DIVE BRIEF

Vermont system plans tuition reset for 3 merging colleges

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Dive Brief:

- When Castleton University, Northern Vermont University, and Vermont Technical College finish consolidating into the new Vermont State University next year, posted tuition prices will fall under a strategy known as a tuition reset.

- The new unified university's base tuition will be $9,999 per year for undergraduates when the institution launches July 1. That's a decrease of about 15% from the average sticker price at the three combining institutions, which is $11,808.

- Sticker prices for out-of-state students will also fall. Out-of-state tuition will start at $19,998, down 33% from an average of $29,836. About 30% of the institution's students are expected to come from out of state.

Dive Insight:

Tuition resets have colleges cutting their sticker prices — the price students pay before financial aid is taken into account. Resets typically allow colleges to maintain their revenue levels while appearing more affordable to prospective students who might be scared away by high prices.

As a result, some experts describe tuition resets as marketing strategies designed to get the attention of students who are deciding whether to apply — not pricing strategies intended to convince accepted students to enroll.

Tuition resets are frequently tried at private nonprofit colleges, which tend to discount tuition at higher rates than public colleges. But there's nothing stopping the strategy from spreading to a public institution with a wide gap between its sticker price and what the average student pays after financial aid.

Financial aid for students who had been attending one of the three institutions being merged will be adjusted at Vermont State University so that their net cost of attendance will be equal to or less than what they would pay in the 2022-23 academic year.

"This normalizes our out-of-state and in-state discounting strategies with the unification, so that we may focus our aid to our neediest students," Katherine Levasseur, the Vermont State

Colleges System's director of external and governmental affairs, said in an email.

The combined institution will have a large number of students who are adult learners, balancing career and family obligations, or the first in their families to go to college, Vermont State's president, Parwinder Grewal, said in a statement.

"When we lower financial barriers to higher education, we create more diverse and accessible classrooms while strengthening the pathways to economic mobility that we offer Vermonters," Grewal said.

System trustees approved the new tuition schedule last week, setting rates that will take effect when the newly merged Vermont State University goes live July 1.

The Vermont State Colleges System approved the merger of Castleton, Northern Vermont and Vermont Technical College last year over some objections from students and faculty who wanted the process to slow down. The plan aims to bolster budgets by sharing administrative services across previously separate institutions. State higher ed leaders have paired their efforts toward efficiency with a push for additional state funding.

Next year's lower sticker prices are possible because the state boosted its annual financial support for the institutions by 50% in the last two years, according to a statement from Lynn Dickinson, chair of the Vermont State Colleges System Board of Trustees. Extra money has allowed tuition to remain frozen at the system's institutions, and the tuition reset means lowering "financial barriers and putting a college education in reach of many more families," Dickinson said.

Vermont's Legislature pumped tens of millions of dollars in one-time funding into the State Colleges System in 2021 to help support consolidation and bridge an operating deficit.

Efforts to merge institutions, seek more state funding and emphasize affordability for students are being tried elsewhere. Pennsylvania's embattled State System of Higher Education this summer merged six institutions across the state into two new universities while keeping all campuses open. State lawmakers also gave the system additional funding, which its chancellor, Dan Greenstein, tied in part to the merger effort.

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