

The Deregistration Paradox: Addressing Tuition Nonpayment as Part of Student Swirl

Tom Pilarzyk

Milwaukee Area Technical College

Yan Wang

Milwaukee Area Technical College

Abstract

This paper addresses the effects of dropping or deregistering students for tuition nonpayment at a large two-year public institution. Nonpayment is regarded as a contributor to “student swirl” among the more economically-challenged, who are also challenged academically by late and inconsistent enrollment. Analyses of institutional and survey data expose the paradoxical interplay of college processes and student circumstances involved in this issue. The findings suggest that deregistration is increasing and is fiscally problematic while requiring customer service, tuition payment, and financial aid improvements. Ideally, such enhancements would reduce stress on staff, improve communications with aid applicants, reduce late applications, and extend the existing payment plan to increase compliance. In turn, their long-term effects would address institutional mission and operations as well as student need, helping to resolve an important organizational challenge at a time of greater fiscal belt-tightening.

Introduction

College affordability is extolled as a key characteristic and advantage of a two-year public postsecondary education in America. Managing tuition payments and financial aid applications among lower-income students can be a challenging part of the enrollment process at open-access institutions. Some manage their enrollments by dropping or “deregistering” students from classes for nonpayment prior to the beginning of each semester. Dropping nonpayers protects individuals from accumulating debt and assures better enrollment management with more courses filled to capacity while optimizing the number of teaching positions and loads. However, the deregistration procedure is time

consuming for staff members to implement, may reduce a college's ability to collect full-time equivalency (FTE) on deregistered students, and can challenge college missions to train, retain, and graduate students from all walks of life, especially those with financial and social constraints. It forms an institutional paradox facing strategic enrollment managers.

This paper answers the following questions inherent in this paradox, using institutional and exploratory survey data. *First, does the deregistration procedure—employed for efficiency's sake—increasingly work against an institution's fiscal health? Second, why do students not pay and how can an institution better meet the needs of inconsistently enrolled students who have more precarious financial means to attend college?* This case study at a two-year public institution intends to better understand and uncover ways to solve the paradox, fulfilling the institutional mission while effectively meeting student needs. Let us first turn to the interrelated issues of college affordability and student swirl which form the social context for the paradox.

College Affordability and Student Swirl

College affordability has become a high-priority public issue in America, reflected in both the popular press ("Public Colleges," 2006; Tierney, 2005) and recent nationwide surveys ("Tuition Tops," 2006). State legislatures in California, Illinois, and other states are also assessing college affordability in an era of greater accountability (California Post-Secondary Education Commission, 2006). This affordability issue has been addressed in academic circles for decades, including discussions of how financial constraints on prospective students affect college accessibility and choice (McPherson & Schapiro, 1991, 1996; McPherson, Schapiro, & Winston, 1993).

Deep cuts in state appropriations for two-year institutions, coupled with the failure of federal aid to keep up with tuition increases, are undermining access of low income and minority students to higher education. Given the interrelated effects of race and class on educational opportunity, nearly half of all black and Hispanic postsecondary students in America attend community