A. Purpose

The Board of Governors (Board) has statutory authority to set tuition for Pennsylvania’s State System of Higher Education (State System). This policy articulates the basic philosophy, objectives, and guidelines of the State System’s tuition structure, providing a common understanding of the basis for establishing tuition for the State System.

This policy, which is also pursuant to Resolution 2023-02 exercising the fiduciary responsibilities of the Board of Governors (Board) for efficient, effective, and financially sustainable universities, is intended to:

- Provide students access to high-value, relevant educational experiences that prepare them for pathways to successful lives and careers.
- Allow State System universities to plan, budget, and allocate resources over multiple years, ensuring their long-term stability and success.
- Keep tuition predictable, enabling students to plan for their educational expenses.
- Provide access to State System universities for a range of qualified students from all socioeconomic backgrounds.
- Recognize and support individual university missions, scope, and program array.

B. Philosophy and Objectives

The State System is responsible for and committed to ensuring that qualified Pennsylvania residents have access to State System universities and quality education at affordable prices. Because the students benefit from the education they receive, they have a responsibility to pay a reasonable share of the costs through tuition. Because Pennsylvania benefits from having an educated citizenry, the state also has a responsibility to bear a substantial portion of the costs through taxpayer support. The State System also has a responsibility to maximize the efficiency of its operations to minimize the cost to taxpayers and students.

Affordability has a different meaning for each individual based on their available financial resources and ability to pay. Student-centered tuition policies must include affordability strategies that focus on the student’s ability to pay and net price to the student, with a result of aligning enrollment, aid to students, and net revenue.
University-based pricing strategies recognize regional economic differences in costs, household income, cost of living, and average buying power within the region. Such approaches allow each university the flexibility to become unique in its marketplace, ensuring an appropriate array of high-value academic programs, while reducing competition among State System universities.

Affordability strategies allow universities to maximize their specific strengths and regional opportunities to better serve the citizenry of the Commonwealth.

C. Definitions

- **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.

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

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

- **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.

- **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.

- **Net Revenue**—Gross tuition and fee revenue less total institutional aid.

- **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*.

- **Technology Tuition Fee**—A separate tuition fee established by the Board of Governors, with annual rate-setting authority delegated to the councils of trustees, for rendering technology resources and services to enhance student learning experiences.

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

- **Undergraduate Student**—A student in a bachelor’s degree program, an associate’s degree program, a vocational, technical, or certificate program below the baccalaureate level; or a nondegree-seeking student matriculated in a lower or upper division course.
D. Guidelines

To aid in recruiting and providing students and families with meaningful information on the cost of attending a State System university before the student needs to commit, both the Board, for tuition, and councils of trustees, for fees, shall approve rates as early as possible. Tuition rates will be set annually for the upcoming two academic years. The second year, based on the most current three-year average increase in the State System’s basic tuition rate, will be set as tentative. This does not preclude the Board from adjusting rates at a later date due to unforeseen circumstances.

1. In-State Tuition

a. Undergraduate
   1) The president, in consultation with the council of trustees, and upon concurrence of the chancellor, may recommend multiyear university tuition strategies for approval by the Board.
      i. A president’s recommendations 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. The president must develop university procedures for establishing, maintaining, administering, and assessing the university’s strategic pricing programs.
      ii. The chancellor, in consultation with the presidents, will establish the expectations and framework for sharing information in support of university strategic pricing proposals. The framework must include a description of the proposed multiyear pricing strategy, supported by proven strategies founded in research; an analysis of the cost, benefit, and risk to the university based on a range of possible outcomes; and demonstration of adequate administrative capacity, as well as administrative and financial capability.
      iii. The president will provide to the chancellor periodically an assessment of any in-state tuition strategies that have been approved by the Board. The assessment must address, at a minimum, enrollment, total and net revenue, student access, student affordability, and student success.

2) The Board shall approve a basic tuition rate for those universities that do not have an approved pricing strategy. Undergraduate students enrolled in 12–18 credits in a fall or spring semester will be charged a full-time tuition rate, unless otherwise approved by the Board [see section D.1.a.1)]. The full-time rate is equal to the per-credit rate for 12 credits per semester.
Undergraduate students enrolled in a fall or spring semester for more 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.

3) The president may adjust tuition rate(s) to allow the university to establish partnerships with other institutions in collaborative/consortial arrangements. The chancellor, in consultation with the presidents, may adjust tuition rate(s) to allow the State System to establish partnerships with other institutions or entities in collaborative/consortial arrangements.

b. Graduate
   1) The Board will establish annually basic graduate in-state tuition rate(s) on a per-credit basis that recognizes the higher cost of providing graduate education.

   2) The president may set alternate graduate tuition rate(s), based upon such factors as the cost of instruction, the level of service provided to the student, market demand, and the level of tuition necessary for the university to offer programs.

2. Out-of-State Tuition

Students from other states and countries who enroll at State System universities add a richness of experience and diversity that benefits all students and their universities. However, those students must pay an additional amount of tuition, which offsets the Commonwealth’s contribution intended to subsidize the education of Pennsylvanians. The president will establish annually out-of-state tuition rate(s) in accordance with the statutory requirement for a price differential between in-state and out-of-state tuition.

3. Technology Tuition Fee

   a. The technology tuition fee must be structured in a manner that is differentiated by domicile status (in-state/out-of-state).

   b. Technology tuition fee revenues shall be expended on instructional technology. These revenues shall be used for the direct benefit of students to help them achieve the learning objectives of their academic programs.

4. Implementation

The chancellor shall promulgate procedures and standards as necessary to ensure proper implementation of this policy.