

Approved by the Board of Trustees  
January 23, 2014

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Board Meeting  
January 23, 2014

APPROVE TUITION RATES, ACADEMIC YEAR 2014-15

**Action:** Approve Tuition Rates for Academic Year 2014-15

**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 geared to a rate of inflation 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 2015 in September 2013 and reviewed tuition and affordability at the November 2013 ABFF committee meeting. 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 recommendation 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, the President recommends the following tuition increases. The recommended increase in the guaranteed general tuition levels for undergraduate students who are Illinois residents is \$101 per semester at the Urbana-Champaign campus; \$89 per semester at the Chicago campus; and \$5.25 per credit hour at the Springfield campus. These tuition increases 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 recommendation amounts to a one-time increase for the incoming freshman class of 1.7 percent (approximately equivalent to an increase of 0.7 percent per year over four years). The new tuition rates for AY 14-15 apply to the cohort of undergraduate students who enter in May of 2014 or after.

Concurrent with the recommended tuition increases, as per 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 will be allocated to need-based grant aid.

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

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.