


MEMORANDUM

DATE: April 16, 2020

TO: Arizona Board of Regents

FROM: Michael M. Crow A handwritten signature in blue ink that reads 'Michael Crow'.

RE: PROPOSED ASU TUITION AND FEE MODEL

I am proposing a new framework for setting tuition and fees for Arizona State University, beginning in 2020-21, that will allow us to manage the university in the restructured operational environment we face moving forward.

The implementation of the ASU Tuition and Fee Model described here is necessary to achieve the goals set by the Board of Regents and adhere to the commitments made in the ASU Charter. Under any circumstances, such action would be necessary for us to evolve to meet the needs of the universal learners central to our strategic goals given the complexity of the environment. As we chart our course during a pandemic, my request is made with even greater urgency.

The model I am describing reflects commitments articulated in the ASU Charter—namely, to be measured by whom we include and how they succeed and to assume fundamental responsibility for the economic, social, cultural and overall health of the communities we serve. As a public enterprise, the revenues generated by tuition and fees are necessary to support the delivery of a high-quality education. The growth of the ASU Enterprise has led to increased diversity—economically, ethnically, and otherwise—of the students we serve. This proposal builds on key principles to which ASU has already demonstrated its commitment:

- Increases in tuition and fees for Arizona resident undergraduate immersion students must be kept low. In 2019, I reaffirmed, and extended, my original ten-year promise of tuition adjustments of no more than 3 percent for Arizona resident undergraduate students, with increases as close to zero as possible.
- Those tuition and fees must be transparent to students and families. ASU, with approval by the Board, restructured tuition and fees for immersion students. These students now pay 1) a base tuition amount, 2) a single bundle for student-initiated fees, and 3) a line item for one of four levels of college fee.
- ASU maintains financial aid to lower the net cost of attendance. This aid is especially important for Arizona resident undergraduate students from low-income families, for whom the Obama Scholars Program and the College

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Attainment Grant remove resident tuition and fees as barriers to access. For first-year Arizona resident undergraduate students who entered as first-year students in FY 2019, the average institutional aid per student was nearly \$9,000, with an average net tuition per student of less than \$3,000.

I am requesting that we shift the way of considering how tuition and fees are set. I recommend that they be characterized, and codified, as management decisions subject to clear direction from, and accountability to, the Board of Regents. ASU must decide tuition on an ongoing basis, responding to rapid changes in the markets for these programs, including the expenses required to maintain quality; student demand and comparable offerings elsewhere; and the broader needs of the ASU Enterprise.

As such, under this model, the Board's action would allow for subsequent determination of certain tuition and fees at ASU in the 2020-21, 2021-22, and 2022-23 academic years. The Board would *set maximum tuition and fee rates*. ASU would then determine the *actual tuition and fees charged to students*, no greater than the amounts set by the Board, strategically and on an ongoing basis, given the best information available at a particular time. To be clear, this proposal does not apply to tuition and fees set by the board for resident students. Specifically:

- For existing tuition and fees, except for any tuition and fee set by the board specifically for resident students, the *maximum* tuition or fee would be the rate set for the 2019-20 academic year, adjusted by 5 percent each year. ASU plans to determine *actual tuition and fees charged* to students at a later date.
- For a limited set of fees (i.e., restructured online undergraduate college fees and program fees in new graduate programs), the base fee would be set this year. Moving forward, the *maximum* fee would then be the rate set this year, adjusted by 5 percent per year, consistent with the adjustments described above. Please see the attachment for details on these proposals.

This model improves the balance between maintaining the Board's mechanisms for accountability and the operational flexibility we need to further the ASU Charter in an increasingly volatile environment. ASU remains accountable to achieving the Promise to Arizona that has been articulated in recent discussions between Board members, its staff, and the universities. That is, under this model, ASU will continue to articulate goals for key accountability metrics identified by the Board, present the annual Operational and Financial Review, and submit other reports as directed. Just as we must today in our tuition and fee requests, we will justify to the Board, and to the people of Arizona, the decisions we make moving forward.

New Rates Proposed for 2020-21

Online Undergraduate College Fee

Similar to last year's restructuring of immersion undergraduate student tuition and fees, online program and college fees, course fees, and student technology fee will be moved to a four-tier undergraduate college fee, charged to all undergraduate students, as follows:

- Tier 1 (\$20/student credit hour, or SCH): Nursing BSN, non-degree programs
- Tier 2 (\$40/SCH): College of Integrative Sciences and the Arts (CISA) Humanities, CISA Social Sciences, The College of Liberal Arts and Sciences (CLAS) Humanities, CLAS Social Sciences, Herberger Institute for Design and the Arts (HIDA), New College of Interdisciplinary Arts and Sciences (NCIAS) Humanities, NCIAS Social Science
- Tier 3 (\$60/SCH): CISA Sciences, CLAS Sciences, New College Sciences, Mary Lou Fulton Teachers College, Nursing and Health Innovation, School of Sustainability, Watts College, College of Global Futures
- Tier 4 (\$120/SCH): College of Health Solutions, Cronkite, Fulton Schools of Engineering, W.P. Carey, Thunderbird

A pool of financial aid funds will be set aside so that no continuing online resident undergraduate student would see an increase in total tuition and fees (i.e., tuition, college fee, and student initiated fees) per SCH greater than 3 percent in 2020-21 and no continuing non-resident online undergraduate student would see an increase greater than 5 percent in 2020-21.

Graduate Program Fees

Mary Lou Fulton Teachers College

EdD in Learning Systems Leadership

\$833/credit – new program

The EdD in Learning Systems Leadership is a premier education doctoral program for administrators who are seeking to bring education systems to the highest level of performance. The program focuses on system-level skills often omitted from leadership programs: advanced data analysis appropriate for leaders, ethical decision-making in conflict, analysis of problems that are not easily solved, collaboration with leaders of other systems, performance-based organization of critical subsystems, strategic views of talent and HR systems, and systems-level design thinking.

School of Sustainability

MS in Sustainable Food Systems (Online)

\$255/credit hour – new program

The School of Sustainability is requesting a program fee for the new MS in Sustainable Food Systems associated with Swette Center for Sustainable Food Systems. The program will equip graduates to drive high-impact transformative results for their companies, organizations, communities and their own careers. This fee will be used to deliver a superior student experience aimed for working professionals. Designed for the working professional, students will participate in a combination of unique online course content and a capstone-project. The requested program fee will allow the delivery of an exceptional and unique course of study through well-designed online courses and immersive experiences.

Watts College of Public Service and Community Solutions

Master of Professional Studies in Community Development Practice

\$250/credit hour – new program

The purpose of the fee is to support on-campus delivery of the MPS-CDP program. The MPS-CDP is an advanced degree program providing motivated students with knowledge, skills and abilities to achieve positions of leadership and key management positions in the field of community development. The fee will support innovative learning opportunities such as site visits, in-person sessions with leading practitioners, and in-person simulation learning experiences. Absent fees providing these advantages of an in-person format cannot be realized.