

Approved by the Board of Trustees
January 15, 2015

14

Board Meeting
January 15, 2015

APPROVE TUITION RATES, ACADEMIC YEAR 2015-16

Action: Approve Tuition Rates for Academic Year 2015-16

Funding: No New Funding Required

At its January 2011 meeting, the Board reaffirmed the Board's policy on tuition and approved a resolution whereby tuition changes going forward shall include a comparison to a price index as well as account for changes in State support and for University cost reductions. Tuition adjustments are meant to sustain the high quality of the education provided to students and to preserve the purchasing power of the University, while also recognizing the on-going cash flow and budget difficulties of the State of Illinois as well as the increasing financial burden facing many students and their families. In consideration of tuition recommendations for the next academic year, the University is confronting current fiscal realities while at the same time protecting access for students and upholding academic quality. The Board approved a budget request from the State for Fiscal Year 2016 in September 2014 and reviewed tuition and affordability at the November 2014 Audit, Budget, Finance, and Facilities (ABFF) and Academic and Student Affairs (ASA) committee meetings. The budget request and the tuition review focused on three major areas: (1) sustaining academic quality; (2) addressing crucial

operational needs; and (3) meeting inflationary and essential cost increases. Critical high-priority expenditures include need- and merit-based financial aid to ensure access for qualified students and recruit the best students, competitive salaries to attract and retain top faculty and staff, and pay for continuing cost increases.

Following extensive reviews and recommendations from the Chancellors/Vice Presidents and Provosts at each campus, and with concurrence of the Vice President for Academic Affairs and the Vice President/Chief Financial Officer, all of whom expressed strong concerns about college affordability for Illinois residents and the University's competitive position, the President recommends that there be no change in the general tuition rate for Illinois resident undergraduate students admitted to the fall 2015 class. Non-resident undergraduate rates will increase by an inflationary 2.0 percent. These tuition rates apply to students who will be enrolling for the first time in the general undergraduate degree programs. These rates for new students will not increase for four years to comply with the tuition guarantee mandate found in Section 25 of the University of Illinois Act, 110 ILCS 305/25, which ensures that an incoming student will pay a fixed tuition rate for four years. Thus, continuing undergraduate students will be covered by the guaranteed tuition policy and will be subject to tuition charges appropriate for their cohort of matriculation. This does not include selected undergraduate differential tuition rates, graduate rates, or non-resident rates. The new tuition rates for AY 15-16 apply to the cohort of undergraduate students who enter in May of 2015 or after.

Concurrent with the recommended tuition changes, as per the revised Board policy, the University will allocate additional funds to need-based student aid. Currently, more than one-half of all University of Illinois undergraduate students receive some form of need- or merit-based aid. In addition to meeting other essential costs, a portion of the revenues from the recommended tuition increase may be allocated to need-based grant aid.

The President also recommends tuition increases for several specific programs at the graduate, cost recovery and professional levels as well as undergraduate tuition differentials in applicable curricula. All resident tuition recommendations are summarized in the attached tables.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.