

# Board of Regents Approves Tuition Plan

## In December 2008, the Board of Regents, State of Iowa, approved a proposal for the College of Business to

implement differential tuition for junior and senior business majors. Differential tuition means that a college charges a rate of tuition above that which the university charges. It is also sometimes referred to as 'supplemental' tuition. This additional tuition will be phased in beginning in summer 2009.

When differential tuition is fully implemented in the 2011-2012 academic year, junior and senior business majors will pay an additional \$750 per semester, a rate that will increase each year at the same percentage amount as the base university tuition. As it is phased in, those students will pay \$250 per semester in 2009-2010, and \$500 per semester in 2010-2011. Those rates will be prorated for part-time students.

Differential tuition is fairly common among business programs. Many business schools in the Big 12 already have it in place, as does the Tippie College of Business at the University of Iowa. The University of Northern Iowa College of Business Administration is implementing a proposal identical to that of the Iowa State College of Business.

Differential tuition is necessary because the College of Business has the largest average class size of any college at Iowa State and teaches the most student credit hours per full-time equivalent faculty; both measures are nearly double the university average. Additionally, the college's student-faculty ratio is higher than any undergraduate business schools in Iowa State's Peer 11 universities, which is made up of Iowa State and other similar universities nationwide, such as Illinois, Minnesota, and Wisconsin.

These factors have combined to hurt the college's student satisfaction rating, as reported

by *Business Week* magazine. Key factors in student satisfaction ratings are class sizes and access to faculty.

Differential tuition will give the College of Business additional revenue to hire more faculty and reduce class sizes, which will improve students' ability to master their course subject matter and develop the necessary communication and analytical skills to maximize their professional abilities.

Based on 2007-2008 enrollment, differential tuition would generate an additional \$2.5 million in revenue per year when fully implemented in 2011-2012. Of that revenue, \$1.8 million would fund 11 new faculty positions. The college intends to reduce class sizes in 300-level core courses from their current average size of 200 to 300 students down to 60 to 70 students. Additionally, the college would be able to offer more course sections and new courses, meaning fewer students would be turned away from 300- and 400-level courses.

Funding from differential tuition would also go toward the college's Communication Center and Gerdin Citizenship Program, both of which were profiled in the fall 2008 *Prospectus*. Both programs are relatively new but have been highly popular with students and prospective employers. Finally, 15 percent of differential tuition revenues will go directly toward College of Business student scholarships.

The college actively sought student input on its differential tuition proposal. Although students are always sensitive to tuition or fee increases, they were receptive to the uses of the additional funds. Business Council, the college's lead student organization, voted 33-2 in support of the proposal.

For more details on differential tuition, visit [www.business.iastate.edu/undergraduate/tuition](http://www.business.iastate.edu/undergraduate/tuition). ■

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