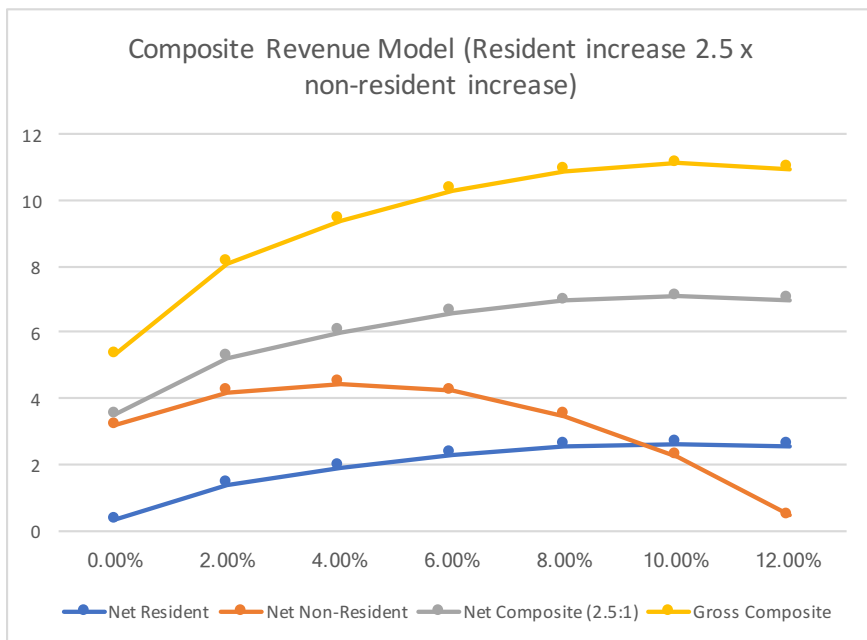


Top graph shows net revenues with tuition increases (this assumes sufficient increase in tuition waivers to address need for students less than \$4,000 Expected Family Contribution). Resident revenue turns over at 10%, but flattens a lot after 6%. Non-resident revenue turns over after 4% (the model is qualitative precise turnovers uncertain)



Middle graph shows a composite scenario with resident increases 2.5 times non-resident increase; horizontal axis is resident rate increase (so at 10% resident it is 4% non-resident; at 4% resident it is 1.6% non-resident, etc.). Maximum net revenue is at 10% and 4% but the curve is basically flat after 8%. It might be worth erring on the low side (assuming the turnover points might be lower than shown because of uncertainty in the model---too high does more damage to revenues through enrollment loss than is gained by pushing the rate)

**Resident enrollment and net revenue change (so an increase in rate from 2% to 4% loses an additional 168 students and generates an additional \$530K net revenue)**

	Change in resident enrollment with rate step	Change in net revenues with rate step	Total enrollment change
0.00%	74	0.32	74
2.00%	-46	1.08	28
4.00%	-168	0.53	-140
6.00%	-192	0.39	-332
8.00%	-215	0.24	-547
10.00%	-239	0.09	-786
12.00%	-264	-0.07	-1050

The trade-off with going to higher rates is shown for resident enrollments in the bottom table. The return from each 2% increment in rate increase becomes smaller and smaller and you lose more students. Going from 8% to 10% gains \$90K net revenues but loses an additional 239 students. At 10% tuition increase the overall resident enrollment loss is 786 students (again, the model is very, very qualitative---directionally correct though based on recent experience with enrollment)