



**LARAMIE COUNTY
COMMUNITY COLLEGE**

**Potential Effects of the Removal of a
Tuition Cap**

October 19, 2016

Background

The Wyoming Community College Commission (WCCC) is considering the removal of the tuition cap, which charges students the same for tuition between 12 and 19 credits. Due to a depressed energy economy in Wyoming, funding for institutions of higher education has decreased. Laramie County Community College (LCCC) faces a 5% reduction over the next fiscal year, and other state two-year institutions face their own budget cuts. Thus the WCCC is considering removal of the tuition cap to help address these funding concerns.

However, before adopting such policies, it is important to research their potential effects to see if the benefits outweigh the costs. Therefore, the purpose of this study is to examine if the tuition cap motivates students to enroll in more credits over the cap, and to discern what the effects, if any, of removing the tuition cap would be on students. This will be accomplished by examining what those effects would have been on LCCC students over the past three academic years by applying algorithms to their tuitions and using descriptive and inferential statistics to examine correlations and differences. Specifically, this study examines the following questions:

1. What percent of the student population was degree-seeking and full-time?
2. What percent of the student population was degree seeking and only taking 12 credits?
3. Had the tuition cap never existed, what would have students taking more than 12 credits paid?
4. How much financial aid (non-loans) did students who were taking more than 12 credits receive?
5. How much financial aid would have covered the tuition increase without the cap?
6. How much would the loss of the tuition cap impact institutional scholarships?
7. What degrees and certificate programs do students with more than 12 credits take, and what would the average cost be to these students with the removal of the tuition cap?

Methodology

Data were extracted from LCCC's student information system using SAP Business Objects, also referred to as CROA (Colleague Reporting Objects and Analytics). Microsoft Excel was used to conduct more sophisticated descriptive analyses, much screening and cleaning of the data was required with the CROA system. SPSS software was used to complete the inferential tests at the end of the report. Using the most recent rates for tuition and fees at LCCC, a variable was coded to calculate the cost to each student given in-state status (in-state, out of state, Western University Exchange (WUE), and senior). This was done by considering residency status, per-credit cost, and multiply by that per-credit cost.

Full cost without the cap was thus calculated by adding full-time tuition (given current rates) to the cost per credit multiplied by the tuition rate. Therefore, students with exactly 12 credits would only pay full-time rates, but students with more than 12 credits would pay full-time tuition plus the per-credit cost given residency times number of credits more than 12. This study did not include any part-time students. The tuition cap has no effect on these students. Current tuition rates were used because the purpose of this study is to gain insight into the effects of the removal of the cap in the future.

This study includes degree-seeking full-time students at LCCC between the fall of 2013 and the spring of 2016. Given the research questions, this study was not interested in demographic information such as race/ethnicity or gender, but instead interested in costs associated with the removal of the cap, and financial aid statuses.

Results

Degree-Seeking and Enrollment Statuses

Figure 1 gives the degree-seeking and enrollment statuses of students by term. Overall, full-time degree-seeking students consisted of 5,146 out of 13,916 students. On average, during the fall/spring semesters, 45% of degree-seeking students at LCCC were full-time and 55% were half time. In addition, as shown on Figure 2, 13.49% took exactly 12 credits. On average, more than 60% of LCCC students enroll for 12 credits or less, thus suggesting that the tuition cap is not a motivating factor for the majority of degree seeking students at LCCC to take more than 12 credits. Also, it is noteworthy that on average, 13% of all degree-seeking students take exactly 12 credits. If the cap motivated higher enrollment above 12, this group should be significantly smaller.

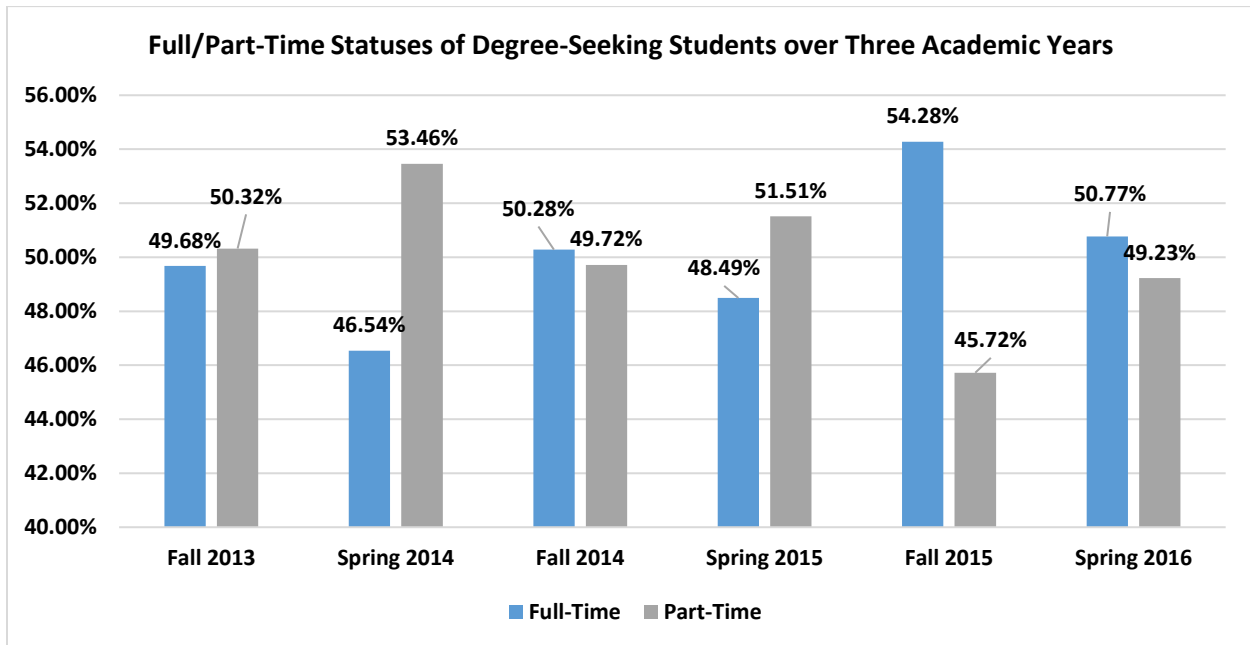


Figure 1. Enrollment status of degree-seeking students at LCCC.

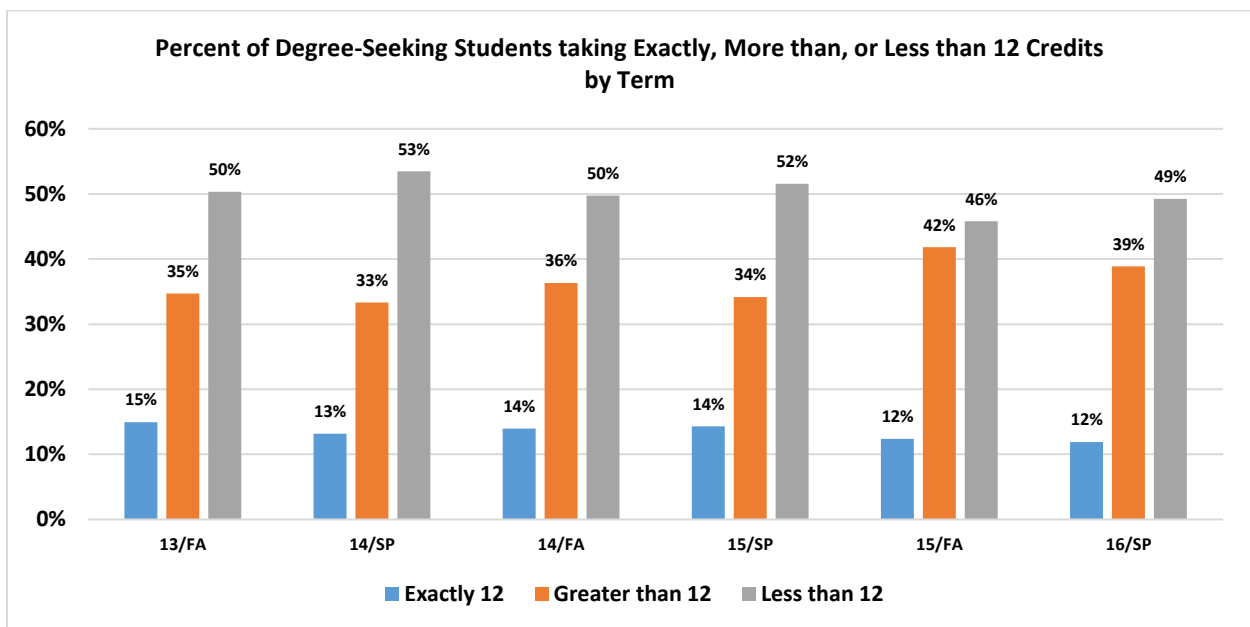


Figure 2. Degree-seeking students taking less than, exactly, or more than 12 credits over three academic years at LCCC.

Cost to Student with the Tuition Cap Removed

Costs were calculated for degree-seeking students who took more than 12 credits over the last three academic years ($N=3,175$). The average cost (in addition to regular full-time tuition) to these students, figuring residency status, was found to be **\$487.69** per semester. Figure 3 shows the per-semester costs.

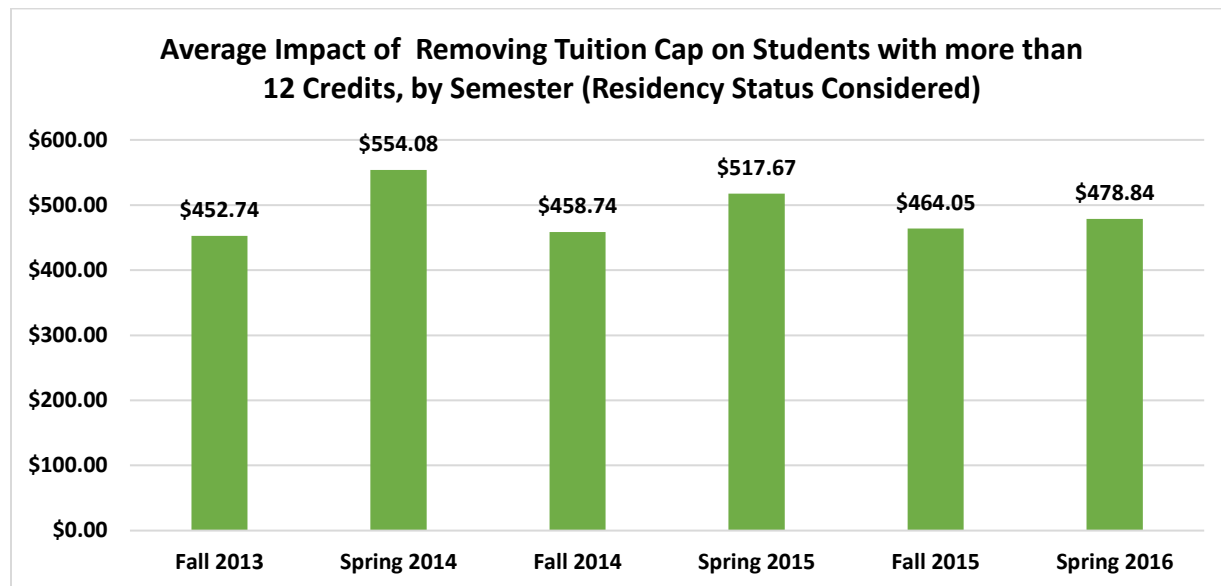


Figure 3. Per-semester increased costs to students taking more than 12 credits if the tuition cap were removed.

Impact to Students on Financial Aid (Non-Loans)

To test the hypothetical effects of lifting the tuition cap on non-loan student aid, CROA was used to calculate the financial aid admit amount for each semester of degree seeking students taking more than 12 credits ($N=2,903$). Figure 4 shows the number of students receiving aid who enrolled for more than 12 credits by semester, and figure 5 gives the average tuition cost as well as the amount of aid received by these students. Approximately 91% of all students enrolled for more than 12 credits received non-loan aid. On average, the cost of tuition after the cap removal was \$2,341 while the average aid amount was \$2,566 per semester per student. This suggests that on average, students with aid, taking more than 12 credits would have had sufficient aid to cover the increased costs as a result of the removal of the tuition cap.

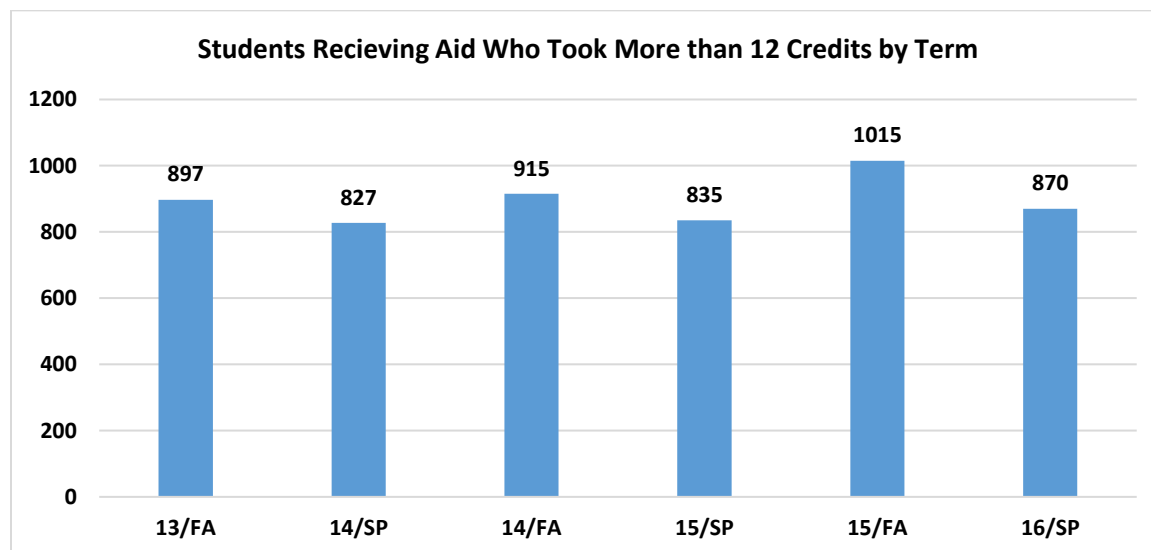


Figure 4. The number of students receiving aid who took more than 12 credits.

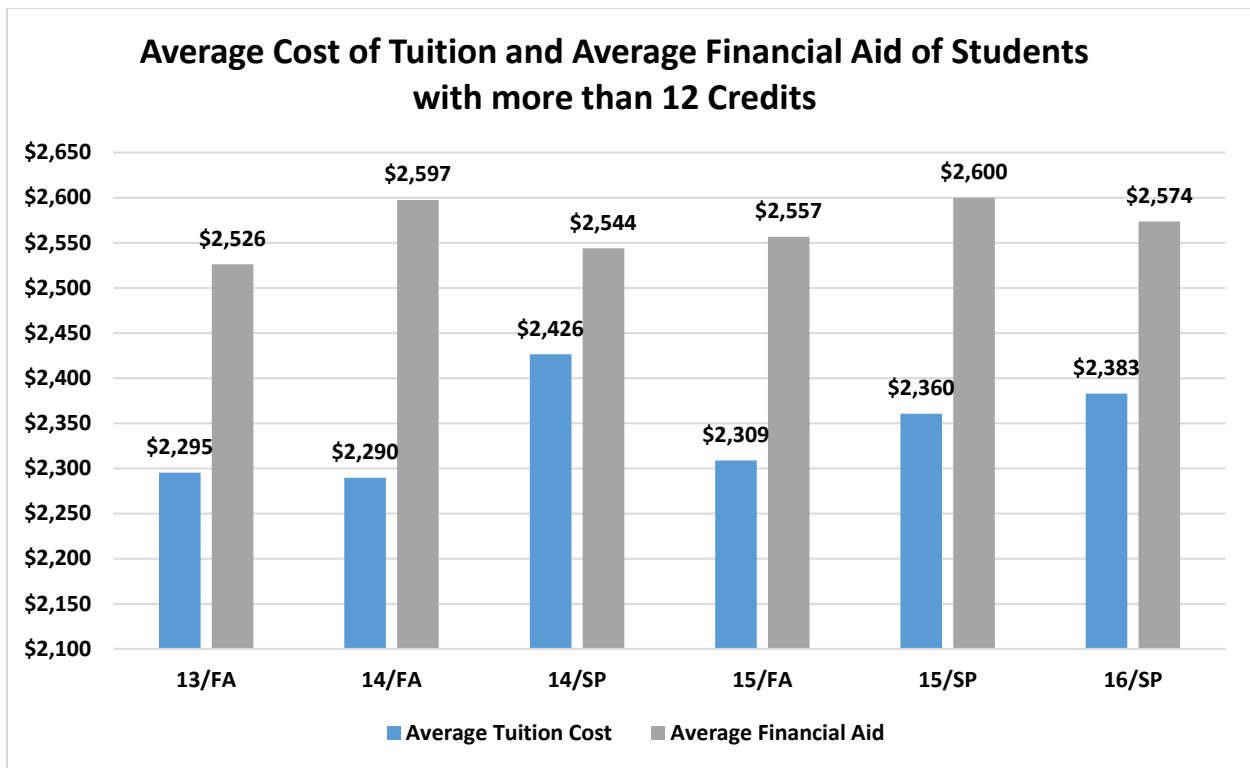


Figure 5. The average amount of tuition and aid by term.

Impact on Institutional Aid

LCCC has a number of institutional scholarships, or aid paid by the institution. Therefore, removal of a cap would potentially affect the additional amount LCCC would have to cover. To explore the potential effects of this, a control was made to isolate the sample only to include students receiving institutional aid over the past three academic years ($N=1,107$). Figure 6 gives the costs by term. The total three-year cost to LCCC with a tuition cap was \$4,089,852. The total cost without a tuition cap would have been \$5,460,456. This equates to a three year difference of \$1,370,604, or an average of **\$456,868** more a year. Figure 7 gives the actual yearly figures.

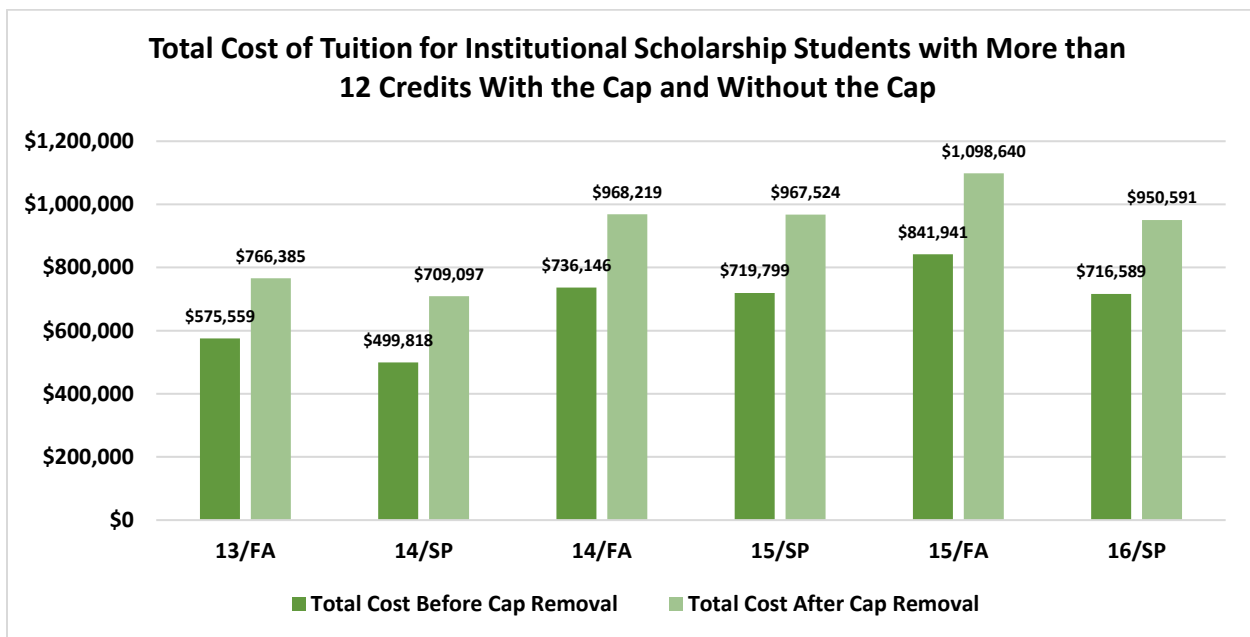


Figure 6. The Institutional Scholarship cost to LCCC before and after the cap is removed.

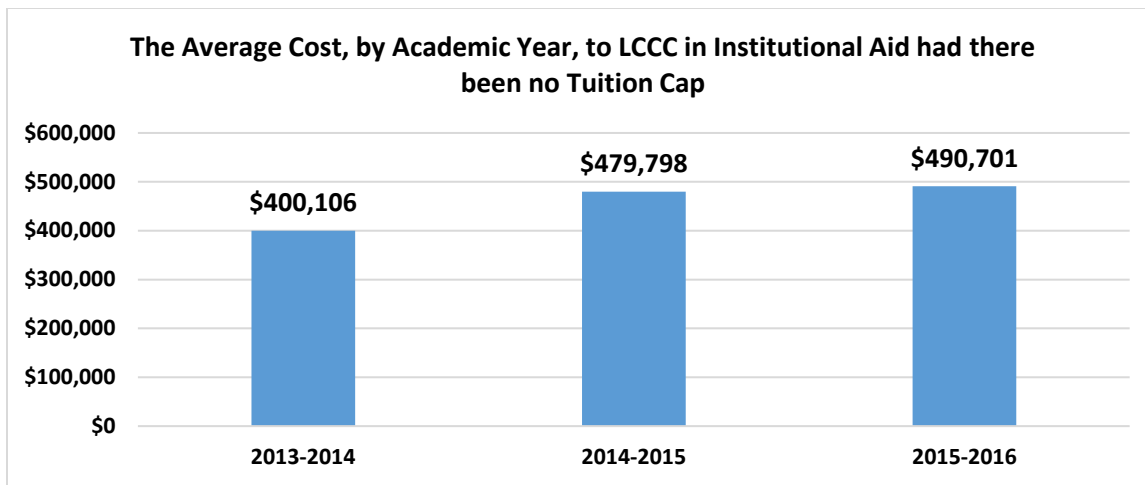


Figure 8. The average per-year cost to LCCC after full-time credit load of students receiving institutional aid.

Student Enrollment Numbers in Each Program of Study

This section examines enrollment numbers for each program and the next section examines differences in cost given the program type. LCCC offers many different programs of study. These different programs of study may present different credit-loads and thus different costs. Therefore, to see the effects of a tuition cap removal on students with different programs of study, CROA was used to extract students with more than 12 credits and their declared programs of study. The programs examined consisted of associate of arts (AA), associate of science (AS), associate of applied science, credit diploma (CD), and certificate of completion (CERT). Table 1 shows the count in each program. Since 2015 presented some changes to degree programs at LCCC, Figure 9 shows the percent for that year.

Table 1

The number of students taking 12 or more credits in each program.

Row Labels	13/FA	14/SP	14/FA	15/SP	15/FA	16/SP	Grand Total
AA	93	276	73	262	112	205	1021
AAS	91	197	46	152	72	190	748
AS	94	171	67	224	169	291	1016
CD	0	0	0	0	36	93	129
CERT	62	118	59	142	55	78	514
Total	340	762	245	780	444	857	3428

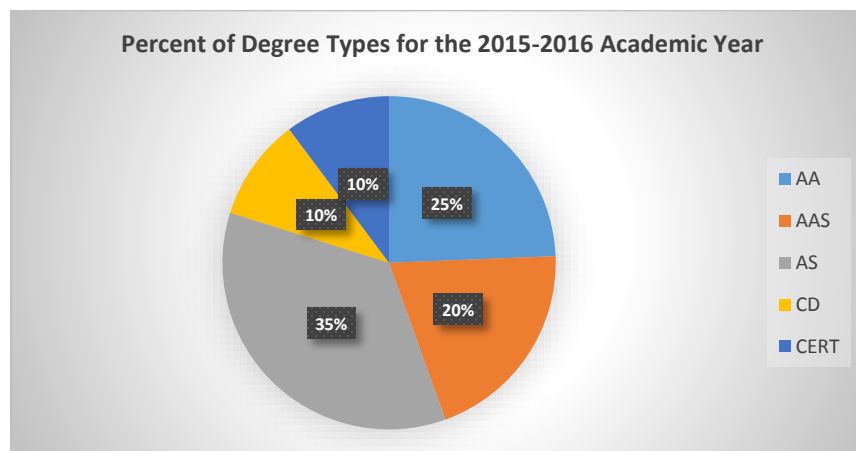


Figure 9. The percent of students in each degree or certificate program.

The Difference in Cost of Tuition in Each Program of Study Without the Cap

ANOVA was used to test the differences in tuition costs given general program of study (AA, AAS, AS, CD, or CERT) for students taking more than twelve credits. No difference in cost was found given a student's program of study during the 2015-2016 academic year. ANOVA tests also found no difference in costs between students who declared more than one program of study ($N=1,208$), and no difference was found between students with a degree program plus a certificate program ($N=329$), and students with just one or the other. In short, in 2015-2016, there was no statistically significant difference in additional tuition costs by program.

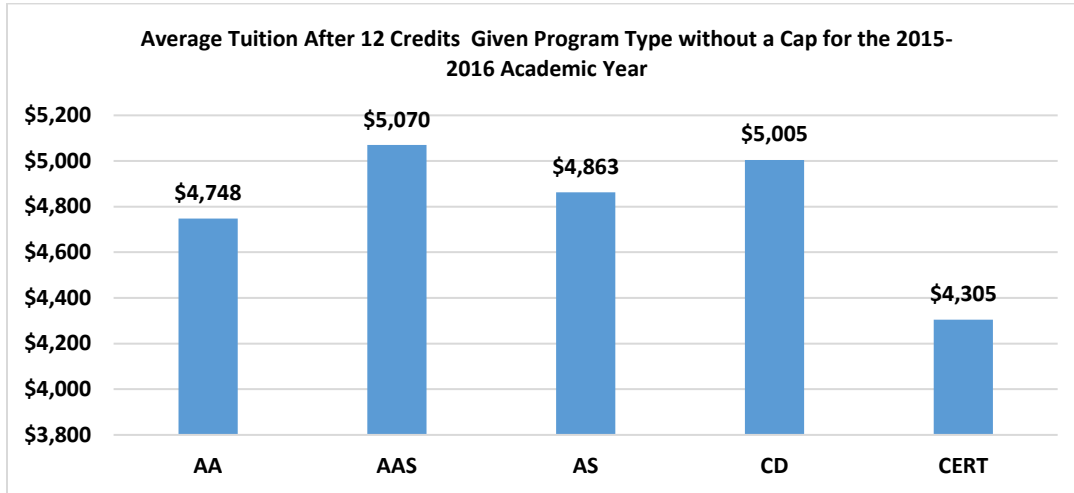


Figure 10. Average cost by program.

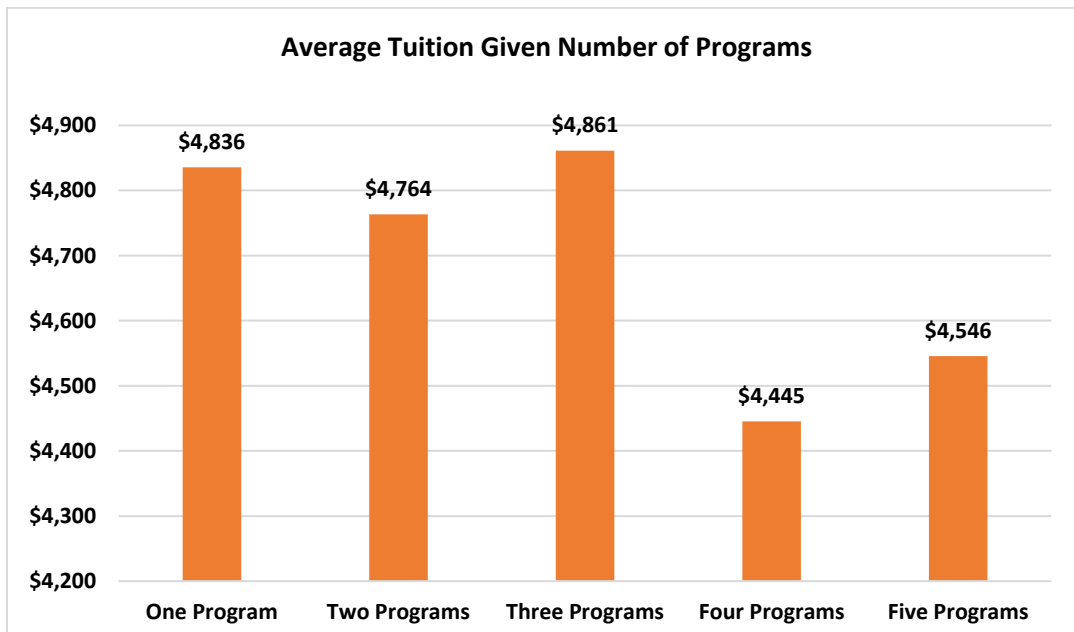


Figure 11. Average cost by number of declared programs for the 2015-2016 academic year.

Conclusion

The results of this study suggest that about 65% of LCCC students take less than twelve credits and therefore would not be affected by the removal of the cap. The fact that the majority of students are not taking more than 12 credits suggests the tuition cap is not a motivating factor for most LCCC degree-seeking students.

Also, it is noteworthy that on average, 13% of all degree-seeking students take exactly 12 credits. If the cap motivated higher enrollment above 12, this group would likely be much smaller.

Of those students taking more than 12 credits ($N=3,175$), the additional cost to them with the removal of the tuition cap would have averaged \$487.69 a semester.

Of those students who take more than 12 credits, 91% ($N=2,903$) received non-loan aid. On average, these students had non-loan aid in the amount of \$2,566 per semester. The average tuition and fees per semester with the removal of the cap is \$2,341. Thus, these students would have enough non-loan aid to cover increase in tuition as a result of the removal of the tuition cap.

With the removal of the tuition cap, LCCC would likely have to increase its institutional scholarship budget roughly \$490,000. However, this increase would also show on the College's tuition revenue, and would represent a net-neutral impact to the overall budget.

Finally, if the tuition cap was removed in 2015-2016, it appears that there would be no difference in the increased cost of tuition and fees to students in different types of programs.