



Lincoln



Omaha



Kearney



Medical Center

## Differential Tuition at the University of Nebraska

The proposed 2011-12 operating budget for the University of Nebraska incorporates new differentiated tuition rates for the College of Business and the College of Engineering at University of Nebraska-Lincoln, and the College of Public Health at the University of Nebraska Medical Center.

At UNL, the new rates add \$50 per credit hour for in-state undergraduates and \$147 per credit hour for non-resident undergraduates in business and engineering. Differential rates also are applied to graduate students. The following chart shows the detailed 2011-12 tuition rates for students in both colleges:

Student Category	Per Tuition Unit	2010-11 Rate	Increase	Differential Increase	2011-12 Rate
<b>College of Business Administration Undergraduate</b>					
Resident	Credit Hour	\$198.25	\$10.00	\$50.00	\$258.25
Non-resident	Credit Hour	\$588.25	\$29.50	\$147.00	\$764.75
<b>College of Business Administration Graduate</b>					
Resident	Credit Hour	\$261.75	\$13.00	\$65.00	\$339.75
Non-resident	Credit Hour	\$705.75	\$35.25	\$175.00	\$916.00
<b>College of Engineering Undergraduate (a)</b>					
Resident	Credit Hour	\$238.25	\$10.00	\$50.00	\$298.25
Non-resident	Credit Hour	\$628.25	\$29.50	\$147.00	\$804.75
<b>College of Engineering Graduate (a)</b>					
Resident	Credit Hour	\$301.75	\$13.00	\$65.00	\$379.75
Non-resident	Credit Hour	\$745.75	\$35.25	\$175.00	\$956.00

*(a) 2010-11 rates include a current \$40 per-credit-hour course fee that will be incorporated into tuition. The 5 percent general tuition rate increase has not been applied to this \$40 fee.*

**All Big Ten universities and all of UNL’s Board-designated peers have differential tuition rates for their business and engineering colleges.**

Even with the increases, in-state and out-of-state undergraduate tuition in both the business and engineering colleges remain the lowest in the Big Ten and near the bottom of the Board of Regents-approved peer group.

With the increases, resident undergraduates majoring in business or engineering will pay about \$3,000 more over the course of their college careers. The additional revenue generated from the increases – projected to be about \$1.9 million for the College of Engineering and \$3 million for the College of Business – will be re-invested into the colleges, allowing for new faculty to be hired, a smaller student-to-faculty ratio, increased access to needed courses for students and enhanced student services. Enrollment in both colleges has grown significantly in recent years, with faculty growth not keeping pace, and both colleges also have higher instructional costs than do other colleges.

Any UNL student who takes a course in the business or engineering college would pay the differential rates for that course – but business and engineering majors would not pay the differential rates for courses outside of those colleges, so they likely will feel minimal impact from the increases during their freshman year, when they traditionally take a number of courses in other colleges. For example, a typical freshman in the College of Engineering takes about 6.5 credit hours in the college, so the impact during a resident student’s first year would only be about \$325. Freshmen in the College of Business Administration take an average of only two credit hours in the college, so the impact for a resident student’s first year would be about \$100. Collegebound Nebraska, the university’s tuition assistance program, will continue to apply, so Pell-eligible students will not be affected by the differentiated tuition rates.

At UNMC, where tuition is charged on an academic year basis, the new rates will bring the College of Public Health more in line with tuition rates offered by its peers. Currently, resident tuition is the lowest in the college’s peer group; non-resident tuition is near the bottom. With the increases, resident students in the college would pay annual tuition of \$6,480, an increase of \$1,769 but still well below the peer average of \$8,507. Non-residents would pay \$15,300 annually, an increase of \$2,597 but below the peer average of \$16,633. The additional revenue – about \$260,000 – will allow the college to hire four new faculty who will help meet growing demand for public health programs as evidenced by rising enrollment in the college.

	<b>2010-11 UNMC COPH Tuition</b>	<b>Peer Average</b>	<b>UNMC Tuition Increase</b>	<b>Total 2011-12 COPH Tuition</b>
<b>Resident Students</b>	\$4,712	\$8,507	\$1,769	\$6,480
<b>Non-Resident Students</b>	\$12,704	\$16,633	\$2,597	\$15,300

## National Context

A growing number of universities have differential tuition rates in place. According to published reports, about 57 percent of public research universities in the country use differential tuition. These include all institutions in the Big Ten and all of UNL's Board-approved peers, as well as a number of UNO and UNK peer institutions.

A 2008 analysis on the use of differential tuition nationally found that:<sup>1</sup>

- Differential tuition rates were most often applied to business, engineering, nursing and architecture programs, in that order.
- The most common rationale for implementing differential tuition rates was to cover higher costs of offering a given program. Other reasons included quality enhancement, revenue generation and the potentially higher salaries of graduates in fields such as engineering and business.
- Institutions said that differential tuition rates added to their revenue. Moreover, none reported a negative impact on enrollment.

In addition, a new national study shows that students who study engineering and business have significantly higher earning potential than students who major in other areas<sup>2</sup>. The report, from Georgetown University's Center on Education and the Workforce, found that median earnings for full-time, full-year workers with a bachelor's degree in engineering were \$75,000 – the highest by far among the 15 academic groups studied. The median earnings for business graduates was \$60,000, which was tied for third-highest.

The study also showed that engineering majors accounted for seven of the top 10 highest-paying majors for the class of 2011. The major with the highest overall median earnings was petroleum engineering, with a median salary of \$120,000. (Overall, full-time, full-year workers with a bachelor's degree earn 84 percent more over a lifetime than those without a college degree, according to the report.)

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<sup>1</sup> Nelson, Glen R. "Differential Tuition by Undergraduate Major: Its Use, Amount and Impact at Public Research Universities." Ph.D. dissertation, Department of Educational Administration, University of Nebraska-Lincoln, 2008. Accessed 4/11 from <http://digitalcommons.unl.edu/cehsedaddiss/5>.

<sup>2</sup> Carnevale, Anthony, Michelle Melton and Jeff Strohl. "What's it Worth? The Economic Value of College Majors." Georgetown University Center on Education and the Workforce, 2011. <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/whatsitworth-complete.pdf>.