



Market-Based Tuition Program Guidelines

Effective Date: July 1, 2024

1. PURPOSE

The purpose of this guidance is to provide information regarding Service-Based Pricing (SBP) and Collaborative Continuing Education (CE) program planning as well as to establish the proper management procedures to ensure successful operation of market-based tuition programs.

2. RESPONSIBLE CAMPUS DIRECTOR

Budget Director
Controller

3. DEFINITIONS

Market-Based Tuition Program: A program designed for non-traditional students that charges a per-credit tuition rate. Both SBP and Collaborative CE programs are considered market-based tuition programs.

Service-Based Pricing (SBP) Program: Operates in Fund 131 (separate from base 102 department budget) and once fully implemented, generates sufficient tuition revenue to cover costs – both program and University – incurred in the annual operation of the program.

Collaborative Continuing Education (CE) Program: Operates in Fund 104/189 and is administratively managed by Wisconsin Online Collaboratives. The program is expected to be self-supporting within 3 to 5 years through tuition revenues and thus provide revenue sharing among the partner institutions.

4. GUIDING PRINCIPLES

SBP Programs

Graduate programs eligible for market-based tuition structure may choose between these tuition structures:

- Board of Regent-approved standard graduate or professional program specific tuition structure (includes resident/MN/nonresident tuition rates, plateau structure), OR

- SBP per-credit tuition structure (no residency rates and no credit plateau)

Collaborative CE Programs

Wisconsin Online Collaboratives will provide the administrative management and resources to provide ongoing implementation support to convene academic, industry and government expertise to discuss relevant curriculum; provide instructional design and media support services to faculty in the development and delivery of online courses; market and recruit students to the program; provide student services from admission through graduation; and serve as the fiscal agent for the program to include accounting, budgeting, forecasting, analysis, and reporting. Partner institutions provide local administrative support and direct academic and student support services.

A zero-based budgeting model is used to create cost and revenue projections. GPR and other program revenue sources are used to establish the program until the program is fully self-supporting, expected within 3 to 5 years of enrolling students.

Tuition is established per University of Wisconsin Policy and assessed annually to monitor consistent market pricing.

5. PROCEDURES

A. SBP Programs

a. Proposal Deadlines and Procedures

- i. For consideration of new programs, converting existing programs to SBP, or requests for tuition rate changes, proposals must be submitted following the below schedule to achieve implementation in the following summer or fall term:
 - 05/01 – 05/31 – Internal budget template and timeline sent to Academic Affairs leadership and Dean’s offices
 - 06/01 – 08/15 – Department/college works on internal budget template and has meetings as needed with internal review team
 - 08/16 – Submit draft proposal and narrative to internal review group
 - 08/17 – 09/14 – Draft proposal and narrative reviewed by internal group, questions asked, and final edits made as necessary
 - 09/15 – Submit draft proposal to Vice Chancellor for Business Affairs & Provost
 - 10/01 – Submit proposal to Universities of Wisconsin Administration
- ii. To initiate a proposal, the Dean or program director will request a joint meeting during June to early August with the Associate Vice Chancellor for Teaching, Learning & Strategic Planning, the Associate Vice Chancellor for Program Growth, the Associate Vice Chancellor for Personnel, Budgets & Grants, the Budget Director, the Bursar, and the

- Controller. At this meeting, an initial review of the proposal will be discussed, including both curricular and financial aspects.
- iii. The draft UWSP SBP Program Proposal Template, market research and program narrative should be completed and available to discuss during the initial review meeting.
 - 1. The UWSP SBP Program Proposal Template details the initial plan of how the curriculum will be set, and proposes the anticipated tuition rate, expected enrollment, and expected costs for the initial five years of implementation as well as any necessary program start-up funds.
 - 2. Market research should also be performed to determine realistic program demand and appropriate pricing. This information is then incorporated into the program proposal narrative, which could include information such as: request, background and rationale, program compliance requirements, enrollment trends and market analysis, program competition, and program sustainability based on initial proposal and future program outlook.
 - iv. After working through any additional considerations and incorporating them into the model, the department will finalize the draft proposal by mid-August. The proposal will be vetted one last time by the internal review group, revised as needed, and then routed through both the Provost and Vice Chancellor for Business Affairs for review and approval by mid-September.
 - v. Once campus approval is received, the proposal is submitted to the Universities of Wisconsin President for review and approval by the Vice Chancellor for Business Affairs.
 - vi. If the Universities of Wisconsin President approves the proposal, then the department can begin the necessary work to develop the SBP program, begin marketing, and recruit the first cohort of students for the program's proposed start date.
 - 1. A Notification of Approval will be sent to: program representatives, school/college Dean's office, Registrar's office, Student Financial Services, Financial Planning & Budget, Controller, Vice Chancellor for Business Affairs, and Academic Affairs administrative office. Details on funding and program financial management will be communicated in the Notification of Approval.
- b. Start-Up Funds
- i. New SBP programs typically require start-up funding. Start-up expenses should be outlined using the UWSP SBP Program Proposal Template as part of the overall SBP proposal.

- ii. Start-up expenses are those incurred prior to the term when students are first enrolled in the SBP program.
- iii. If the proposed SBP program will be fully online, Distance Education (DE) funds can be used to support up to 100% of the start-up expenses.
- iv. If the proposed SBP program will be a hybrid program, DE funds support cannot exceed the proportion of online instructional activity to overall instruction.
- v. If DE funds support SBP start-up expenses, 50% of the support will need to be paid back over a three- to five-year period, once the SBP program obtains a net positive balance on an annual basis.
- vi. University-provided funds can be spent only after the proposal has been approved by both the Provost and Vice Chancellor for Business Affairs.
- vii. Start-up expenses must be posted to the newly set-up SBP Program department ID.

c. Other Items

- i. All courses identified as part of an SBP program will be charged the approved per credit tuition rate. Pricing for all sections of a course will be at the approved per credit tuition rate.
- ii. SBP program budgets assume the program is being taught as part-of-load rather than as an overload.
- iii. Tuition revenue assessed and collected will be deposited directly into the SBP program department ID set-up for the program.
- iv. All costs associated with an SBP program must be accounted for within the department ID set-up for the program; these costs include:
 - 1. Direct instructional costs (salary and fringe benefits)
 - 2. Administrative costs (salary and fringe benefits)
 - 3. Non-personnel costs (supplies, travel, marketing, professional development, etc.)
 - 4. University costs

B. UW System Collaborative CE Programs

- a. *"Under Construction"; will be updated as time allows.*

C. SBP and Collaborative CE Program Financial Management

a. Campus Overhead Support Charge

- i. Annually in January (for the period of July 1 through December 31) and June (for the period of January 1 through June 30), each SBP program will be assessed a campus overhead support charge. This support charge will be based on the gross tuition revenue generated. The assessment will be processed as an expense out of the Fund 131 SBP program department ID.

- ii. Annually in September, the Collaborative CE program tuition revenue share will be assessed as a campus overhead support charge. This support charge will be based on the total tuition revenue share received for the program in the prior fiscal year. The assessment will process as an expense out of the Fund 189 Collaborative CE program tuition share revenue, prior to any additional transfers made for internal tuition share agreements.
 - iii. The campus overhead support rate is determined annually by the Vice Chancellor for Business Affairs. Late spring, the Vice Chancellor for Business Affairs will communicate the support rate for at least the next two upcoming fiscal years to all interested parties.
 - b. Three-Year Review
 - i. Every three years, SBP programs will undergo a formal review process. Recommendations for any necessary modifications to the program (e.g., curriculum updates, pricing changes, etc.) will be made, as well as whether a program should be discontinued. If necessary, a timeline for any recommended changes will also be provided to the department.
 - ii. A completed SBP Program Proposal Template updated with new curricular and financial details, along with a five-year program plan will be requested and reviewed.
 - iii. Upon review, the Provost and Vice Chancellor for Business Affairs will either approve continuance of the program, convene a meeting with the Dean and program representative(s) to review any recommended changes and timeline to implement changes, or recommend the program be discontinued as an SBP program.
 - c. Fund 131/189 Balances
 - i. At fiscal year-end any remaining balances in SBP Fund 131 or Collaborative CE Fund 189 programs will remain within the associated department ID and carry over to the next fiscal year. These funds may be utilized within the department or college, subject to the Dean's approval.
 - ii. Each SBP Fund 131 program is limited to a maximum reserve threshold that is based on the percentage of the average annual personnel expenditures, as outlined in the annual SBP Program Reserve calculation procedure. Collaborative CE Fund 189 program reserves are limited to 12% of the average annual expenses.
 - iii. Any remaining SBP Fund 131 or Collaborative CE Fund 189 balances that are categorized as Undocumented in the annual Program Revenue Balance report will be reviewed by the Vice Chancellor for Business Affairs.
 - d. Fiscal Responsibility
 - i. Once an SBP or Collaborative CE program is operational, the Dean of the associated college will be responsible for any program deficits. Positive or negative balances in the program will carry forward into the

next fiscal year. While program deficits are often planned for and do occur in the first few years of program initialization, the Dean should monitor program balances routinely and financially manage the program on an ongoing basis.

- ii. Any division-, school-, or department-level overhead support charge will be reviewed by the Controller and Budget Director and only be processed if the SBP program maintains a positive cash balance after the requested overhead charge.
- iii. Mid-academic year and post-fiscal year, the Office of Financial Planning & Budget will provide a financial review for each SBP program. This report will provide a high-level summary of the budget to actual revenue and expenditures, and a report on personnel paid/courses taught. This report is provided to the Deans, program representatives, Provost, Associate Vice Chancellor for Program Growth, and Vice Chancellor for Business Affairs to monitor progress of each program.

6. REFERENCES and RELATED DOCUMENTS

[UWSA Policy 130](#): Programming for the Non-Traditional Market in the UW System
[UWSA Policy 130, Appendix B](#): Service-Based Pricing Guidelines and Procedures

7. GUIDELINE HISTORY

Effective Date: 07/01/24

Approved: 07/01/24

Approved by: Vice Chancellor for Business Affairs

8. SCHEDULED REVIEW

July 2029