

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

**Procedure/Standard Number 2011-02 (Amended)
Tuition and Mandatory Fees**

Approved by: _____

Chancellor



Date: 10-9-2019 _____

Revised: September 26, 2019

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.

Additional History: Original on file dated October 18, 2011. Previously revised on June 20, 2012, January 7, 2013, and March 16, 2017.

Related Policies, Procedures or Standards: Board of Governors' Policies

[1999-02-A: Tuition;](#)

[1989-05-A: Student Fees;](#)

[1991-03-A: Visiting Student Program;](#)

[1983-18-A: Waiver of Tuition and/or Fees](#)

Additional References: tuition, fees, students, distance education, finance, scholarships and waivers

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 (Board). This document provides procedures on how to request multiyear tuition strategies 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. **Basic Tuition Rate**—A tuition rate approved by the Board that is charged to students at universities that do not have a separately approved pricing strategy.
- B. **Capacity**—Limitations on enrollment based on existing human and physical resources.
- C. **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.

- D. **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.
- E. **Full-Time Tuition**—The tuition rate charged to undergraduate students enrolled in 12 or more semester credits at System universities.
- F. **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.
- G. **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.
- H. **Host Institution**—The university from which the course is taught; students may take courses simultaneously at more than one System university.
- I. **In-State Student**—A student who is legally domiciled in Pennsylvania, as defined in Board of Governors Policy 1985-03: *Student Domicile Regulations*.
- J. **Institutional Aid**—University-funded financial assistance to a student for the purpose of undertaking for-credit course work, not to exceed the full cost of attendance less other grant awards. Sources include university restricted and unrestricted gifts, revenue from university endowments, and the university's general (or foregone) revenues; but exclude federal or state grant aid, private scholarships, affiliate scholarships, institutional matches for externally funded student aid grants, loans, tuition waivers as articulated in Board of Governors Policy 1983-18-A: *Waiver of Tuition and/or Fees*, tuition benefits for university employees or their spouses/dependents, or tuition exchange programs.
- K. **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.
- L. **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.
- M. **Market Analysis**—Quantitative and qualitative assessment of a market, looking at size of market both in value and volume, various student segments, pricing patterns, competition, and the economic environment in terms of barriers to entry. Analyses can be conducted both internally and externally. Examples include, but are not limited to, pricing elasticity studies, workforce gap analyses, institutional research and data relevant and meaningful to the pricing proposal being submitted, competitors' pricing and discounting practices.

- N. **Net Price**—From the perspective of the student, the price the student must pay to the university. Net price is calculated as the student’s tuition, fees, room and board, less institutional aid and all other grants, scholarships, and waivers received by the student.
- O. **Net Revenue**—Gross tuition and fee revenue less total institutional aid.
- P. **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*.
- Q. **Technology Tuition Fee**—A separate tuition fee established by the Board of Governors for rendering technology resources and services to enhance student learning experiences.
- R. **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.
- S. **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, universities will charge undergraduate in-state students enrolled in at least 12 credits in a fall or spring semester the full-time basic tuition rate as established by the Board of Governors. Undergraduate in-state students enrolled in a fall or spring semester for greater than 18 credits will be charged a full-time basic tuition rate for the first 18 credits and the basic per-credit rate for all remaining credits.

The Board may approve multiyear tuition strategies for undergraduate in-state students for individual universities. Presidents, upon consultation with their council of trustees, may request the chancellor to recommend to the Board of Governors a multiyear tuition strategy for their university. (See section III.C. for further information on undergraduate in-state tuition rate strategies.)

Each president, upon consultation with their council of trustees, shall set out-of-state tuition at no less than 102 percent of the in-state rate.

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. (Also see Section III.B.1.b.)

3. **Graduate Tuition**—Each president, in consultation with their council of trustees, shall set graduate tuition, with a differential for graduate out-of-state students of at least 2 percent above the in-state rate.
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 must establish university policies and procedures to support multiyear pricing strategies.

1. The president must develop university policies and procedures for establishing, maintaining, administering, and assessing the university's strategic pricing programs.
 - a. Policies and procedures must address the university process for developing, recommending, and monitoring undergraduate in-state multiyear net pricing strategies, including timely approval of multiyear university-based fees.
 - b. Policies and procedures must address the setting of out-of-state tuition, graduate tuition, distance education tuition, and rates for partnerships with other institutions in collaborative/consortial arrangements. (Also see Section III.A.2.)
 - c. Councils of trustees and affiliates may need to adjust timelines for setting fees in order to better serve students, influence enrollment decisions, and align with multiyear pricing strategies.

C. Presidents may seek Board of Governors approval of university-specific multiyear tuition rates for undergraduate in-state students.

1. Presidents may, in consultation with their council of trustees, and upon concurrence of the chancellor, recommend multiyear undergraduate in-state tuition strategies for consideration by the Board.

2. The recommendation must include tuition rate(s), rate structure(s), and net price strategies proposed for their university. University tuition strategies may incorporate the wide variety of practices used across the nation in public higher education, but all must include net price strategies to minimize financial barriers to student access and success and net revenue strategies to serve the needs and best interests of the university and the System.

Alternative methods of charging tuition may include, but are not limited to:

- a. Charging per-credit tuition regardless of number of credits in which the student is enrolled.
 - b. Modifying the range of credits for which the full-time tuition rate is applied.
 - c. Charging different tuition rates to different cohort groups.
 - d. Different rate structures for various terms, locations, or academic programs.
3. Recommendations for multiyear tuition strategies must address the following information in a summary, not to exceed five pages (appendices may be provided beyond this page limit), in the format provided in Attachment A.
 - a. *Overview of proposed multiyear rate structure.* The proposed multiyear rate structure may be expressed in relation to the System's base in-state undergraduate tuition rate or it may be requested as a specific rate(s). Explain how students will be charged within the proposed rate structure, to include tuition, mandatory fees, room, board, and institutional aid. All proposals must include the current year pricing compared to at least two proposed years.
 - b. *Rationale for rate structure.* Provide the reasons, supported by research and data, for the proposed rate structure. Explain why it is a better pricing tool for the university and for the students and how it will maintain/enhance student demand, access, and success as a whole and for subpopulations. The rate structure must address total price to the student—tuition, fees, room and board—and include availability of financial aid. The rationale should include the results of a market analysis. Cost drivers that impact net pricing strategies and actions taken to contain or reduce expenses must also be addressed.
 - c. *Commitment to access and affordability.* The university must ensure access for students of all socioeconomic backgrounds. Each pricing strategy must include an institutional financial aid optimization plan with a need-based component that will be made available for students whose new or continued enrollment might be adversely affected by the potential increase in cost of attendance created by the alternative tuition structure. Include analysis of changes in annual net price and unmet need by subpopulations. Also address the grandfathering of students, if the university later chooses a different plan.
 - d. *Evidence of capability and capacity to administer program.* Provide evidence that the proposal was developed with the assistance of nationally recognized experts, grounded in enrollment management, pricing, and financial aid optimization research and best practices, and that the university

has the expertise, necessary staffing, and information technology infrastructure to successfully implement, administer, track, and assess the program.

Demonstrate that the pricing structure is understandable, marketable to students and families, and is not too complex to articulate and manage over multiple years.

- e. *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 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, if necessary, an assessment of the university's ability to attract the additional students required to reach the break-even point.
 - 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 universities.* If applicable, document the experience of other universities—within the System or elsewhere—with similar undergraduate pricing practices and how their results apply to this proposal.
 - h. *Council of trustees' review.* Specify when the council of trustees reviewed the multiyear strategic pricing proposal for recommendation to the chancellor and consideration by the Board.
4. The chancellor will periodically request assessments of any in-state undergraduate alternative tuition rate structures that have been approved by the Board of Governors. The assessments must address, at a minimum, enrollment, total and net revenue, student access, student affordability, and student success. Templates will be provided for assessment tools.
 5. All proposals and assessments will be reviewed by the presidents (Executive Leadership Group). Review shall include an impact analysis of the proposed price structure on other State System universities.
 6. Timeline: The Administration and Finance division of the Office of the Chancellor annually will request proposals for multiyear tuition strategies from the university presidents; proposals must be submitted no later than January 31. Proposals will be reviewed and considered by the Board of Governors no later than April for each upcoming year.

D. Presidents may set alternative tuition rates to establish partnerships with other institutions in collaborative or consortial arrangements.

1. *Sharing among System universities.* In order for the System to best serve the Commonwealth's and students' needs, the universities must work together to provide educational opportunities, especially in underserved academic programs and regions. Doing so requires collaboration among System universities. The authority to set tuition for collaborative programs has been delegated to the presidents within the Board-approved tuition structures.

In order to eliminate barriers to shared programs and courses, the presidents will develop seamless, efficient models for serving students who enroll in courses at multiple System universities.

2. *Sharing among non-System entities.* 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 (non-System) 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.
3. Presidents may pursue collaborative or consortial arrangements with any of the above-listed entities to improve the educational opportunities for Pennsylvanians. If alternative tuition rates are established by the presidents, the terms and conditions of such arrangements must be reviewed and approved by Legal Counsel.
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*.

E. 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.

F. 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 noninstructional 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

Revisions are effective for rates that may be set for fall 2020 and beyond.



Attachment A
Multiyear Tuition Proposal Template

See Procedure/Standard 2011-02-A, Tuition and Mandatory Fees, Section III.C., for expectations on completing each section of this template. Final proposal should not exceed 5 pages, excluding appendices.

University Name:	
Brief Title of Proposal:	
Effective Date:	
Date Submitted:	
Date Reviewed by Council of Trustees:	
Contact: Name Email Phone number	

- I. Overview of proposed multiyear rate structure.**

- II. Rationale for rate structure.**

- III. Commitment to access and affordability.**

- IV. Evidence of capability and capacity to administer program.**

- V. Cost/benefit analysis.**

- VI. Relationship with other existing university pricing practices.**

- VII. Experience of other universities, as applicable.**