July 2012

Dear WICHE PSEP Applicant or Enrolling Student:

WICHE’s Professional Student Exchange Program (PSEP) support fees have not been meeting the resident/nonresident tuition differentials of some of our key cooperating programs in public institutions for several years now. The problem is worsening with reduced state budgets in several states and the significant tuition increases that many institutions have implemented over the last few years.

We are writing to let you know that effective AY2013, programs at participating public institutions that are left with an unmet resident/nonresident tuition differential will have a new option. Prior to this change in policy, all public programs were required to charge a PSEP student resident tuition, even if the support fee did not adequately cover the resident/nonresident tuition differential.

From AY2013 forward, public institutions whose differentials are not met will be allowed to credit the support fee against full nonresident tuition and have the new enrolling student pay the balance. Alternatively, institutions currently benefiting from an incentive (in cases where the support fee and resident tuition exceed a program’s nonresident tuition) to enroll a WICHE student are still allowed to keep their incentive. Our hope is that this new policy will help programs that have been losing tuition revenues for WICHE students’ sake. WICHE also wants to encourage programs where we are meeting differentials to continue preferentially admitting PSEP students over other nonresidents. We deeply regret that some new students will be adversely affected financially, but the alternative would be that participating programs would no longer preferentially admit WICHE students. If applicants from WICHE states don’t receive admissions offers from programs in the West, student access to affordable professional education programs would be severely reduced.

If you are enrolled at a public institution participating in PSEP, your tuition charges could be affected beginning in fall 2013. Please read the following three scenarios of how this new policy might affect the amount of tuition you owe to your enrolling program.

**Scenario 1: Recouping Unmet Differential**

Joe Smith is a dentistry student at Best Western University (BWU), enrolled through PSEP. Consider the following:

- **BWU nonresident tuition**: $63,000
- **BWU resident tuition**: $33,000
- **Resident/nonresident differential**: $30,000
- **WICHE’s support fee for dentistry**: $28,000
- **Uncovered difference**: $2,000

Currently, BWU must charge Joe the resident tuition of $33,000 and absorb the unmet differential of the remaining $2,000. From AY 2013 forward, BWU will be able to bill Joe for resident tuition ($33,000) and the unmet differential ($2,000) for a total of $35,000. More simply put, the program can charge Joe nonresident tuition minus the support fee, and Joe will pay the balance:

- **BWU nonresident tuition**: $63,000
- **WICHE’s support fee for dentistry**: -$28,000

**WICHE Student balance for tuition**: $35,000
IMPORTANT NOTE: Students enrolled through WICHE’s PSEP by AY2012 or prior will be grandfathered through graduation paying RESIDENT tuition, even if the support fee does not meet the tuition differential from AY2013 forward.

Please note that the program is not obligated to charge the full differential to the student, but it does have that option. WICHE deeply regrets that some students will end up paying more. However, the alternative is to raise the support fees to keep up with the increasing and widening differentials, and our participating states, unfortunately, cannot afford this. If support fees are required to keep pace with the growing differentials, the consequence would be that fewer students would receive WICHE PSEP support.

Scenario 2: Maintaining Program Incentive (No Change)
Jane Doe is an allopathic medical student at Most Studious University (MSU) enrolled through PSEP. Consider the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSU nonresident tuition</td>
<td>$60,000</td>
</tr>
<tr>
<td>MSU resident/WICHE student tuition</td>
<td><strong>$30,000</strong></td>
</tr>
<tr>
<td>Resident/nonresident differential</td>
<td>$30,000</td>
</tr>
<tr>
<td>WICHE support fee for medicine</td>
<td>$31,000</td>
</tr>
<tr>
<td>Incentive for enrolling WICHE student</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

WICHE support fees are currently covering the $30,000 resident/nonresident differential. MSU may continue to charge the student resident tuition and keep the $1,000 as an incentive for preferential enrollment of PSEP students.

Scenario 3: Private and Self-funded Programs with One Tuition Rate (No Change)
Ronald McDonough is PSEP student enrolled in the physical therapy program at the University of Superior Healthcare Sciences (USHS), which is a private institution. Consider the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>USHS private tuition</td>
<td>$50,000</td>
</tr>
<tr>
<td>WICHE support fee for PT</td>
<td><strong>$15,000</strong></td>
</tr>
<tr>
<td>WICHE student’s balance</td>
<td><strong>$35,000</strong></td>
</tr>
</tbody>
</table>

In this case USHS will charge Ronald the balance of their private tuition minus the support fee. There is no change in policy for private or self-funded programs (where there is only one tuition level); WICHE support fees should continue to be applied as before.

We appreciate your understanding and cooperation with this new method of applying support fees for public programs. Please contact your state certifying officer or me with any questions. Contact information for your state office is available at [www.wiche.edu/psep/cert-off](http://www.wiche.edu/psep/cert-off) or you can contact WICHE staff at 303.541.0214.

Sincerely,

Margo Colalancia
Director, WICHE Student Exchange Program