Wyoming Community College Commission

WYOMING
COMMUNITY COLLEGES

Tuition Policy Development
June 1, 2016

Exhibit 1 – A publication from the National Conference of State Legislatures that can serve as a primer in the overall conversation regarding a tuition policy.

Tab A – A Wyoming comparison to a national statistic

Tab B – A Wyoming comparison to a national statistic

Exhibit 2 – A publication that shows 62% of attendees at 2 year public institutions leave with no debt and an additional 23% have less than $10,000 in debt.

Exhibit 3 - A publication that shows where student debt is actually accumulating.

Exhibit 4 – A list of comparative data from surrounding states and UW

Exhibit 5 – Tuition Policy Options

Tab C – College Preferences

Tab D – Summary Cost of Education Results from the Flom Cost Model

Tab E – Tuition Freeze Comparators

EXHIBIT 1

Hot Topics in Higher Education

Tuition Policy

BY DUSTIN WEEDEN

SEPTEMBER 2015

Tuition at public four-year institutions has increased faster than inflation every year since 1980.[1] Over time, these consistent increases have compounded, causing concern among students, families and legislators about college affordability. Tuition, along with general appropriations and financial aid, represent the three primary policy levers legislatures may wish to use to craft a strong higher education finance policy. It is wise to consider the three levers together, since pulling one is likely to cause ripple effects in the other two. This brief is part of a series focusing on appropriations, financial aid and tuition policy. It highlights recent trends in tuition prices, some causes of tuition increases, and policy options states have considered.

Definitions

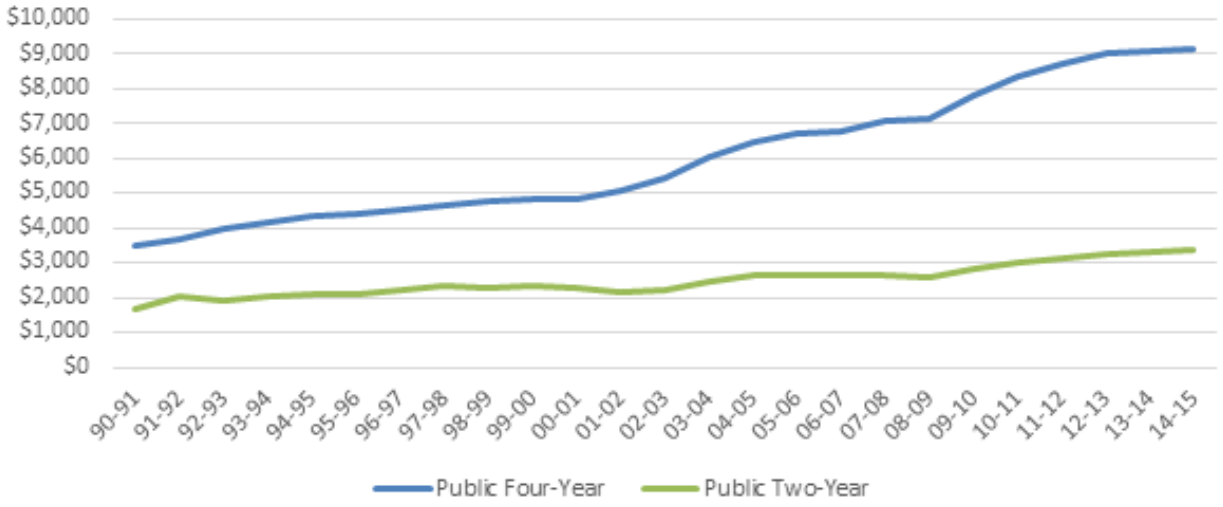
Several terms will be used throughout this brief—tuition, net price, price and cost. Because these terms sometimes are used interchangeably, it is important to clearly define each. *Tuition* as used here refers to the sticker or published price—the tuition amount published on institutional websites before any financial aid is applied. If a student were to receive no financial aid, sticker price tuition is the amount he or she would pay for courses each year. However, most students receive some type of financial aid—grants, scholarships, tax credits or tuition waivers—and do not pay the published price. *Net price* represents tuition minus any financial aid or discounts a student receives. Because individual students receive financial aid from many sources and for many different reasons, it is difficult to calculate a representative net price for all students. Most calculations for net price are, at best, estimates of what students at various income levels or types of institutions will pay in tuition after factoring in widely available forms of aid such as federal and state grants.

Price and cost frequently are used interchangeably, but when considering higher education institutional finances, it is important to draw a distinction. *Price* simply represents tuition—it is the amount institutions charge students for educational opportunities. *Cost*, on the other hand, refers to what institutions must pay to educate students. In other words, all institutional inputs—such as faculty and administrative salaries, benefits, building maintenance and student services—are costs. The difference between cost and price is especially important at public institutions because price does not equal cost. All states provide operational support to institutions; this allows resident students to pay a tuition price that is lower than the cost of educating them.

Trends

Since 1990, the national tuition average at public four-year institutions has increased by 161 percent after adjusting for inflation. At two-year institutions, the national tuition average has increased by 102 percent after adjusting for inflation since 1990.[2] Figure 1 illustrates these increases in inflation-adjusted dollars. The national average for tuition at public four-year institutions increased by $5,653, from $3,486 in 1990-91 to $9,139 in 2014-15. At public two-year institutions, the national average tuition increased by $1,692, from $1,655 in 1990-91 to $3,347 in 2014-15. See Tab A for Wyoming Comparison.

Figure 1. Tuition Increases at Public Institutions, 1990-2014 (in Constant 2014 Dollars)



Source: College Board. *Trends in College Pricing 2014.*

Total Price of Attendance

Although tuition prices receive significant attention, the true price of attending a postsecondary institution is much more than tuition. Students also must pay for room and board, textbooks, school supplies and transportation specifically related to their education. The sum of all these expenses is known as the total price of attendance. At public two-year institutions, tuition is approximately 19 percent of the total price of attendance, and at public four-year institutions it is approximately 40 percent.[3] See Tab B for Wyoming Comparison.

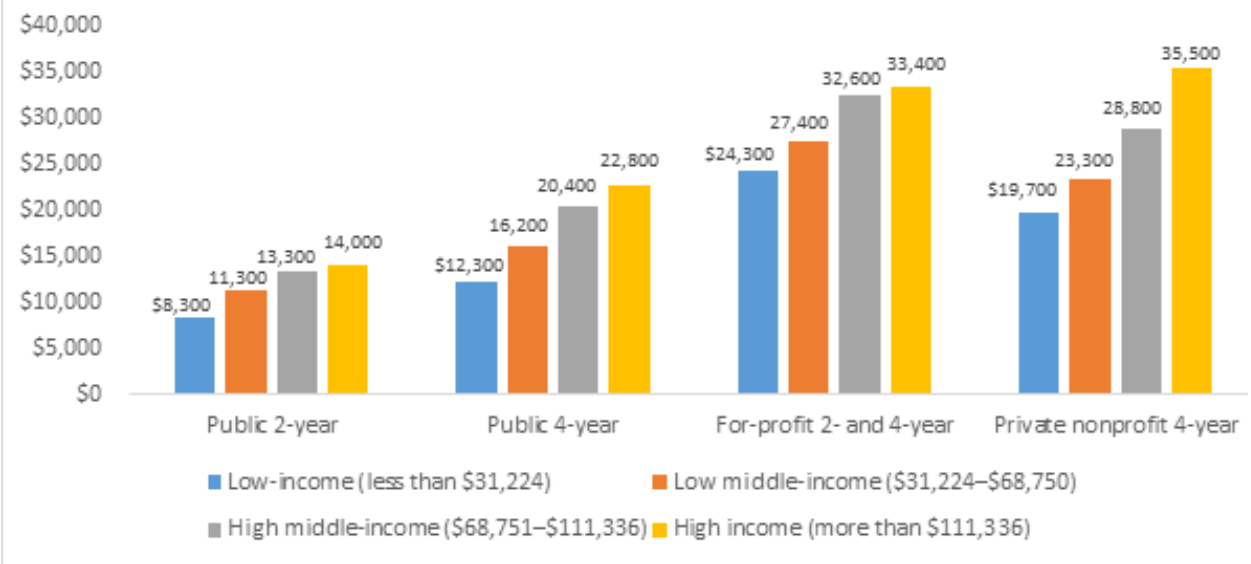
Most students receive some form of financial aid to help offset the price of attendance. The net price students pay after all forms of financial are factored in is often much lower than the published price. An average net price is difficult to calculate for all students because of the forms of aid available tend to vary by family income and academic ability. Figure 2 illustrates the approximate net prices by family income for first-time, full-time dependent students. The net price calculations subtract only grant aid and represent the price the average student in each income level would pay for tuition, fees, books, housing, supplies, transportation and personal expenses. The net price figures highlight the importance of state appropriations to public institutions. Students in the lowest income category who are attending public four-year institutions have an average net price of approximately 62 percent of the amount paid by similar students at private nonprofit four-year institutions.

Why Does Tuition Increase?

Some disagreement exists about the causes of tuition increases. This is primarily because the reasons for tuition increases in one state or institution may differ from those in a neighboring state or similar institution. Tuition setting is also an inherently political process and, in most states, often involves many people who have varying levels of influence and control over the process. External events such as recessions and the earnings differential between college graduates and high school graduates also influence tuition rates. In recent years, enrollment growth and recessions have been two of the primary causes of tuition inflation; however, institutional behavior and decisions also can lead to tuition increases.

Recessions have a significant negative effect on state revenue, which, in turn, limits the amount states are able to allocate to any single budget item. Higher

Figure 2. Net Price by Type of Institution and Family Income for First-Time, Full-Time Dependent Undergraduates, 2011-2012



Source: U.S. Department of Education, National Center for Education Statistics, 2011–12 National Postsecondary Student Aid Study (NPSAS:12).

education appropriations—unlike spending on primary and secondary education, for which a specific amount is often legally mandated, or Medicaid spending, for which spending levels are tied to federal dollars—tend to be one of the most discretionary items in state budgets. Colleges and universities can offset reductions in state support by increasing tuition. Consequently, during economic downturns when states must reduce spending to meet balanced budget requirements, higher education funding tends to decline and tuition tends to rise. Given the severity of the most recent recession and the slow recovery—more than half of states still have not rebounded to pre-recession revenue levels[4]—declines in state appropriations have been a central factor in recent tuition increases at many public institutions.

Because enrollment in higher education institutions has increased rapidly in recent decades, it represents a second leading factor for tuition increases. The college earnings premium—the bump in earnings college degree earners receive compared to high school graduates—has steadily increased since the 1980s. Thus, a postsecondary credential represents a sound investment for most individuals, and has led more people to pursue postsecondary credentials.[5] Students who receive a bachelor's degree earn approximately 65 percent more than someone who holds only a high school diploma.[6] Since 1989, full-time equivalent enrollment at public institutions has increased by approximately 3.6 million students, representing a 48 percent growth in FTE enrollment.[7] As enrollment increases, institutions must increase capacity to serve additional students. Institutions may need to hire additional faculty members, build more classrooms or residence halls and improve student services by hiring more advisors or expanding career counseling. Building capacity increases the costs associated with providing educational opportunities. In addition, when demand for higher education opportunities is high—as it has been at elite institutions for several years—institutions are able to charge a higher price. Market forces allow institutions with excess demand—typically flagship institutions that are able turn away a sizable portion of applicants—to charge more without affecting demand.

Beyond changes in state support and enrollment, tuition increases are primarily driven by changes in an individual institution's cost structure. All expenditures on instruction, research, administration, stu-

dent services, public service, and plant operation and maintenance comprise an institution's cost structure. If expenditures in one category go up, a concomitant increase in revenue or decrease in another expenditure category must occur. Compensation increases for faculty members, the decision to hire more administrators, benefit increases, lower teaching loads, energy prices, debt service, and efforts to improve institutional rankings all have caused tuition to rise since the 1980s.

Institutions also compete for students, especially those of high academic ability. In pursuit of students, institutions have upgraded amenities and increased scholarships in recent years. Amenities—including upgraded recreational facilities, modern residence halls, and technology infrastructure capable of handling modern mobile devices and streaming demands—typically are associated with increased tuition and fees necessary to pay for construction and operation of new facilities. The amount of tuition and fee revenue public institutions spend on debt service has increased by 35 percent since 2009, from $522 million to $706 million.[8] In pursuit of students with certain characteristics, many colleges and universities provide institutional scholarships to lower the price highly desired students will pay. This practice, known as tuition discounting, has a long history at private institutions and has become increasingly common at public institutions. To award these scholarships, institutions must increase the sticker price to ensure they earn adequate net tuition revenue.

Although intercollegiate athletics play an important role in many colleges, athletic departments are expensive to operate and few generate enough revenue to fully cover expenses. As a result, tuition and fees frequently are used to subsidize athletic ventures. In recent years, athletic expenses have increased and now may require larger subsidies from tuition and fee revenue at many colleges.[9] In response to growing athletic costs, Virginia enacted legislation that capped the percent of operating revenue athletic programs can receive from institutions and student fees.[10]

Policy Options

Tuition policy is a primary tool states have to influence college affordability and access. In most states, legislatures do not directly set tuition rates. Rather, they indirectly influence tuition rates through the annual budget process and by establishing broad policy parameters institutions and governing boards must follow when setting tuition. Tuition policy is often a delicate balancing act between restraining tuition increases, and considering institutions' revenue needs. If tuition policy is too restrictive and limits revenue, the educational quality of institutions may decline, institutional bond ratings may be downgraded, and unintended consequences may arise should institutions aggressively seek alternative revenue sources, such as enrolling more nonresident students. If tuition rates rise faster than family incomes, students will likely need to borrow to finance their education, and price-sensitive students may attend an institution that does not match their academic credentials or may forego attending college entirely. The following section outlines several tuition policies states have enacted or considered.

Limitations on Annual Tuition Increases. Several states have enacted limitations on the maximum amount tuition can increase over the

Policy Options
- ***Limitations on Annual Tuition Increases***
- ***Linking Tuition with Institutional Performance***
- ***Tuition Stabilization Fund***
- ***Tuition Freezes***
- ***Tuition Tax Credits and Deductions***
- ***Guaranteed or Fixed Tuition***
- ***Linking Tuition with Financial Aid***
- ***Resident and Non-Resident Tuition Tradeoffs***

previous year. Missouri implemented one of the strongest limitations in 2008-2009 when it tied tuition increases to inflation measured by the Consumer Price Index (CPI). Missouri institutions with tuition amounts above the state average may raise tuition only by the annual change in CPI. If an institution charges tuition below the state average, then it may raise tuition by the change in CPI multiplied by the average state tuition. If institutions exceed the maximum allowed tuition increase, they must return 5 percent of their state appropriations. Institutions also may receive a waiver to increase tuition more in certain circumstances, such as when state support declines during a recession.[11] Other states provide institutions more flexibility or restrict the limitation to a single budget cycle. For example, Colorado allows tuition to increase by as much as 6 percent each year without additional approval. In the most recent higher education appropriation bill, North Dakota limited tuition increases to 2.5 percent in the 2015-2016 and 2016-2017 academic years.

Other states use changes in median income to influence tuition increases. Maryland has set a goal of using a three-year rolling average change in median income for tuition increases. Washington enacted legislation in 2015 that ties tuition rates to the median wage in the state—research institutions charge a higher percent of median wage, while community colleges charge a lower percent. For states to tie tuition to a measure such as median income, state support for higher education institutions must remain relatively stable. Maryland uses a tuition stabilization fund to help meet the state tuition goal. In Washington, state support for higher education is expected to increase by the rate of inflation each year. Linking tuition to the median wage led to a 5 percent to 20 percent tuition reduction in Washington. The state increased its investment in higher education by more than $200 million to pay for the tuition reduction.

Linking Tuition with Institutional Performance. Texas considered linking tuition increases to the performance of individual institutions. Texas Senate Bill 778 proposed limiting tuition increases to the rate of inflation at institutions that do not meet target levels on the majority of 11 performance measures. Institutions that meet the target levels on most performance measures would have been able to increase tuition by the rate of inflation plus 3 percent. The proposed performance measures were similar to the metrics other states use in performance funding models and include number of degrees awarded, number of students making progress toward degrees, graduations rates and administrative costs. Virginia allows institutions that meet certain performance benchmarks to retain interest earned on tuition and fee revenue that is deposited in the state treasury. While the current Virginia law is not tied to tuition increases, it does offer incentives for institutions to meet delineated state goals.

Tuition Stabilization Fund. Maryland created a Higher Education Investment Fund in 2007 to "invest in public higher education and workforce development" and "keep tuition affordable for Maryland students and families."[12] Within the investment fund, Maryland created a Tuition Stabilization Account which functions similar to a rainy day fund for higher education. Funds from the account can be used only to stabilize tuition at higher education institutions. If higher education appropriations are lower than the previous year, the funds from the stabilization account can be used to offset the decline in appropriations and therefore limit tuition increases. The stabilization account is one way Maryland links tuition policy with annual appropriations to help meet state higher education goals.

Tuition Freezes. Tuition freezes are fairly common following the large tuition increases that tend to occur during recessions. Freezes frequently are informal agreements negotiated during the budget process between institutions and legislatures. In exchange for increasing state support by a certain amount, institutions agree not to raise tuition for a certain period. An analysis by the California Legislative Analyst's Office found that tuition freezes often are followed by rapid tuition increases in ensuing years, making current students the primary beneficiaries the freezes.[13] Tuition freezes do link appropriations and tuition; however, they are temporary fixes that

last for only one or two budget cycles and do not address institutional cost structures or create long-term affordability solutions.

Tuition Tax Credits and Deductions. A few states offer state tax credits or deductions for tuition expenses. South Carolina offers a maximum refundable tax credit of $850 for students who are attending four-year institutions and $350 credit for those attending community colleges.[14] New York offers a refundable tax credit that varies based on how much tuition a student must pay. Students who pay less than $5,000 in tuition receive a maximum credit of $200. Students who pay more than $5,000 receive the maximum credit of 4 percent of qualified tuition expenses. In addition, at least 33 states offer income tax credits or deductions for contributions to college savings plans.[15] Although these tax benefits may not directly offset current tuition charges, they provide incentives for families to save for future educational expenses, including tuition.

Guaranteed or Fixed Tuition. Fixed or guaranteed tuition policies set a single tuition price for each incoming class that cannot increase for a certain period—usually four years. Under such policies, once enrolled, students do not face rapid tuition increases from one year to the next, allowing families to better plan for college costs. However, if institutional costs or revenue fluctuate greatly from one year to the next, one class of entering students may pay much more than the previous year's class. These policies shift the uncertainty of tuition increases from students to institutions, which must estimate the tuition revenue needed through the duration of the guarantee period. Policies in at least six states allow or require state institutions to offer guaranteed tuition rates. Among these states, Illinois requires all public institutions to offer a plan.

Linking Tuition with Financial Aid. Because low-income students are sensitive to price changes, tuition increases can adversely affect their enrollment and decisions to remain in college. To counter the negative effects of tuition increases among low-income students, some states require a certain amount of all tuition increases be reserved for need-based aid. Prior to implementing a tuition reduction, Washington required institutions that increased tuition above the amount expected in the appropriations bill to set aside 5 percent of tuition revenue for need-based aid.

Resident and Non-Resident Tuition Tradeoffs. In response to lower state appropriations per student, many institutions have increased nonresident student enrollment in an effort to boost revenue. Several public research institutions have kept resident enrollment flat, while substantially increasing the number of non-resident students.[16] In most states, institutions and governing boards have significant flexibility to set nonresident tuition rates. A few states establish baseline nonresident tuition amounts that usually are tied to the resident rate or instruction costs. For example, Alabama requires that tuition for nonresidents be a minimum of twice the resident rate,[17] and West Virginia requires nonresident tuition to cover the full cost of instruction.[18] This practice of increasing nonresident enrollment can limit access to more selective public institutions.[19] Consequently, some states place caps on the percent of nonresident students a university can enroll. Colorado limits nonresident enrollment to 45 percent of each incoming freshman class.[20]

Connecting Tuition Policy to a State Public Higher Education Agenda

Because higher education lacks a good definition of quality, higher prices may be equated with higher quality. In the current era of limited tax revenue and competing budget priorities, however, higher education institutions need to be more efficient—educating more students with less revenue—and more productive—providing students with the skills needed to be successful in the workforce in a timely manner. A growing number of states are creating higher education public agendas that outline specific goals for higher education institutions. Once higher education goals are established, linking tuition policy with state appropriations for institutions and financial aid policy provides states with an opportu-

nity to influence institutional behavior and achieve state goals without micromanaging decisions.

At public institutions, successful tuition policy will likely be linked to state appropriations. Because so many institutions rely on appropriations and tuition as primary sources of revenue, a decline in one revenue source means the other one must increase or costs must decrease. While many institutions could find cost savings in various areas, maintaining stable appropriations and tuition revenue will help institutions better plan long-term budgets and identify cost savings. Students and families also will be better able to plan for future tuition payments if increases are moderate and predictable. Linking tuition increases to median family income—as Maryland and Washington has done—will require a stable investment from state appropriations.

In addition to appropriations, linking tuition policy with financial aid can help maintain affordability, even if tuition prices increase. A policy that requires institutions to reserve a portion of tuition increases (if the increase crosses a predetermined threshold) can help offset the impact of tuition increases for the most price-sensitive students. Financial aid can also be an efficient method of financing higher education opportunities, since the funding goes directly to the students who need the most financial support.

Tuition, appropriations and financial aid can be linked in a number of ways, and each state may wish to consider the political, economic and demographic context to determine the best course of action. It remains important to monitor both the effectiveness and the unintended consequences of any change in tuition policy.

Notes

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NCSL Contact

Dustin Weeden | Policy Specialist | (303) 856-1653 | dustin.weeden@ncsl.org

NATIONAL CONFERENCE of STATE LEGISLATURES

William T. Pound, Executive Director

7700 East First Place, Denver, Colorado 80230, 303-364-7700 | 444 North Capitol Street, N.W., Suite 515, Washington, D.C. 20001, 202-624-5400

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TAB A

Wyoming Community College Commission

1990/91 vs 2014/15

	1990-91
	Full-time (12 hours or more)
WY Resident	$480/year

	2014-15
	Full-time (12 hours or more)
WY Resident	$1992/year

Wyoming Increase in $	$	1,512.00
National Average Increase	$	1,692.00
National Average Tuition 14/15	$	3,347.00
Wyoming Tuition 14/15	$	1,992.00
Wyoming % of National Avg		59.52%

TAB B

AY 2016-2017

	Tuition	Fees	Books and Supplies	Travel	Personal Expenses	R&B	Total	*Tuition as percent of cost of attendance
Casper	$ 2,136	$ 456	$ 1,200	$ 1,305	$ 1,305	$ 5,820	$ 12,222	17.48%
CWC	$ 2,136	$ 720	$ 1,200	$ 1,250	$ 1,250	$ 6,443	$ 12,999	16.43%
EWC	$ 2,136	$ 576	$ 1,300	$ 1,350	$ 1,350	$ 6,706	$ 13,418	15.92%
LCCC	$ 2,136	$ 1,152	$ 1,200	$ 900	$ 900	$ 7,200	$ 13,488	15.84%
NWC	$ 2,136	$ 770	$ 1,000	$ 1,432	$ 1,432	$ 5,198	$ 11,968	17.85%
NWCCD	$ 2,136	$ 960	$ 1,360	$ 600	$ 600	$ 6,170	$ 11,826	18.06%
WWCC	$ 2,136	$ 408	$ 1,600	$ 379	$ 379	$ 5,534	$ 10,436	20.47%
							System Average	17.43%

Avg Total Cost	$ 12,336.71	
Avg No R&B	$ 6,183.71	
Avg Tuition and Fees	$ 2,856.29	
Avg R&B	$ 6,153.00	
Avg Books/Supplies	$ 1,265.71	
Avg Tvl&Pers Exp	$ 2,061.71	On Campus
Avg Tvl&Pers Exp	$ 2,657.55	Off Campus

If tuition were to account for 19% of the total cost of attendance, the tuition per credit hour would need to be $98, whereas it is set at $89 today, a 10% increase would be needed.

* before any financial aid is used

Average Pell Grant is $3,673 for 14/15 AY per US Dept of Education

Hathaway Levels:

Honors	$3,360/year
Performance	$2,520/year
Opportunity	$1,680/year
Provisional	$1,680/year

EXHIBIT 2

Student Debt

Growing concerns over student debt make a focus on this issue critical to understanding differences across postsecondary sectors. Community college students are less likely to borrow than other students, and those who do borrow accumulate lower amounts of debt on average. Although this is primarily a result of the lower prices they face, it is also possible that students in this sector choose to work more instead of borrowing more. As mentioned earlier, community college students are more likely to work full time and be enrolled part time, which makes it difficult for them to complete their studies and earn credentials in a timely fashion.

As shown in Table 8, 59% of associate degree recipients and 65% of certificate recipients who received their credentials from community colleges in 2011-12 did not borrow. This compares to 12% and 14%, respectively, of those who received similar credentials from for-profit institutions. Only 9% of associate degree recipients from community colleges graduated with $20,000 or more in debt, compared to 55% of associate degree recipients from for-profit institutions.

Table 8: Distribution of Total Undergraduate Debt by Sector and Type of Degree or Certificate, 2011-12

	No Debt	Less than $10,000	$10,000 to $19,999	$20,000 to $29,999	$30,000 to $39,999	$40,000 or More	Total
Bachelor's Degree							
Public Four-Year	34%	12%	14%	18%	10%	12%	100%
Private Nonprofit Four-Year	25%	8%	12%	20%	14%	20%	100%
For-Profit	12%	4%	7%	14%	16%	48%	100%
Associate Degree							
Public Two-Year	59%	20%	12%	5%	2%	2%	100%
For-Profit	12%	13%	20%	27%	15%	13%	100%
Certificate							
Public Two-Year	65%	22%	7%	3%	2%	1%	100%
For-Profit	14%	36%	37%	9%	2%	2%	100%

Source: NCES, NPSAS 2012.

EXHIBIT 3

Heaviest Debt Burdens Fall On 3 Types of Students

The typical undergraduate borrower isn't suffering from college loans.

By The Hechinger Report (/topics/author/the-hechinger-report) | Contributor
June 8, 2015, at 8:28 a.m.

Some borrowers are struggling to repay their student loan debt. ISTOCKPHOTO

RELATED CONTENT

With 17 percent (http://www.newyorkfed.org/newsevents/mediaadvisory/2015/Student-Loan-Press-Briefing-Presentation.pdf) of borrowers behind in their payments or in default on the nation's $1.2 trillion in college loans, it's not surprising that student debt is emerging as a campaign issue for the 2016 election. It's not only an important public policy problem, but also a matter that resonates with young millennials and might lure them to the polls on Election Day, according to a Washington Post analysis (http://www.washingtonpost.com/business/economy/how-student-debt-became-a-presidential-campaign-issue/2015/05/24/1463948e-f41c-11e4-b2f3-af5479e6bbdd_story.html) on May 24.

But some proposals, such as eliminating student debt at public colleges or reducing interest rates, might not target the borrowers who are struggling the most. An April 2015 Urban Institute report points out that student debt isn't a problem for the typical undergraduate student, but rather for smaller groups of atypical students.

"I read so much about how student debt is ruining people's lives, but most people with student debt are just doing fine," said Sandy Baum, one of the co-authors of "Student Debt: Who Borrows Most (http://www.urban.org/research/publication/student-debt-who-borrows-most-what-lies-ahead)? What Lies Ahead."

"It's really important to understand exactly which are the people who are borrowing unmanageable amounts of money. There's not one solution for all of them," Baum added.

Baum, a long-time expert in college costs and student debt, studied the most recent data at the National Center for Education Statistics. In an interview, she identified three categories of student debtors who deserve attention.

1. Graduate students: The reason that the "average" student's debt is so high – almost $23,000 – is because the figure includes the loans of graduate students, who are permitted to borrow unlimited amounts from the federal government up to the cost of attendance. Sixty-five percent of 2012 graduates who borrowed $50,000 or more were graduate students.

Lawyers accounted for 8 percent of graduate students with high debts. Doctors accounted for 5 percent.

"People think of student debt as an undergraduate problem, but it's really graduate students," Baum explained.

[**READ:** How Much Outstanding Loan Debt is From Grad Students? More Than You Think (//www.usnews.com/news/articles/2014/03/25/how-much-outstanding-loan-debt-is-from-grad-students-more-than-you-think)]

Many of them find high-paying jobs after graduation. With the downturn in the legal field, some law school graduates might be suffering. "But these are people with B.A.'s," said Baum. "You can argue they knew what they were getting into."

Of course, these students would welcome a reduction in student loan interest rates. But Baum argues that the savings would be a "windfall" to upper-income Americans. Low-income Americans tend to have smaller debts, she said, and wouldn't benefit as much.

2. For-profits: At first glance, there's been an alarming increase in the number of four-year college graduates with very large debts. Back in 2004, only 1 percent of students who earned a bachelor's degree that year had borrowed $50,000 or more, adjusted for inflation. That grew to 10 percent in 2012.

[**READ:** Average Student Loan Debt Hits $30,000 (//www.usnews.com/news/articles/2014/11/13/average-student-loan-debt-hits-30-000)]

With colleges hiking tuition prices well above the inflation rate, heavy debts aren't surprising. Still, they're not commonly carried by conventional undergraduates.

"Those who do have this high level of debt disproportionately are in the for-profit sector, independent of their parents, or in school for more than four years," wrote Baum and her co-author Martha Johnson.

[**READ:** 10 Colleges Where Graduates Have the Least Student Loan Debt (//www.usnews.com/news/articles/2015/06/08/heaviest-college-debt-burdens-fall-on-3-types-of-students)]

Graduates of for-profit schools accounted for a quarter of the students who were graduating from college in 2012 with more than $50,000 in debt, but they constituted only nine percent of all degree recipients. By contrast only six percent of students who earned their degrees from a public four-year school had such a high level of debt. At private nonprofit colleges, 12 percent of graduates had high debts, still less than half the rate of the for-profits.

3. Dropouts: People who didn't complete their degrees account for 59 percent of the students with low debts, that is, debt between $1 and $10,000. Those without college degrees are less likely to pay back their student debt, not only because they often can't get a high-paying job, but also because "some people feel ripped off and they shouldn't have to pay it back," explained Baum.

One sign that smaller debtors like these are driving the default rates is that the average debt of people in default is roughly $14,000, much less than the average student's debt of almost $23,000. It's not a small universe of people; 41 percent (https://nces.ed.gov/fastfacts/display.asp?id=40) of those who start college fail to complete a four-year degree in six years. Completion rates are even lower at community colleges (http://ccrc.tc.columbia.edu/Community-College-FAQs.html).

How to help these students with their debts is a tough problem. "You don't want to say, 'if you don't graduate, we won't make you pay,'" explained Baum.

There is already help, though, for many students. The federal government already has special repayment programs in place, including three different ways (https://studentaid.ed.gov/sa/repay-loans/understand/plans/income-driven) to lower monthly payments based on your income. If you're under 150 percent of the poverty line, you pay nothing. Above that, borrowers pay 10-20 percent of their income. And if you enter public service (https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service), the federal government can wipe out your student debt after 10 years.

[**LEARN MORE:** College Loan Center (//www.usnews.com/education/best-colleges/paying-for-college/student-loan)]

The programs are still new and people complain about bureaucratic red tape, but they're good news for the teaching profession. Those who received master's degrees in education accounted for 17 percent of the graduate students with $50,000 or more in debt. A public school teacher can qualify for both pay-as-you-earn loan payment reductions and public service debt forgiveness. After 10 years of teaching, and making income-based payments, a public school teacher's student loan should disappear.

The student debt debate, at least in political circles, often ignores that.

Tags: education (//www.usnews.com/topics/subjects/education), community colleges (//www.usnews.com/topics/subjects/community_colleges), student loans (//www.usnews.com/topics/subjects/student_loans), graduate schools (//www.usnews.com/topics/subjects/graduate_schools), colleges (//www.usnews.com/topics/subjects/colleges)

The Hechinger Report (/topics/author/the-hechinger-report) | CONTRIBUTOR

This column was written by Jill Barshay and produced by The Hechinger Report (http://hechingerreport.org/)*, a nonprofit, independent news website focused on inequality and innovation in education.*

EXHIBIT 4

Fast Facts

Surrounding States 2 Year Institutions Average Tuition and UW Tuition

	16-17 Tuition/Credit Hour	WUE
Wyoming CC	$ 89.00	$ 134.00
Colorado	$ 283.00	
Idaho^	$ 133.33	
Utah	$ 147.00	
Nebraska*	$ 88.00	
Montana**	$ 100.33	
South Dakota***	$ 109.00	
UW	$ 124.00	

^ College of Southern idaho, College of Western Idaho and Northern Idaho College

* Includes Western Nebraska CC and Mid-Plains CC (North Platte and McCook) only

**Includes MSU Billings, Miles City College, Great Falls College

***All SD technical institutes charge same rate.

Western Nebraska CC charges Colorado, Wyoming and SD residents just $1 more per credit hour than the resident rate. Their Non-resident rate is just $104 per credit hour

EXHIBIT 5

Tuition Policy Options

College Preferences – preferred method(s) as expressed by each institution. (Tab C)

> Tuition Rate by Level of Instruction or by Upper and Lower Division Courses - higher rate for more expensive courses. Costs can be calculated using the cost model created by Sheldon Flom at WWCC, percentage of cost set as tuition rate.
>
> In-District : Out-of-District Tuition Rate for Students from Non-assessed Counties – address inequities of having only 7 counties contribute tax dollars to support institutions. Idaho assess an additional $50 per credit hour, up to a maximum of $500 per semester, for out-of-district students.

Tuition Rate as a Percent of College Cost to Deliver - overall percentage of cost as determined by the cost model developed by Sheldon Flom at WWCC; what should percentage be set at if used? (Tab D)

Tuition Rate Freeze – potential student savings spreadsheet (Tab E)

TAB C

Wyoming Community College Commission

Tuition Policy Options - College Preferences

	Casper		Central		Eastern		Laramie Co.		Northwest		Northern		Western		System
	Yes / No	Weight	Yes / No	Weight	Yes / No	Weight	Yes / No	Weight	Yes / No	Weight	Yes / No	Weight	Yes / No	Weight	Weight
Use of Inflationary Indices															
Consumer Price Index (CPI)	Y	33	Y	20	Y	8.75	Y	50	N						111.75
Employment Cost Index for Postsecondary Institutions (ECI)			N		Y	5.75			N						5.75
Higher Education Price Index (HEPI)	Y	33	N		Y	9.75			Y***	25	Y****	34			101.75
Changes in Wyoming Median / Median Family Income			N		Y	5.75			N				Y	50	55.75
Use of Other Tuition Rate "Multipliers"															
Credit Hours Up to Full-Time Status of 15, Instead of 12	N		Y	40	Y	17.67	Y	50	Y	35	N		N		142.67
All Credit Hours	Y*	34	Y	10	Y	22.67			N		Y	27	N		93.67
All Credit Hours, but with Surcharge Above 12 or 15			N		Y	5.66			N		N		N		5.66
Use of Differential Tuition Rates															
Tuition Rates Tied to Levels of Instruction	N		N		Y	2.5			N		Y	20	N		22.5
Tuition Rates Tied to "Upper- and Lower-Division" Courses	N		N		Y	2.5			N		N		N		2.5
Use of "Geographical" Resident Tuition Rates															
Higher Rate for Out-of-District Students			Y	20	N				Y	10	N		N		30
Higher Rate for Students from 16 Counties with No 4-Mil			N		N				Y	10	N		N		10
Use of Regional Resident Tuition Rate Comparators	N		Y	10	Y	2	Y**		Y	20	Y	3	Y	20	55
Use of "True" Costs of Per-Credit-Hour Instructional Delivery															
Resident Tuition Set at a Percentage Deemed Fair for Students	N		N		N				N		Y	4	Y	30	34
Nonresident Tuition Set to Cover Entire Instructional Cost	N		N		N				N		Y	4			4
Use of Tuition Rate Freezes	N		N		Y	2			N		N		N		2
Use of Just One Tuition Rate, Regardless of State of Residency	N		N		Y	15			N		Y	8	N		23
Frequency of Tuition Changes															
Annual			X		X******						X				
Biennial (implemented consistent with the state's biennial budget cycle)	X*****						X*****								
Biennial (implemented midway through the state's biennial budget cycle)															

* With respect to tuition rate multipliers, Casper prefers the current policy of only charging tuition up to 12 credit hours per semester. If this were no longer an option, tuition for all credit hours would be its preference.

** LCCC didn't assign a weight to its preference for regional comparators, but indicated they should be used to ascertain the market threshold for tuition increases; in other words, they should be used to determine if the tuition rates start to place Wyoming's colleges out of competitive market range, but not used to determine how to change the rates.

*** Northwest favors use of one or more inflationary indices (e.g., highest rate, blended rate), but not necessarily any specific one.

**** Northern indicated its preference for use of an inflationary index could apply to any of the four options, not just the one selected.

***** Despite their preference for biennial tuition rate changes, both Casper and LCCC indicated the Commission should retain the ability to implement mid-biennium tuition adjustments as necessary to accommodate special circumstances such as mid-biennium budget reductions.

****** Despite its preference for annual tuition rate changes, Eastern indicated that if one of the biennial options were implemented, its preference would be the latter of the two (i.e., midway through the biennial budget cycle).

TAB D

Cost of Delivery

	Traditional	On-Line	% of Traditional	Concurrent	% of Traditional
CC	$ 571.61	$ 482.32	84.38%	$ 93.21	16.31%
CWC	$ 596.56	$ 427.27	71.62%	$ 63.74	10.68%
EWC*	$ 584.51	$ 391.63	67.00%	$ 71.89	12.30%
LCCC	$ 510.71	$ 445.75	87.28%	$ 129.62	25.38%
NWC	$ 571.87	$ 487.48	85.24%	$ 152.23	26.62%
NWCCD	$ 593.40	$ 433.89	73.12%	$ 55.82	9.41%
WWCC	$ 553.55	$ 389.75	70.41%	$ 78.47	14.18%
System Average	$ 568.89	$ 436.87	76.79%	$ 92.14	16.20%

*EWC included additional expenses related to concurrent delivery that were excluded to ensure each institution was calculated in the same way.

15% of average cost	$ 85.33
16% of average cost	$ 91.02
17% of average cost	$ 96.71
18% of average cost	$ 102.40
19% of average cost	$ 108.09
20% of average cost	$ 113.78
21% of average cost	$ 119.47
22% of average cost	$ 125.16

TAB E

Cost Benefit Calculations - Tuition Freeze

Year 1	Tuition	Cost
12 Credits (6 per semester)	$ 83.00	$ 996.00
18 credits (9 per semester)	$ 83.00	$ 1,494.00
24 credits (12 per semester)	$ 83.00	$ 1,992.00
30 credits (15 per semester)	$ 83.00	$ 1,992.00

Year 2	Tuition w/5% increase	Tuition Freeze	Savings
12 Credits (6 per semester)	$ 87.00	$ 83.00	$ 48.00
18 credits (9 per semester)	$ 87.00	$ 83.00	$ 72.00
24 credits (12 per semester)	$ 87.00	$ 83.00	$ 96.00
30 credits (15 per semester)	$ 87.00	$ 83.00	$ 96.00

Year 3	Tuition w/ 5% increase	Tuition Freeze	Savings
12 Credits (6 per semester)	$ 91.00	$ 83.00	$ 96.00
18 credits (9 per semester)	$ 91.00	$ 83.00	$ 144.00
12 credits (to complete)	$ 91.00	$ 83.00	$ 96.00

Year 4	Tuition w/ 5% increase	Tuition Freeze	Savings
12 Credits (6 per semester)	$ 96.00	$ 83.00	$ 156.00
6 credits (to complete)	$ 96.00	$ 83.00	$ 78.00

Year 5	Tuition w/ 5% increase	Tuition Freeze	Savings
12 Credits (6 per semester)	$ 101.00	$ 83.00	$ 216.00

Best case scenario - if a student took 12 CH/year for 5 years, presumably then having 60 credits, they could save a total of $516

Best case scenario - if a student took 18 CH/year for 3 years and 6 CH in the final year, presumably then having 60 credits, they could save a total of $294

Best case scenario - if a student took 24 CH/year for 2.5 years , presumably then having 60 credits, they could save a total of $192

Best case scenario - if a student took a full load of 15 CH per semester and graduates in 2 years, they could save $96

Cost Benefit Calculations - (Degree?) Completion Refund (funding considerations)

Finish in 4 semesters or less	$ 150.00	This would be more than potential savings from a tuition freeze by $54
Finish in 5 semesters	$ 175.00	This would be less than potential savings from a tuition freeze by $17
Finish in 6 semesters	$ 200.00	This would be more than potential savings from a tuition freeze by $8