Flat is the New Black:
Implement a Flat Fee for Official Documents

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...the New Black?*

• **Definition**
  – The new fad, trend, or style of the moment.

• **Background**
  – Since black is always in style in the fashion industry, saying something is "the new black" means that it is the hottest new thing. This phrase can be used to call out the "coolness" of anything, it's not just limited to the fashion world.

*‘Sarah’, Urban Dictionary, 2/15/2005*
‘The New Black’ of AACRAO?

• Yes!
  – There is a trend of incorporating flat-fees in higher education.
    • UC Davis
    • Stanford
    • University of Chicago
    • University of Iowa
Trends

Crude Oil Prices
Trends

Households with Landlines vs Cell Phone Only

- Landline
- Cell Phone Only

% of Households

0 10 20 30 40 50 60 70 80 90 100

Households with Landlines vs Cell Phone Only
Trends

Transcript Demand

Number of Transcripts

Fiscal Year

FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15
Problem!

- Trend is a 6.5% annual decline in transcripts
- Decline in Transcripts = Decline in Revenue

Revenue vs. Fiscal Year Graph:
- Increase: $8 > $10
Cause?

- Increase in Degree Verifications?
  - Average 6.7% increase over 10 years

- Common Application Service?
  - AMCAS, LSAC, PharmCAS = One Transcript

- Students don’t solely rely on ‘paper’ documents
‘Safe’ Option

• Increase per Transcript Price

Transcript Demand vs Cost

Transcripts
Cost
‘Safe’ Option = Out of Style

• Nickel-and-Dime Students
  – Constant fee increases
  – Numerous charges
• Focused on ‘Paper’ not Data Infrastructure
• PCI Compliance Requirements
• Processing Fees
  – Credit cards, cash handling, etc.
• Revenue tied to Non-Constant Variable
• Financial Aid Implications
The Goal

- Stable and Predictable Revenue Source
- Efficient Solution (Time and Cost)
- Focus on Data Infrastructure
- Value and Affordability for Students
- One-time ask to Central Campus
The Proposal

• One-Time ‘Flat Fee’
  – First-time enrollee at institution (regardless of career)
  – $65 on tuition bill
  – Unlimited Official Documents
    • Unlimited official transcripts*
    • Unlimited degree verifications
    • Unlimited enrollment verifications
    • Unlimited voter ID verification letters
    • Unlimited university-related and third party document certification
    • Unlimited university-related notary services
    • Original diploma
    • Data infrastructure development and maintenance
The Math

- Revenue Goal: $750,000/year
- First-Time Enrollees: 11,500 students
- \( \frac{750,000}{11,500} = \$65.22/\text{student} \)
Will this meet our Goals?

• Stable and Predictable Revenue Source?
  – Yes! Tied to enrollment.
  – Only avg. ~.3% annual increase in 10 years.
  – At UW-Madison, enrollment will only increase.
Will this meet our Goals?

• Efficient Solution (Time and Cost)?
  – Yes!
  – Time
    • No more processing time for staff or students
    • Limit compliance exposure (ex. PCI, etc)
  – Cost
    • Negotiated reduced rate with vendor
    • No more cash handling fees
Will this meet our Goals?

• Focus on Data Infrastructure?
  – Yes!
  – Highlights more than traditional ‘paper documents’ as an official documents or service
  – Includes data infrastructure support
    • Directs resources to development and maintenance
Will this meet our Goals?

• Value and Affordability for Students?
  – Yes!
  – Unlimited Official Documents
  – Included in Financial Aid
Will this meet our Goals?

• One-time ask to Central Campus
  – Yes!
  – 15 minute with Provost and Vice Chancellor
  – Tied to constant variable, unlikely to need increase amount
Naysayers

- ‘Campus won’t approve this.’
- ‘Your fee is too low.’
- ‘Your transcript demand will sky-rocket!’
‘Campus Won’t Approve This.’

- Approved in 15 minutes
- Format – data, Data, DATA!
  - Historical
  - Projections
  - Peer Institutions
  - Institutional and Student Perspectives
- Got approval first from central campus to expedite work with campus partners.
‘Your fee is too low.’

• Slightly... due to one oversight.
  – Tuition Assessment Exceptions
• Goal
  – $750,000
• Actual
  – $720,000 (projection)
• Tip: Tied to wide-population. Not just incoming freshman (only 65%).
‘Your transcript demand will sky-rocket!’

  - There is only about a 19% increase.
Recap

• Trends
• Cause
• Problem
• Solution
• data, Data, DATA!
• Naysayers
• ...but there is more!
Incentivized Efficiencies

• ‘Flat Fee’ is Stable Revenue not tied to a Commodity.
  – Old model did not provide an incentive to reduce transcripts.
  – New model = Reduce costs, reap the benefits.
  – Example: PDF transcript
    • Allowed the switched to vendor Print/Mail option.

• Next Step?
  – Smart workflow for students to decide correct documents.
  – Promote most appropriate and low cost documents.