Office of the Chancellor
Pennsylvania's State System of Higher Education
Procedures and Standards for University Operations

Procedure/Standard Number 2011-02
Tuition and Mandatory Fees

Approved by: [Signature]

History:
This Procedure/Standard was originally developed in 2011 to address procedural requirements associated with amendments to tuition and fee policies adopted by the Board of Governors on January 20, 2011. On January 26, 2017, the Board of Governors approved additional revisions to tuition and fee policies, providing greater flexibility in university pricing practices. The most recent changes to this procedure/standard are to provide guidance regarding these most recent changes to Board policy.

Related Policies, Procedures or Standards: Board of Governors' Policies
1999-02-A: Tuition;
1989-05-A: Student Fees;
1996-01-A: Sources of Funding for University Scholarships;
1991-03-A: Visiting Student Program;
1983-18-A: Waiver of Fees

Additional References: tuition, out-of-state, distance education, fees

I. Introduction

Board of Governors' Policy 1999-02-A: Tuition, allows for some limited flexibility for universities to charge alternative tuition rates with approval by the Board of Governors. This document provides procedures on how to request alternative tuition rates and implement this Board policy. In addition, guidance regarding instructional and mandatory fees is provided in accordance with Board of Governors' Policy 1989-05-A: Student Fees.

II. Definitions

A. Capacity: The optimum academic year full-time equivalent student enrollment at each university that most efficiently utilizes its facilities and faculty.

B. Cohort: A specific group of students established for tracking purposes; commonly used in reference to the group of new students enrolling at a university in an academic year.

C. Distance Education: An educational process in which the instruction occurs with the instructor and student in different locations. Distance education makes use of one or
more technologies, including web-conference, to deliver 80 percent or more of the instruction for the course to students who are separated from the instructor and to support interaction between the students and the instructor synchronously or asynchronously.

D. **Full-Time Tuition:** The tuition rate charged to undergraduate students enrolled in 12 or more semester credits at System universities.

E. **Graduate Student:** A student who holds at least a bachelor’s or first professional degree and is enrolled at the post-baccalaureate level, including non-degree students in graduate courses who may or may not be admitted to a graduate program.

F. **Home Institution:** The university where the student is admitted, enrolled, and from which the student receives administrative support. Instruction for some courses may occur elsewhere.

G. **Host Institution:** The university from which the course is taught; students may take courses simultaneously at more than one System university.

H. **Instructional Fees:** Instructional fees are mandatory fees that may be used to support general instructional operations and academic facilities’ needs. These fees may be used to cover unusual costs of certain special programs such as musical instruments, practica, instructional equipment, required course/university tests and examinations, laboratory supplies, course-required field trips, student teaching, clinical experiences, or related activities. Program or course-specific instructional fees are nonmandatory.

I. **Mandatory Fees:** Fees charged to all students participating through a particular campus or delivery mode, such as general instructional fees, student activity fees, student union fees, recreation center fees, health center fees, registration fees, and transportation fees.

J. **Out-of-State Student:** A student who is not legally domiciled in Pennsylvania as defined in Board of Governors’ Policy 1985-03: Student Domicile Regulations.

K. **In-State Student:** A student who is legally domiciled in Pennsylvania, as defined in Board of Governors’ Policy 1985-03: Student Domicile Regulations.

L. **Technology Tuition Fee:** A separate tuition fee established by the Board of Governors for rendering technology resources and services to enhance student learning experiences.

M. **Tuition:** The basic fee established by the Board of Governors for rendering educational services, as enumerated in Act 188 of 1982. The technology tuition fee is a form of tuition.

N. **Undergraduate Student:** A student in a bachelor’s degree program, an associate’s degree program, a vocational or technical program below the baccalaureate level, or a non-degree-seeking student matriculated in a lower- or upper-division course.
III. Procedures

A. General Expectations for Charging Tuition

1. **Undergraduate Tuition**—Unless superseded by other Board of Governors’ action, undergraduate students enrolled in at least 12 credits in a fall or spring semester will be charged a full-time tuition rate as established by the Board of Governors. Undergraduate students enrolled in a fall or spring semester for greater than 18 credits will be charged a full-time tuition rate for the first 18 credits and the appropriate per-credit rate for all remaining credits. The Board of Governors annually will establish the base undergraduate out-of-state tuition rates at 150 percent of the undergraduate in-state rate.

The Board may approve alternative tuition rate structures for individual universities. Presidents, upon the approval of their council of trustees, may request the chancellor to recommend to the Board of Governors an alternative tuition rate structure for their university. (See section III.C. for further information on undergraduate alternative tuition rate structures.)

2. **Undergraduate Tuition for Students Enrolled at Multiple Universities**—Various mechanisms are in place to ease the way for students to earn credits at multiple System universities, including Board of Governors’ Policy 1991-03-A: Visiting Student Program, and individual Letters of Understanding (LOUs) among System universities for specific courses and programs. These documents provide instruction for the home and host institutions on student registration and billing, revenue sharing and transcript credits. Unless otherwise addressed in the terms of an LOU or the Visiting Student Program Policy, a System undergraduate enrolled at more than one university simultaneously will receive all billing through the home institution. The student may receive additional charges associated with the course(s) of the host institution.

3. **Graduate Tuition**—Graduate students are charged tuition and the technology tuition fee on a per-credit basis, regardless of the number of credits for which they are enrolled. The graduate in-state per-credit rate will be set by the Board of Governors annually at approximately 160 percent of the undergraduate in-state per-credit rate. The graduate out-of-state per-credit rate will be set by the Board of Governors annually at approximately 150 percent of the graduate in-state per-credit rate. The appropriateness of these pricing levels will be reviewed periodically by the chancellor.

4. **Tuition for Students with Mixed Loads or Non-Degree Students**—Students are admitted to the university at either the graduate or undergraduate level regardless of whether they are degree- or non-degree-seeking students. Students will be charged tuition and fees based upon the student level, i.e., whether they are admitted as graduate or undergraduate students, regardless of the number of credits for which they are enrolled.

Special conditions may exist with specifically approved programs designed in which the student is "simultaneously" enrolled as an undergraduate and a graduate student, e.g., Slippery Rock University's 3+3 Physical Therapy Program. In this and similar cases, the student will be charged undergraduate tuition and fees for an appropriate portion of the program (as determined by the university), then charged
graduate tuition and fees for the remainder of the program. The university should take into consideration financial aid implications in determining the split between undergraduate and graduate status for these programs.

B. Presidents may ask the chancellor to approve alternative undergraduate in-state tuition rates to establish partnerships with other institutions in collaborative or consortial arrangements.

1. From time to time, universities might have opportunities to partner with other educational institutions to expand educational opportunities. These partnerships may include Pennsylvania community colleges, other Pennsylvania colleges or universities, out-of-state higher education institutions, local school districts, and/or other educational consortia. Some of these arrangements might exist for the System as a whole or for specific universities.

2. Presidents may pursue collaborative or consortial arrangements with any of the above-listed entities to improve the educational opportunities for Pennsylvania citizens. If an alternative tuition rate is sought for such an agreement, the terms and conditions and the recommended tuition rate must be approved by the chancellor. All such arrangements must also be reviewed and approved by Legal Counsel.

3. Recommendations for alternative tuition rates for collaborative/consortial programs should address:

   a. **Overview.** An overview of the proposed collaborative/consortial arrangement and the benefits to each party of the arrangement and to the Pennsylvania citizenry.

   b. **Financial analysis.** An analysis of the expenditures and revenue associated with the arrangement and the sharing of costs and revenue among the parties of the arrangement, including the student. The financial analysis must validate that the proposed tuition or other sources of revenue will at least cover the instructional costs of the program. The other sources of revenue must be clearly articulated as such.

   c. **Anticipated enrollment trends resulting from the proposed agreement and potential impact on academic offerings.** If program participants are limited to certain courses or academic programs, this should be specified. An analysis of the impact of the collaborative/consortial agreement on course availability for the university's general student body should also be included.

4. Presidents also have authority to waive all or a portion of tuition (including the technology tuition fee) and university fees if there is a contractual agreement or grant that provides revenue to cover at least the instructional costs of the students. To do so, the president does not need the chancellor's approval; however, all contracts must be reviewed and approved by Legal Counsel. See Board of Governors' Policy 1983-18-A: Waiver of Fees.
C. Presidents may seek Board of Governors’ approval of alternative tuition rates for undergraduate students.

1. Each fall, university presidents may, upon approval of their council of trustees, propose to the chancellor for recommendation to the Board of Governors undergraduate tuition rate structures for the university in the upcoming year. Recommendations typically will be presented to the Board of Governors for approval at its January meeting.

2. The recommendation will be based upon such factors as the average net cost of undergraduate education; the System’s goals and objectives; the degree to which universities are at, above, or below student enrollment capacity; and the current relationship between pricing and student demand.

3. Alternative methods of charging tuition may include, but are not limited to:
   - Charging per-credit tuition regardless of number of credits in which the student is enrolled.
   - Modifying the range of credits for which the full-time tuition rate is applied.
   - Charging different tuition rates to different cohort groups.

Alternative rate structures for out-of-state tuition may be applied differently to out-of-state students based on the following demographic criteria:
   - Geographic region.
   - Academic program.
   - Scholastic and/or extracurricular achievement.

4. Recommendations for alternative tuition rates should address:
   a. Overview of proposed rate structure. The proposed rate structure should be expressed in relation to the System’s base in-state undergraduate tuition rate; it should not be requested as a specific rate(s). Explain how students will be charged tuition within the proposed rate structure.
   b. Rationale for rate structure. Why is this rate structure proposed? Why is it a better pricing tool for the university and for the students? How will it maintain/enhance student demand, access, and success?
   c. Explanation of targeted market group(s) for out-of-state tuition. The request may address all out-of-state undergraduates or a subset, based upon geographic region, academic programs, or achievement/qualifications. Market groups based on geography may include domestic and/or foreign regions. The proposal should address the rationale for choosing this market group, including how it supports the goals and objectives of the System and the university, an explanation of the market analysis that determined the target market(s), and an assessment of the university’s marketing strategies that will attract additional out-of-state students and continue to attract and serve Pennsylvania in-state students.
   d. Cost/benefit analysis. The analysis should include the impact of the proposed rate structure on net tuition and fee revenue, university-based student financial aid, and the average net cost of undergraduate education; university excess enrollment capacity; anticipated impact on enrollment and student success; the
relationship among pricing, cost, and student demand; the impact on both the Educational and General and Auxiliary budgets and programs; a calculation of the break-even point; and an assessment of the university's ability to attract the additional students required to reach the break-even point.

e. **Commitment to access.** The university must ensure access for students of all socioeconomic backgrounds. Need-based financial aid, above the limits established in Board of Governors' Policy 1996-01-A: Sources of Funding for University Scholarships, may be made available for students whose new or continued enrollment might be adversely affected by the increase in cost of attendance created by the alternative tuition structure.

f. **Relationship with other existing university pricing practices.** If the university has other alternative pricing practices, specify how the proposed pricing structure integrates with and complements those existing pricing practices that will continue.

g. **Experience of other System universities.** What has been the experience of other System universities with similar undergraduate pricing practices and how might their results apply to this proposal?

h. **Council of trustees' approval.** Specify when the council of trustees approved the alternative tuition rate proposal for recommendation to the chancellor and consideration by the Board.

5. At least biennially, the president will provide to the chancellor an assessment of any in-state alternative tuition rate structures that have been approved by the Board of Governors. The assessment must address, at a minimum, enrollment, total and net revenue, student access, student affordability, and student success. Student-centered metrics must include an assessment of demographics, analysis of workforce earnings based on existing national and/or state data sets, and outcomes regarding status and time to degree attainment.

D. **Presidents may ask the chancellor to adjust tuition rates for specific graduate programs.**

1. Each fall, presidents may request alternative graduate tuition rates based upon such factors as the cost of instruction compared to other graduate programs, the level of service provided to the student, and the level of tuition required to offer the program(s) successfully.

2. Exceptions for graduate tuition rates should address:

   a. **Rationale.** Requests should explain the rationale for each program for which an alternative tuition rate is sought. The university must make a case based upon cost differentials compared to other graduate programs, or serving a unique market in a way that influences program costs and/or customer expectations, e.g., an executive MBA versus a regular MBA. It might be appropriate to begin with an analysis of cost/student data for all graduate programs to determine which graduate programs are identified as high/low cost. If not all programs with abnormal cost structures will be addressed, the rationale in choosing some programs over others must be articulated. Alternative tuition rates can be
requested for programs that are not necessarily “high cost,” but rather are market-specific. This rationale needs to be articulated, including an explanation of the special costs driven by this market. A market-specific program could also be place-specific. For instance, a program at an off-campus site may have different costs than the same on-campus program.

b. *Market.* The request should also address the potential impact on the marketability of the program(s). Is there enough potential demand to sustain enrollment with a higher tuition rate? Is this a niche market that will bear the price? Are the programs still marketable with an alternative tuition rate?

c. *Price.* Address the rationale for the alternative price being proposed. Choosing a price ratio (e.g., x percent above the normal graduate rate) rather than a specific dollar amount will allow for annual adjustments when tuition rates change. If alternative rates are proposed for several programs, keep the rate schedule simple. For example, if alternative tuition rates are proposed for five programs, consider changing them all to the same amount. However, it may be appropriate to request additional alternative tuition rates, especially for those programs with unique markets (e.g., Executive MBA; Physician Assistants). If unique out-of-state markets exist, a change in the pricing relationship between in-state and out-of-state rates for the program(s) may be considered, with appropriate justification and market research.

3. The chancellor will notify presidents of graduate rate adjustments each winter, to be effective for the upcoming academic year.

E. **Summer/Winter Session Tuition**

1. Summer/winter session tuition will be charged on a per-credit basis for all students, regardless of the number of credits for which the student is enrolled.

2. Each fall, presidents may request the chancellor to approve alternative summer/winter session tuition.

3. Requests for alternative summer/winter tuition should address:
   
a. **Overview.** An overview of the proposed summer/winter session pricing structure, including the proposed alternative tuition rate.

b. **Impact.** The potential impact of the rate on the marketability of the session.

c. **Rationale.** The rationale for the proposed alternative rate, which ensures tuition is charged at an amount that at least covers instructional costs and that auxiliary charges cover auxiliary summer/winter session expenditures and are appropriate for the services received.

d. **Cost/benefit analysis.** Assess the impact of the proposed rate structure on net tuition and fee revenue compared to the average net cost of education; anticipated impact on enrollment; the relationship among pricing, cost, and student demand; the impact on both the Educational and General and Auxiliary budgets and programs; a calculation of the break-even point; an assessment of
the university’s ability to attract the additional students required to reach the break-even point; and the rationale for the proposed rate structure.

4. The chancellor will notify presidents of summer/winter rate adjustments each winter, to be effective for the upcoming summer or following winter.

F. Distance Learning

1. Presidents have the discretion of setting the out-of-state distance education per-credit tuition rate on a course-by-course or program-by-program basis. The out-of-state distance education rate must be at least 102 percent of the in-state per-credit rate. The president may establish a full-time out-of-state undergraduate distance education rate based upon the per-credit out-of-state distance education rate for students enrolled full-time in distance education courses.

2. Presidents may request from the chancellor a revision to the in-state distance education tuition rate for particular courses or programs. Requests should address:
   b. Impact. Its potential impact on the marketability of the program/course.
   c. Rationale. The rationale for the proposed alternative rate.
   d. Cost/benefit analysis. A cost/benefit analysis that supports the request.

3. An alternative set of mandatory fees may be established to apply to distance learning students or to those who participate solely at off-campus locations. Alternative mandatory fees may also be established for branch campuses. See Board of Governors’ Policy 1989-05-A: Student Fees.

4. Distance education tuition and fee rates should be published on the university’s website.

G. Technology Tuition Fee

1. The purposes of the technology tuition fee are: (1) to acquire, install, and maintain up-to-date and emerging technologies to enhance student-learning outcomes; (2) to provide equitable access to technology resources; and (3) to ensure, ultimately, that System graduates are competitive in the technologically sophisticated workplace. All hardware, software, databases, and other capital equipment procured with these revenues are to support student learning experiences. Examples of appropriate technology tuition fee uses include:

   • Smart classrooms, including renovations to support technology-intensive learning.
   • Computer labs.
   • Technology-intensive scientific equipment.
   • Learning content and content management software.
   • Electronic media and library databases.
   • Distance learning hardware/software.
• Web-course development costs.
• Curriculum development costs for technology-based courses/programs.
• Staff for training, technical assistance, and technology maintenance.
• Distance learning coordinators.
• Training and professional development to create skills and materials integrating technology into the classroom.
• Faculty technology needs to support student learning and communication.
• Student learning assessment.
• Access to broadband and telecommunication services.
• Online student academic support services.
• Security solutions to protect student and institutional data.

2. A full-time technology tuition fee will be established annually by the Board of Governors for undergraduate students, with the expectation that the fee will increase at a rate at least equal to the percent change in the tuition rate. A per-credit rate will be established for charging all part-time students and graduate students. The per-credit rate will also apply to all summer/winter session activity, regardless of the number of credits for which the student is enrolled. Separate technology tuition fees will be established annually by the Board of Governors for in-state and out-of-state students.

The technology tuition fee is separate from the instructional fees that most universities currently charge at the maximum allowed rate.

3. The technology tuition fee may not be waived except for the following circumstances:

a. The technology tuition fee is a form of tuition and shall be waived for employees, their dependents and spouses, as a defined tuition benefit pursuant to collective bargaining agreements or for nonrepresented employees. These waivers do not apply to student employees.

b. In addition, Board of Governors’ Policy 1983-18-A: Waiver of Fees, allows for the waiver of the technology tuition fee if the costs are recouped through a contractual agreement or grant that provides revenue to cover at least all instructional costs, including instructional technology costs.

4. The technology tuition fee will be charged to all credit-earning students, whether on or off campus, excluding high school students taking courses as part of their high school curricula. The fee will be charged to non-degree and degree-seeking students, if they are charged tuition. The fee also is to be charged to distance education students.

5. The technology tuition fee is subject to Board of Governors’ Policy 1983-19-A: Refund of Tuition and Fees.

6. The technology tuition fee will be recorded as unrestricted Educational and General revenue, minor object 407.

7. The technology tuition fee revenue must be reported, by student, in the student data records.
8. The technology tuition fee will be charged to students enrolled in System university classes at the Dixon University Center. The revenue from this fee will remain with the Dixon University Center in support of its instructional technology. This fee will not be charged to non-System students who are enrolled in courses at the Dixon University Center.

9. The Office of the Chancellor will collect .5 percent of the technology tuition fee revenue.

H. Mandatory Fees

1. Board of Governors' Policy 1989-05-A: Student Fees, specifies that university councils of trustees may establish a mandatory instructional fee to support the educational mission of the university. The instructional fee may be assessed based on a per-credit or full-time basis. The maximum amount assessable to a student shall be limited to the per-credit tuition for the number of credits attempted as follows:

   a. Baccalaureate Degree—10 percent
   
   b. Master's Degree—15 percent
   
   c. Graduate Professional Programs (beyond the Master's level) and Doctoral Programs—20 percent

2. The limits above may be applied to the combination of tuition and the technology tuition fee, and may be applied to out-of-state rates or alternative tuition rates that exceed the typical tuition rates. Universities with alternative tuition rates that are lower than the normal rates may choose to charge the mandatory instructional fee based upon typical tuition rates.

3. Councils of trustees may establish other mandatory fees that support non-instructional activities. These activities may include, but are not limited to, transportation/parking fees, registration/record fees, health service fees, and any fees that support auxiliary functions such as student unions and recreation centers.

4. Councils of trustees may establish nonmandatory instructional fees that are specific to students enrolled in certain high-cost academic programs or courses.

5. All part-time fees will be charged on a per-credit basis. Fees for summer/winter sessions will be charged on a per-credit basis, regardless of the number of credits for which the student is enrolled.

IV. Implementation

A. The Administration and Finance division of the Office of the Chancellor annually will request proposals for alternative tuition rates from the university presidents, typically in November. Proposals will be reviewed and, as appropriate, approved by the chancellor or Board of Governors each January.

B. Requests for alternative tuition rates for collaborative/consortial arrangements are to be submitted to the Office of Academic and Student Affairs for review and the chancellor's approval on an ad hoc basis.