CGSR agreed that, as stated in APBP guiding documents, upholding WPI strategic priority to support and invest into research enterprise is of utmost importance. To address faculty concerns, FAP and CGSR are forwarding the bellow recommendations for your consideration.

Background:

WPI PhD programs require 90 credits of graduate work including at least 30 Thesis research credits 699. At the current price of a graduate credit (\$1,500) and with a full time credit load of 18 credits per semester, this represents \$27,000 of full tuition cost per student per year. When graduate tuition is budgeted on federal grants that allow for recovery of full indirect cost, tuition price is discounted 50%. Funding mechanisms that do not allow for recovery of full indirect costs are not eligible for discounted graduate tuition.

According to the Office of Sponsored Programs (OSP) and Finance and Operations (FO), current graduate tuition revenue from grants (\$1,965,352 as per OSP) represents approximately 7% of total graduate tuition revenue on campus (\$26,514,000 in Final FY17 Operating budget report, As per FO).

Recommendations:

In an effort to grow the cohort of Research Assistants in an affordable way, CGSR and FAP have developed a proposal that would address concerns of investigators while minimizing the effect of changes on WPI's revenue from tuition on research grants.

FAP used available institution data to analyze financial impact that any change in credit pricing and or further tuition discounting would have on graduate revenue. Three were developed for your consideration:

Option 1: Reduce the number of credits required for the PhD degree from 90 to 60.

This would reduce overall grant tuition by 33.3% or \$648,566 from current \$1.9M. It would apply to all graduate students, regardless of the mechanism of their tuition funding. This proposal would require a vote of the Faculty.

Option 2: Reduce the tuition for 699 dissertation credits only.

All PhD students at WPI must register for at least 30 research credits. These credits could be set at a 90% credit price discount (10% of current \$1,500/credit to \$150/credit).

This would reduce overall grant tuition by 30% or \$589,606 from current \$1.9M.

Example of a grant budget proposal:

Reduced price for 699 credits		Direct at 200K		Indirect	Grant total	Unrestricted revenue to WPI
		Other	Tuition			
CURRENT	50%	\$ 186,500	\$ 13,500	\$ 106,305	\$ 292,805	\$ 119,805
NEW	50%	\$ 190,550	\$ 9,450	\$ 108,614	\$ 299,164	\$ 118,064
Gain/loss		\$ 4,050	-\$ 4,050	\$ 2,309		-\$ 1,742

Option 3: Discount tuition on grants from the current 50% to 90% without changing credit number or credit price

Currently, about \$750,000 is recovered in 50% discounted tuition (total tuition without discount would bring \$1,500,000). If tuition on grants were to be discounted by 90%, then the loss of tuition revenue would be approximately \$600,000 (750,000 x .9).

Example of a grant budget proposal:

90% discount on tuition		Direct at 200K		Indirect	Grant total	Unrestricted revenue to WPI
		Other	Tuition			
CURRENT	50%	\$ 186,500	\$ 13,500	\$ 106,305	\$ 292,805	\$ 119,805
NEW	90%	\$ 197,300	\$ 2,700	\$ 112,461	\$ 309,761	\$ 115,161
Gain/loss		\$ 10,800	-\$ 10,800	\$ 6,156		-\$ 4,644

Summary:

Regardless of the Option, less tuition charged to grants would make funds available for other direct costs. These additional direct costs would generate additional ICR mitigating the impact of the loss of tuition (Table below).

				Loss	Gain in ICR	Actual loss
Current grant tuition			\$ 1,965,352			
Option 1				-\$ 648,566	\$ 369,683	-\$ 278,883
Option 2				-\$ 589,606	\$ 336,075	-\$ 253,530
Option 3				-\$ 600,000	\$ 342,000	-\$ 258,000

Actual loss of revenue regardless of the Option ranges between \$253,530 and \$278,883.

CGSR and FAP recommend that you consider these options and request additional analyses (by the Finance and Operations division) of financial impact as appropriate.

We respectfully ask that you inform both CGSR and FAP of any progress in consideration of these recommendations.

Respectfully,

Prof. Karen Troy (Chair, CGSR)

Prof. Tanja Dominko (Chair, FAP)