

Youngstown State University
Decision Documentation
June 13, 2007

Identification Information:

| | |
|------------------------------|---|
| <i>Reference Number</i> | ST-003 |
| <i>Functional Area</i> | Student Accounts & University Receivables |
| <i>Title</i> | Tuition Refund Policy |
| <i>Submission date</i> | 06/13/07 |
| <i>Decision Requested By</i> | 06/29/07 |

Issue Description:

Does the current graduated tuition reduction/refund policy successfully equate student fairness with processing efficiencies?

Background Information:

Prior to 1991, the University had a graduated refund policy of 100%, 75%, 50%, 25% and 0% for weeks 1, 2, 3, 4 and 5-10 consecutively. In an effort to streamline an extremely manual process and ensure timely delivery of student refund checks, that policy was changed in 1991 to 100% for one week and 0% thereafter. This change successfully impacted processing efficiencies and produced only very minor negative student feedback.

When the University moved from quarters (10 weeks) to semesters (15 weeks) in 2001, the Bursar's Office suggested that the current policy of 100%, 85%, 70%, 0% over weeks 1, 2, 3 and 4-15, be implemented to address the financial impact on students due to the 50% increase in number of weeks and total charges per semester. The fee assessment and refund processes were fully automated in the legacy system and thereby further reduced manual efforts. No detectable student feedback was generated as a result of this policy change.

The upcoming Banner AR module and Financial Aid System are structured much differently than the legacy system. Maintaining a graduated refund policy will require a significant amount of manual effort and additional programming and reporting modifications to deliver a level of service that will be lower than our current customer service expectations.

Numerous attempts to implement the current graduated reduction/refund of tuition and fees refund policy into the new Banner System have been unsuccessful. A request for assistance was submitted to UDC (Sungard technical support) on 04/25/07. UDC's

**Youngstown State University
Decision Documentation
June 13, 2007**

response on 05/22/07 confirmed that there is a product defect. The earliest expected date for a fix was the end of June 2007.

A Fees & Charges Appeals Board has been maintained throughout all the Reduction/Refund of Tuition and Fees Policy changes to handle extenuating circumstances that may warrant special considerations. i.e. – medical, employment, military issues beyond the control of the student. This board will remain active regardless of policy.

Alternatives:

1. Current Policy: 100%, 85%, 70%, 0% over weeks 1, 2, 3 and 4-15.
2. Proposed Policy: 100% for weeks 1-2, and 0% refund for weeks 3 – 15.

| # | Alternative | Pros | Cons |
|---|---|---|--|
| 1 | Current Policy: 100%, 85%, 70%, 0% over weeks 1, 2, 3 and 4-15. | <ul style="list-style-type: none"> ▪ Maintains status quo ▪ Avoids the need to communicate a change in policy. ▪ Provides students a partial refund through week three (alternative provides 0% refund in week 3). | <ul style="list-style-type: none"> ▪ Banner defect results in inaccurate calculations under certain conditions. ▪ Unknown delivery date for defect fix. ▪ Subsequent testing time upon delivery of fix. ▪ Number of other functions dependent upon refund policy will be put on hold until fix is delivered and tested. ▪ Need for significantly complex modifications, reports, procedural changes. ▪ Need for significantly large increase in human resources to implement and to support the current policy after fix is delivered. |

**Youngstown State University
Decision Documentation
June 13, 2007**

| # | Alternative | Pros | Cons |
|---|--|--|---|
| | | | <ul style="list-style-type: none"> ▪ Potential Title IV non-compliance issues. ▪ Likely to result in undetected errors, student service delays, and additional collection and bad debt expenses. ▪ Increase in number and type of Banner transactions will add a high degree of complexity to the student statements and student accounts. ▪ Explanation and understandability issues for staff and students. ▪ Additional mailroom equipment/staff required to handle 2 page statements caused by superfluous detail. |
| 2 | Proposed Policy: 100% for weeks 1-2, and 0% refund for weeks 3 – 15. | <ul style="list-style-type: none"> ▪ Provides students with a full two weeks to decide whether to keep the class and still receive a 100% refund. ▪ Successfully tested. ▪ Enables AR & FA to continue forward progress on related Banner implementation tasks. | <ul style="list-style-type: none"> ▪ No refund in week 3. ▪ New policy would need to be widely communicated to students to avoid transition issues. |

**Youngstown State University
Decision Documentation
June 13, 2007**

| # | Alternative | Pros | Cons |
|---|-------------|---|------|
| | | <ul style="list-style-type: none"> ▪ Significantly decreases modifications, reports, and procedural changes in AR & FA that would otherwise be required. ▪ Significantly decreases the additional manual intervention that would otherwise be required. ▪ Does not increase T4 non-compliance. ▪ Potentially positive impact on student revenue.* ▪ Neutralizes some of Banner’s swapping reduction/refund issues. ** ▪ Significantly decreases the number of transactions appearing on statements and invoices that will occur otherwise. ▪ Simplifies policy, procedures, explanation and understanding. ▪ No need for additional mailroom equipment and/or staffing. | |

Costs – Alternative #1 vs. #2

Alternative 1: To maintain current level of student service with a graduated refund policy, Banner modifications would need to be developed and maintained. Due to extensive analysis that would be required to assess the nature and extent of modifications,

**Youngstown State University
Decision Documentation
June 13, 2007**

specific costs of these modifications cannot presently be quantified but would be significant.

* Alternative 2: YSU loses a net 15% the second week but gains a net 70% during the third week. If students maintain current withdrawal patterns, revenue would increase approximately \$250,000 Fall and Spring terms as a result of the proposed policy change.

* * * * *

** Changes that will occur with Banner swapping functionality regardless of reduction/refund policy implemented are as follows:

Current M204 system allows students to swap drops/adds processed in one transaction *session* without penalty regardless of the point of time in the term.

Banner permits swapping without penalty regardless of the point of time in the term for each of the following situations:

1. add/drops processed within same day (desired but never programmed into M204 system)
2. different day but same course (usually an error and we eliminate penalty manually in M204)
3. penalty is eliminated if student adds up to bulk rate (encourages behavior that results in higher registered hours)

Implementation Schedule Considerations:

Estimated time for the fix delivery is the end of June 2007 – at the earliest. After fix is delivered and implemented, significant testing of the fee assessment function will be required. Many other AR processes – billing, refunding, etc. – are substantially related to the reduction/refund policy. Further progress and/or completion of these related functions must also be postponed until the reduction/refund policy is set up and tested.

Financial aid disbursement and refunds are critically tied to this policy decision. If the current graduated policy is implemented, a significant amount of human resources will need to be devoted to developing/modifying the current “refund to fund” automated process and compensating manual procedures. The diversion of resources to this effort will result in a decrease of resources towards other implementation issues.

Recommendation:

**Youngstown State University
Decision Documentation
June 13, 2007**

Effective Summer 2008, adopt Reduction/Refund of Tuition and Fees Policy of 100% for weeks 1-2, and 0 % refund for weeks 3-15. Fees & Charges Appeals Board would continue to provide remedy for students encountering circumstances beyond their control.

Recommendation Supported By:

| Name | Project Role |
|--------------------|---|
| Student Team | Implementation of Banner Student system |
| Advisory Committee | Advisory |
| | |

Executive's Decision:

| |
|--|
| |
|--|

Executive Decisions Date: