

VII. STANDING COMMITTEES**A. Academic and Student Affairs Committee**

In joint session with

B. Finance, Audit and Facilities Committee**Graduate and Professional Student – Repeal Operating Fee Waiver for Non-Resident Graduate and Professional Students****RECOMMENDED ACTION:**

It is the recommendation of the administration and the Finance, Audit and Facilities Committee and Academic and Student Affairs Committee that the Regents repeal the operating fee waiver for non-resident graduate and professional students. (Note: The repeal would apply only to non-resident US graduate and professional students who are paying their own tuition; it would not apply to waivers granted to teaching assistants, research assistants, or students with fellowships or on training grants.)

BACKGROUND:

In July 2005, the University of Washington Regents approved a special tuition reduction for non-resident graduate and professional students. This reduction provided an annual waiver of the differential tuition between resident and non-resident tuition for non-resident graduate and professional students who have lived in the state for one year, but who do not qualify for state residency (e.g., non-residents could pay in-state rather than out-of-state tuition after one year at UW).

RATIONALE FOR THE REDUCTION:

In 2005, the Regents' briefing document provided these details:

1. The tuition reduction would help the UW compete for “top quality graduate and professional students,” with a notation that “most other public universities allow non-resident graduate and professional students to be reclassified as residents for tuition and fee paying purposes basely solely on living in the state for one year.”
2. The estimated cost of the tuition reduction was \$1m in foregone tuition revenue (for about 100 graduate and professional students per year).

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RATIONALE FOR CHANGE:

We request that the Regents approve our request for a repeal of the tuition reduction for non-resident graduate and professional students for several reasons:

1. The cost has far exceeded original estimates, depriving the University of valuable tuition revenues. In FY 2009, 291 non-resident graduate and professional students received these waivers, totaling \$3.18m. In FY 2010, the foregone revenue was \$3.8m.
2. The UW Board of Deans has recommended repeal of the tuition reduction; the deans thought that this reduction did not give UW a significant competitive edge.
3. Under the UW's new Activity Based Budgeting model, colleges and schools will receive most of the revenue generated by tuition; the tuition reduction can reduce their revenues sharply (e.g., in 2008-9 foregone tuition for top schools and colleges include: Law \$513k, Pharmacy \$438k, Medicine \$373k, Built Environments \$322k, Dentistry \$275k, Business \$171k).
4. Public universities in several other states (Oregon, Michigan, Illinois, Wisconsin) do not provide a tuition waiver for non-resident students. Getting residency in each state is dependent upon moving to that state for reasons other than education.

EFFECTIVE DATE:

We request that the repeal of the tuition reduction take effect for new students who begin their UW graduate/professional careers after July 1, 2012 – so that no current students or prospective students (who are applying now) would be penalized by repeal.

OTHER DETAILS:

- The tuition reduction applies only to non-resident graduate and professional students who have no other formal UW support; as such, it does not pertain to non-residents who work as Research Assistants, Teaching assistants, or other graduate assistants. Most fellowships also

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provide an automatic reduction of non-resident tuition. In practice, the tuition reduction benefit thus applies only to non-resident graduate and professional students who are paying their own tuition.

- The tuition reduction does not apply to international graduate or professional students at all, but just to non-resident US graduate or professional students.

REVIEW AND APPROVALS:

These recommendations have been reviewed and approved by the Interim President, Interim Provost, and the Board of Deans and Chancellors. Gerald Baldasty met with Sarah Reyneveld (GPSS), the members of the UW Senate Committee on Planning and Budgeting, and a representative of the UW Attorney General's office.