

Tuition Remission Rate on GRA Stipends: Comments by Faculty Research Committee

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Chair, Faculty Research Committee

- Background
- Policy and examples
- Charge
- FRC discussion
- Recommendations

Background

- Auburn University waives all tuition for Graduate Assistants with at least 0.33 FTE support
 - ½ of in-state tuition for 0.25-0.33 FTE.
 - Out of State tuition automatically waived
- Policy established in 1990's to improve competitiveness of AU.
- Financial support comes from the General Fund
- Auburn would like to recoup some of the expenses from extramural sponsors
- Peer institutions have already moved in this direction

Policy

- As promulgated on 7 Jan 2013
 - A tuition remission rate of 40% of GRA stipend amount will be applied to grants and contracts submitted after 1 August 2013
- Exceptions
 - A dean may grant a lower rate, down to a minimum 10% surcharge.
 - Will not apply if explicitly disallowed by the funding source.
 - Amount charged may not exceed full-time resident tuition.
- As the policy discussion has evolved, it is understood that the mandatory rate will be 10% for the next three years and re-evaluated at that time.

Why the 40% Number?

- At that rate, a substantial part of the costs of the tuition waiver would be recovered.
- Used when negotiating with outside parties interested in supporting graduate students.
- Difference between actual surcharge and 40% can count as cost share.

Example #1: Calculation of Surcharge on One Contract

- GRA stipend = \$20,000
- Tuition charge applies ONLY to the stipend, not the size of the contract.

CONTRACT # 1	
Size of contract	\$100,000
One GRA supported	\$20,000
Tuition Remission rate (0.1 * 20,000)	\$2,000

Example #2: Student Supported by Two Grants

- Total GRA Stipend = \$20,000
- Tuition charge applies only to actual GRA support on a grant
- Easy to calculate
- Tuition remission rate apportioned fairly between the two contracts.
- Size of contract is irrelevant

CONTRACT # 1	
Total GRA Stipend	\$20,000
75% GRA on Contract # 1 (0.75*\$20,000)	\$15,000
Charge to Contract #1 (0.1 * 15,000)	\$1,500
CONTRACT # 2	
Total GRA Stipend	\$20,000
25% GRA on Contract # 2 (0.25 * \$20,000)	\$5,000
Charge on Contract # 2 (0.1 * \$5000)	\$500
Total Tuition Charges	\$2,000

Example #3: Cost-Sharing

GRA Stipend	\$20,000
Full recovery of tuition (40% Tuition Charge)	\$8,000
Charge applied to GRA stipend (10% surcharge to sponsor)	\$2,000
Cost-share claimed by AU	\$6,000

Senate Resolution

- Therefore be it resolved: that a moratorium be placed on the policy (the “Policy for Inclusion of Tuition in Externally Funded Contracts and Grants”) until such time that appropriate faculty bodies be consulted for their input, the likely impact of such a policy (both positive and negative) on Auburn University’s missions of research and graduate education be determined, and a report of these deliberations be provided to the University Senate.

FRC Charge

- “. . . To consider and provide input on a policy for inclusion of tuition in externally funded contracts and grants.”

Faculty Research Committee

- FRC comprises
 - Twelve faculty representative, one from each college and school
 - Ex officio members from compliance committees
 - VPR, Associate VPR and Dean of the Graduate School
- A subcommittee was appointed to review the policy
- Full committee reviewed the subcommittee's comments and recommendations

FRC Concerns

- Auburn's competitiveness
- Slippery slope
- Recruitment and support of graduate students
- Differential impact

Additional Background

- Other models for recouping funds were considered instead of a tuition remission rate charged on the stipend
- One model that received close attention was a fixed-price model
 - Could have huge impact on small projects.
 - Will make bookkeeping difficult when a student is supported by multiple projects.
- A rate charged against student stipend was considered simplest to implement and generally fairer across the board

Graduate Teaching Assistantships

- New policy applies only to stipends supported by extramural funds.
- GTAs and internally funded GRA's not affected, since their funding is internal.

FRC Recommendations

- The conditions under which a tuition remission rate will be greater than 10% should be explicit and clear.
- Divert some funds from this charge to the Graduate School for use in enhancing the graduate school experience.
- Reevaluate this policy after three years of experience with it.
- Make public the comparisons with peer and aspirational institutions.

Comparison with Selected Peer Institutions

- Full in-state tuition
 - University of Alabama – full in-state
 - Clemson University – full in-state
 - University of Florida – full in-state
 - University of Kentucky – full in-state
 - University of Mississippi – full in-state
 - Mississippi State University – full in-state
 - University of Missouri – full in-state
 - University of South Carolina – full in-state
 - University of Tennessee – full in-state
- GRA tuition waived centrally
 - University of Georgia – GA tuition waived centrally
 - UGa receives formula funding from the State
- Tuition remission rates
 - Louisiana State University – 30% of GA salary
 - Oklahoma State University - 15.21 % of GA Salary