



November 18, 2022

Southwest Technical College Tuition & Differential Proposals

State statute and Board Policy R510, *Tuition*, requires the Board to set USHE institutions’ tuition and student fees annually. As part of the initiative for technical colleges to offer credit, technical colleges will also be adjusting their tuition models from a membership hour-based tuition calculation to a credit hour-based model. Southwest Technical College is the first technical college to move forward in this initiative. Southwest Technical College has held a public Truth-in-Tuition hearing, met with student leaders and presented its tuition proposal to its board of trustees, who carefully reviewed the changes necessary for this initiative. Other institutions will be presenting new tuition rates in the coming months.

The membership hour-based tuition rates for technical education colleges and institutions remain at the current rate without increasing during the credit transition.

| Institution | Tuition per Membership Hour | | \$ Change | % Change |
|-----------------------------|-----------------------------|---------|-----------|----------|
| | 2021-22 | 2022-23 | | |
| Southwest Technical College | \$2.00 | \$2.00 | \$0.00 | 0.00% |

The credit hour-based tuition rate is in most respects equivalent to the membership hour-based rate, with increases equal to eliminating general student fees and reducing course fees.

| Institution | Tuition per Credit Hour | | \$ Change | % Change |
|-----------------------------|-------------------------|---------|-----------|----------|
| | 2021-22 | 2022-23 | | |
| Southwest Technical College | n/a | \$95.00 | n/a | n/a |

Board Policy R510, *Tuition*, requires the Board to approve new and existing academic program differential tuition. The Board may authorize differential tuition schedules for programs on a case-by-case basis where increases are above or below the regular institutional tuition proposed increase. The policy further requires institutions to use increased revenues from the differential tuition rate to benefit the impacted program and to help support related campus services. Institutions requesting differential tuition schedules should consult with students in the program and consider the following:

- Student and workforce demand for the program
- Impact of differential tuition rates on student access and retention

- Tuition rates of comparable programs at other institutions
- Potential earnings capacity of program graduates
- The societal importance of the program

Southwest Technical College is requesting program differential tuition at the *total* tuition rate specific to the program as listed.

| Institution | Program | Differential Tuition | Additional or Total |
|-----------------------------|----------------------------|-----------------------|---------------------|
| Southwest Technical College | Professional Truck Driving | \$200 per credit hour | Total |

Additional Information

Southwest Technical College will present in detail to the Board their tuition and fee proposal. Additional tuition and fee information is available in the attached documents.

Attachment

Utah System of Higher Education

FORM R-4A: 2022-23 PROPOSED NEW TUITION REVENUE

Due Date: March 9

Truth-in-Tuition Hearing: October 28, 2022

Presidents Cabinet Review: October 25, 2022

Institution: Southwest Technical College

Student Leadership Review: October 20, 2022

Trustees Approval: November 3, 2022

Prepared by: Clarissa Crosby

| | |
|---------------------|-----------------------------|
| Line Item | Current Year Tuition Budget |
| Education & General | \$231,418 |

Option 1 - Institution Proposed Increase - Complete a R-4B form for each request beyond comp match and fee transfer

| Description | Proposed New Tuition Revenue | Estimated Per Student FTE Impact | |
|--|------------------------------|----------------------------------|------------|
| | | \$ Impact | % Increase |
| Change from Clock hours to Credit hours | \$22,800 | \$160 | N/A |
| Transfer of Student and Course Fees to Tuition | -\$22,800 | -\$160 | N/A |
| | | | 0.00% |
| | | | 0.00% |
| | | | 0.00% |
| Total | \$0 | \$0 | 0.00% |

Summary Description and Explanation:

Southwest Technical College is moving from clock hours to credit hours and the proposed tuition rate we will be using for credit hours is \$95/credit hour. As Stech phases out clock hours, we will also be phasing out our student fee and program fees and including that into our tuition rate. In addition, we are strategically adjusting course fees to only cover direct consumable costs for students in each course. This has resulted in an overall decrease to course fee revenue. The new tuition rate will fill in the gaps to make Southwest Technical College substantively revenue neutral.

Option 2: No Tuition Increase - All new costs will be covered through reallocation, cost savings, and efficiency efforts

| No Tuition Increase | Proposed New Tuition Revenue | Estimated Per Student FTE Impact | |
|---------------------|------------------------------|----------------------------------|------------|
| | | \$ Impact | % Increase |
| | \$0 | \$0 | 0.00% |

Summary Description and Explanation:

Option 3: Legislative Match Funds Only - All new match funds will be covered by new revenue

| Description | Proposed New Tuition Revenue | Estimated Per Student FTE Impact | |
|--|------------------------------|----------------------------------|------------|
| | | \$ Impact | % Increase |
| Legislative Match to Cover Compensation and Other Mandated Increases | | | 0.00% |
| | | | 0.00% |
| | | | 0.00% |
| Total | \$0 | \$0 | 0.00% |

Summary Description and Explanation:

Utah System of Higher Education

FORM R-4B: 2022-23 PROPOSED NEW TUITION REVENUE

Title: Change from Clock hour to credit hour

Institution: Southwest Technical College
 Prepared by: Clarissa Crosby
 Due Date: March 1, 2021
 Submission Date: November 1, 2022

Requested Amount: \$22,800

1) Describe in detail the request to increase tuition including how the funding will benefit students and the institution.
 Southwest Technical College is moving from clock hours to credit hours and the proposed tuition rate we will be using for credit hours is \$95/credit hour. We are expecting this change to produce a 12.68% increase in tuition revenue. As Southwest Tech phases out clock hours, we will also be phasing out our student fee and program fees and including that into our tuition rate. In addition, we are strategically adjusting course fees to only cover direct consumable costs for students in each course. This has resulted in a overall decrease to course fee revenue. The new tuition rate will fill in the gaps to make Southwest Technical College substantively revenue neutral.

2) Explain why this request to increase tuition is necessary and how the institution has explored using resources other than tuition
 The change in academic currency prompted a restructure in tuition and fee revenues. We have increased our tuition rate on a credit basis so that we can eliminate student and program fees, and reduce many course fees. This will allow Southwest Tech to align with the Board of Higher Education Policies.

3) How will this request to increase tuition affect affordability for Utah students in the service region?
 Since we have reduced our fees to compensate for the increase in tuition, the affordability for the students in our region will remain substantively the same. We are hoping the change will allow better transparency for our students.

a. What effect will increasing tuition for this request have on underserved Utah populations in the service region?
Overall, we do not expect the increase to have a negative effect on the underserved populations in our region.

4) Provide details on the Budget:

| | | | |
|------|---|---------------|----------|
| a. | Detail of projected expenditures | | |
| | | Compensation | FTE |
| i. | Faculty | | |
| ii. | Staff | | |
| iii. | Operating Expenses | \$22,800 | |
| | Total: | 22,800 | - |
| b. | Current budget (existing programs or departments only) | | |
| c. | Describe the estimated budget for the request including specific program costs and expected expenditures | | |
| | We will divert \$22,800 from the student and course fees funds that we are currently charging into the Education and General fund to cover operating expenses that were being covered with student and course fees. | | |
| d. | Describe existing resources and internal efficiencies that will be utilized to augment this funding. | | |
| | We will remove the student fee we are currently charging and adjust course fees to match the direct cost each student is consuming in each course. | | |

5) Describe the impact to the institution if this request is not approved.
 If this request is not approved, Southwest Technical College will not have a tuition rate in order to start our Fire Academy and Paramedic programs in January. This will delay the advertised start date for both of the programs.

Utah System of Higher Education

FORM R-6: DIFFERENTIAL TUITION REQUEST

Institution: Southwest Technical College

Fiscal Year: 2022-23

Prepared by: Clarissa Crosby

Due date: March 8, 2022

Submission Date: October 31, 2022

Program: Professional Truck Driving (CDL)

R510-4.2. Differential Tuition: Differential tuition schedules for undergraduate and graduate programs may be authorized by the Board on a case by case basis. In addition to initially approving differential tuition rates for academic programs, differential tuition increases beyond the regular institutional tuition increase proposal should be approved by the Board. The increased revenues from the differential tuition rate charges shall be used by the institution to benefit the impacted program and to help support related campus services. Institutions requesting differential tuition schedules should consult with students in the program and consider the following:

4.2.1. Student and Market Demand for the Program:

Southwest Tech's program allows residents of Utah to get into a career fast. The program can be completed in just over a month. CDL jobs pay well and drivers are in high demand, which creates excellent job security. Due to these reasons, the CDL program has a waitlist of students to get into the program at Southwest Tech. DWS data states that there are 3,150 annual total openings in Utah for heavy and tractor-trailer truckers' drivers and over 20,000 for the transportation and material moving occupational category.

4.2.2. Impact of Differential Tuition Rates on Student Access and Retention:

Differential tuition should not create any Student Access or Retention issues. We will be reducing course fees in this program by \$1,272. The net difference per student completing the program will be a decrease of \$103.48.

4.2.3. Tuition Rates of Comparable Programs at Other Institutions:

PRELIMINARY Differential Tuition rates at Other Institutions: SLCC Tech \$100/credit hour; Dixie Tech \$173/credit hour; Mountainland \$200/credit hour; Uintah Basin \$350/credit hour; Tooele Tech \$390/credit hour.

4.2.4. Potential Earnings Capacity of Program Graduates:

Salary range for a driver with a CDL is listed as \$30,160 - \$72,730 with a median wage of \$48,810.

4.2.5. Societal Importance of the Program:

This program is a tremendous value to the State of Utah. Graduates are qualified to drive a tractor-trailer combination or a truck with a capacity of at least 26,001 pounds Gross Vehicle Weight (GVW). These types of vehicles are used to transport essential goods including: groceries, medicines, and fuel; and also supplies, materials, and equipment for the building industry. Transportation of the items mentioned is absolutely critical to a well functioning economy.

Estimated Student Program Enrollment and Number of Courses (including level designation, 1000, 2000, etc):

We are expecting 80 students in this program. There are four courses at the 1000 level that will equate to 6 credit hours total for the program.

Estimated Revenue and Uses (including program and institution):

This program will not be credit based until July 2023. We are estimating a revenue of \$96,000 in FY24 from differential tuition. This revenue will be used to pay for instructor hours as well as fuel for the trucks used in the program. The course fees for the training courses were reduced by more than the expected revenue in differential tuition.