Clemson Tuition and Scholarship Task Force Report
February 16, 2009

We offer a bold, reflective, and hopefully thoughtful proposal that in some respects, simply codifies or recognizes existing practices that are not clear or widely well understood. The task force embraces these proposals for a energized, financially secure, and educationally enabled Clemson University. Virtually all of what you see here is based on broad, nearly unanimous consensus, with one prominent exception noted below.

Our task force has worked for a total of more than 340 hours. This document and proposal reflects the wisdom and judgment of the collected individuals. We were charged, not asked, to determine a cost and market based tuition and scholarships proposal. We have attempted to steer that course, putting aside our own personal preferences, wishes, opinions, and desires.

Critical Caveat: This is a model or tool designed solely to price tuition and fees to the market. It is NOT a budget or cost accounting tool.

Synopsis
We are proposing a custom tuition model for all Clemson students, undergraduate and graduate, based on cost and market demand. In this model all students start with the same list price regardless of residency or any other factor, reflecting the classroom reality that students are not educated differently based on their residency status. To this one base price, program specific fees are added where appropriate, based on the student’s chosen course of study. We propose a new strategic plan for undergraduate scholarships and grants based on individual student characteristics to derive the net customized bill. While this might sound radical, in fact it is not. Our analysis reveals that the net price for tuition and fees paid by Clemson undergraduates now and has for some time, varied a lot.

In fact, we already have custom tuition, but it is not recognized, codified, transparent, or easily managed or understood. Our new custom tuition model provides Admissions and Financial Aid the required flexibility to more carefully and thoughtfully allocate resources to address the goals and objectives of the University. The result of this new approach equips the University to attract and educate the kind of students that Clemson seeks.

There are three major ideas in this part of our pricing proposal.
1. A base market price irrespective of residency.
3. A new cost and market based program specific pricing.1

These are separate issues, and each should stand on its own merits to varying degrees.

Through the SC Citizens Award, our proposal also calls for SC citizens to pay less tuition than the basic market price which, in part, is emblematic of the generous support of the state taxpayers, and this is supplemented with a University discount for S.C. undergraduates. These combined awards reduce tuition paid by S.C. citizens by the pro rata share of the state appropriation plus an additional fixed amount. Mr. Clemson clearly meant to support the citizens of our state. This reduction in tuition reflects our continued commitment to that dream and vision.

Our proposal also calls for a new scholarship program that we call the Excellence Award available to a large portion of Clemson undergraduate students, regardless of citizenship, based on merit. This award is designed to customize tuition to each student’s own personal financial situation and educational prowess, lowering tuition as appropriate to make Clemson more attractive to the best and most capable students. Our plan eliminates blanket tuition waivers.

Specifics and Definitions
Baseline Tuition—market and cost determined based on relevant peer prices and market demand for undergrads and grad students
Program Specific Fees—charges based on high demand and cost of delivery, faculty and student input, or key Clemson focus areas
South Carolina Citizenship Award—earned by ALL SC citizens
SC Citizenship Award I: State funded, recognition of pro-rata share of state appropriation
SC Citizenship Award II: Clemson University discount, fixed annually and determined by policy
Excellence Award—a scholarship award to most Clemson students based on general merit, funded by University general revenues

Our Proposal for Semester Charges
It is critically important to note that this is a proposed tool. It is based on sound concepts and principles, and uses the most accurate data as we can determine at this point. But important inputs to our market and cost based calculation are fluid and dynamic. As a tool, the most important of these dynamic components includes: i) cost reductions targets to be determined by Board of Trustees, ii) enrollment mix and levels, and iii) state appropriation levels. As any of these, or other, dynamic inputs vary, our tuition proposal will change. Our pro forma has the necessary flexibility to accommodate these changes. Our tuition proposal depends on those data and adjusts as they adjust. The proposal below includes our current best estimates of these dynamic factors. We fully expect that these numbers will change as the factors flux.

1 We believe that demand and cost differences across programs at Clemson are substantial and that a formal recognition and delineation of tuition differences already in place be enhanced, simpler, and transparent.
<table>
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<tr>
<th>Item, all entries per semester per undergraduate student</th>
<th>Award</th>
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| 1 Baseline tuition for all Clemson undergraduate students including mandatory fees and net of efficiency cost reductions
   2 | $12,060 |
| 2 Program Specific Fees
   CBBS Fee [Juniors and Seniors(majors), see Appendix for credit hour fee for non majors]
   CES Fee [Soph-Srs (majors), see Appendix for credit hour fee for non majors]
   Architecture, LSA, CSM Fee (all class ranks, only 50% for freshmen) | $1,000 | $ TBD |
| 3 SC Citizen Award (two components earned by all SC Citizens)
   State Appropriations Recognition, pro rata share
   Clemson University General Revenues, non-state appropriations | ($4,295) | ($1,000) |
| 4 Excellence Award
   (Full fee and tuition ($1 nominal charge)) | ($750) |
| 5 Enhanced, scientific and strategically determined merit based awards (amounts individually determined. This is the average but is not given to all students and hence individual awards are much larger than the average reported here) | ($833) |
| 6 Need based awards (amounts individually determined. This is the average but is given to a small number of students and hence individual awards are much larger than the average reported here) | ($321) |
| 7 Universal Access Award for SC Citizens | |

**Minority Proposal**

A minority of the Task Force membership offers an alternative to the majority proposal that is based on a fundamental, philosophical belief that the University is an academic community in which all students are equal partners and all degrees have equal value as an educational foundation. The minority fully supports the concept of a single list price for tuition and the attendant credits for scholarships, SC citizenship, need, etc.; but it does not support broad-based program specific fees (such as those listed in item 2 above for CBBS, CES, and selected departments in AAHS) in the determination of net tuition. The minority also support the concept that tuition be competitive with our peers but recommends that it be implemented through a “budget to the plan” approach. The idea here is that the University develop a plan, determine the net price tuition that would be required to fund that plan, and then determine if the tuition is competitive with our peer institutions. If the tuition is too high, the plan would be scaled back until the tuition becomes competitive.

**Other Proposals** Details provided in the appendix.

1. In addition to the new Excellence Award we propose to continue the long standing practice of lowering tuition to highly qualified students, but with a thoroughly revised and revamped scholarship award system that completely replaces the undergraduate current waiver system. This new approach we propose is based on a detailed, thoughtful and scientific analysis of the undergraduate admissions data. We believe that this new system will significantly enhance overall undergraduate revenues, create a better, higher quality student body, and more equitable need and merit based scholarship awards. It will target undergraduate students where the tuition reduction is most likely to be effective and beneficial. This new strategic scholarship award system reflects market place realities and improves on the current mechanical one size fits all waiver system. (See item 5. in the table above)

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2 We take as given the fee components of tuition that make up the base tuition (such as activity fee, software license fee and the like). We are proposing the base price independent of its components and their disbursement. This is not a budgeting model nor should it be used to allocate revenues. It is a pricing model.

3 We propose that all program specific fees allocate some portion, 10 % is our guidepost, to need based scholarships and awards, within that program.

4 CES made a proposal to our task force that we examined in some detail. We believe that a program fee in this area is warranted, but we propose that CES prepare a business plan explaining the program enhancements, the timing and details of rollout, and a communications plan to engage, faculty, students, and other relevant parties in vetting and making the plan known to all prior to implementation.

5 This fee is four years old and has not kept pace with inflation. We suggest, but leave it to the administration, an inflation adjustment of $175 might be appropriate. All the data we have encountered suggests that this higher fee is supported by the market, including applications, quality of applicants, ranking, and job placements of graduates. Additionally, note that we are proposing that all program specific fees earmark 10 % to need based scholarships within the program implies that this fee should also increase by an additional $100 (or $117 if the inflation adjustment is incorporated by the administration).

6 We have based this precise number based on current enrollment at Clemson in the recent past tempered by projections of enrollment in the immediate future. This discount should not be expected to change appreciably until and unless the state appropriations change. Put differently, we are not proposing to change this number minutely as there are small changes in enrollment at Clemson, but only as the state appropriation fluxes.

7 The ability to make this award depends upon regulatory relief. If that relief is not forthcoming in 09-10, then we propose that the base tuition be reduced to net out this amount. The amount we propose here will be earned by many but not all Clemson students. Award stipulated here is the average across all Clemson students.

8 This award and the needs amounts listed just below are based on current allocation. We recognize that future allocations might shift money from merit to need or vice versa.
2. A revised admissions process for undergraduates that more carefully identifies the most appropriate students to attend Clemson which might include an essay and/or interview.
3. A universal access program that sets tuition (and mandatory fees) for the poorest Clemson students who are citizens of South Carolina at $1 per semester (see line 7 above)
4. Continuation of the line item fee system for transparency and accountability
5. An enhanced student bill approach that provides detailed information on each segment of the bill
6. Payment of full four-year tuition bill (undergraduates)
7. Guaranteed undergraduate tuition for four years with only an inflation adjustment factor
8. We endorse program specific market based pricing, carefully analyzed and data vetted for summer school or other situations to be proposed and processed through normal channels in the University
9. We recognize that there are various and sundry, usually small, programs within the University that have special arrangements and tuition. We are not proposing that these contracts/programs be concluded. Instead we urge the relevant administrators to review and determine whether these programs are data vetted and market driven.
10. Graduate tuition—we propose the same one-rate approach for graduates as for undergraduates, removing the distinction between resident and non-resident graduate tuition. Specifics include (i) retaining the current market derived tiers, adding two additional tiers (one for premium content and one for course and program delivery in developing nations), (ii) increasing the existing FY09 resident tiers by HEPI to create the FY10 one-rate tiers, (iii) continue to allow program specific tuition on an as-approved basis, and (iv) seek new strategies to reduce or eliminate the Graduate Fee.
11. Graduate professional degree programs should, at a minimum, be financially self-supporting.

Respectfully,

Neill Cameron, VP for Advancement
Brett Dalton, CPO
Callie Boyd, Pres. Student Body
Apurva Shah, Undergrad Student rep.
Kerry Waller, Grad student rep.
Bob Fjeld, Faculty, Chairman, Chaired & Titled Profs
Robert Barkley, Director of Admissions
Bruce Yandie and Bobby McCormick, Professors Emeriti, Co-Chairs

Ex-officio members added for advice and counsel:
Bruce Rafert, Dean Graduate School
Marvin Carmichael, Director of Financial Aid
Randy Collins, Assoc Dean CES
Jim London, Assoc Dean AAH