

EXECUTIVE SUMMARY

Item Name: Proposed Revisions to ABOR Policies Chapter 4 “Student Fees, Residency, Financial Aid”

- o Reduce public confusion about tuition costs;
- o Provide stability in tuition amounts for students and families;
- o Provide predictability in tuition amounts for students and families; and
- o Provide market flexibility for online, nonresident and international rates.

x On September 15, 2022, this Finance, Capital and Resources Committee reviewed and discussed the policy and recommended forwarding the item to the full board for first reading and subsequent approval.

Requested Action: The board office asks the board to approve on second reading proposed revisions to ABOR Policies Chapter 4 “Student Fees, Residency, Financial Aid,” 4-101 “Tuition and Fee Definitions,” 4-102 “Proposals for Tuition and Fees,” 4-104 “Procedure for Setting Tuition and Fees,” and 4-105 “Fees”, as described in this executive summary.

x Based on the discussion at the September committee and board meetings, several substantive changes were made to the policies. Those substantive changes are highlighted in yellow and include the following:

- o Added required consultation with members of student government;
- o Clarified the consultation requirements for setting Published Tuition;
- o Defined “Fix Tuition;”
- o Clarified the definition of Program Fees;
- o Clarified the board is fixing the rates for tuition, fees, residence hall, and meal plans;

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extend the growth rate(s) for an additional four years, thus the board takes action on tuition every four years.

Tuition

- x Growth rate(s) would be adopted for resident undergraduate and resident graduate students.
- x The maximum tuition that could be charged by a university for a given academic year is calculated by applying the approved growth rate(s) to the published tuition of the prior academic year.
- x A university may charge tuition below the maximum tuition.
- x After providing meaningful opportunity for student and public comment, universities will annually notify the board of proposed published tuition by November 15.
- x

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academic year by December 15.

Tuition and Fee Setting Timeline and Process

Timeline

- x Initially, and after student consultation, university presidents would propose growth rate(s) for a six-year cycle to the board for consideration.
- x After approval of six-year growth rate(s) by the board:
 - i. By November 15 of each year, presidents would notify the board of their proposed published tuition and fees.
 - ii. By December 15 of each year, presidents would publish the tuition, fees, meal plan and residence hall rates for the next academic year.
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4-101 Tuition and Fee Definitions

- A. “Academic Fees” consist of Mandatory, College, Program, ~~class~~ and other fees levied as a result of enrollment as a student in the university, in a program of the university, or in a class offered by the university.
- B. “Accelerated Program Tuition” means tuition set for a program that allows a student to achieve an academic degree on an accelerated schedule.
- C. ~~“Base tuition” means the amount of tuition set for an academic year for a full-time students at identified campuses or locations of Arizona State University, Northern Arizona University and University of Arizona.~~
- D. ~~“Class fees” means additional charges for specific classes or courses that have demonstrably higher costs of delivering instruction overall because of the need for or use of special equipment, supplies, technology, key personnel expenses, field trips or other costs approved by the board.~~
- E. “College Fees” means additional amounts charged to students in all graduate or undergraduate academic programs in a college, school, or division. THE COLLEGE FEE IS INTENDED TO REFLECT ANY ADDITIONAL CHARGES FOR SPECIFIC PROGRAMS THAT HAVE DEMONSTRABLY HIGHER INSTRUCTIONAL COSTS.
- F. “Differential ~~†~~Tuition” means tuition that is higher or lower than the base Published Tuition established for each university campus or location and applies to all graduate or undergraduate academic programs in a college or school.
- G. “Elected Student Representatives” means the students elected to the college councils and associated student government.
- H. **“FIX TUITION” MEANS THE ACTIONS OF THE BOARD TO ADOPT THE GROWTH RATE THAT DETERMINES THE MAXIMUM TUITION AND FEE(S) FOR EACH ACADEMIC YEAR DURING A SIX-YEAR PERIOD.**

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- J. “Mandatory Fees” means fees charged to students for a specific purpose, activity or service. Mandatory Fees can be university wide or differentiated by campus location, delivery-method, enrollment level, or other criteria approved by the board. All Mandatory Fees must be approved by the board.

- K. “MAXIMUM FEE” MEANS THE HIGHEST AMOUNT, AS FIXED BY THE BOARD, AT WHICH AN ACADEMIC FEE CAN BE SET, AS FIXED BY THE BOARD, FOR A GIVEN ACADEMIC YEAR. THE MAXIMUM FEE AMOUNT FOR A GIVEN ACADEMIC YEAR IS CALCULATED BY APPLYING THE APPROVED GROWTH RATE(S) TO THE PUBLISHED FEE OF THE PRIOR ACADEMIC YEAR.

- L. “MAXIMUM TUITION” MEANS THE HIGHEST AMOUNT, AS FIXED BY THE BOARD, AT WHICH TUITION CAN BE SET FOR A GIVEN ACADEMIC YEAR. THE MAXIMUM TUITION AMOUNT FOR A GIVEN ACADEMIC YEAR IS CALCULATED BY APPLYING THE APPROVED GROWTH RATE(S) TO THE PUBLISHED TUITION OF THE PRIOR **ACADEMIC** YEAR.

- M. “Non-Academic Fees” are user fees levied not as the result of enrollment as a student in the university, in a program of the university, or in a class offered by the university. Examples include, parking, entry, extracurricular,

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- Q. "PUBLISHED FEE" MEANS THE FEE AMOUNT PUBLISHED BY THE PRESIDENT OF A UNIVERSITY FOR A GIVEN ACADEMIC YEAR. THIS MUST BE LESS THAN OR EQUAL TO THE MAXIMUM FEE FIXED BY THE BOARD.

- R. "PUBLISHED TUITION" MEANS THE TUITION AMOUNT PUBLISHED BY THE PRESIDENT OF A UNIVERSITY FOR A GIVEN ACADEMIC YEAR FOR A FULL-TIME STUDENT AT IDENTIFIED CAMPUSES OR LOCATIONS OF THE UNIVERSITY. THIS MUST BE LESS THAN OR EQUAL TO THE MAXIMUM TUITION FIXED BY THE BOARD.

Board of Regents Meeting
February 8-10, 2023

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- ~~H. Each university shall submit a tuition proposal that may include base, differential and online tuition and an academic fee proposal for board review. The board may also review:~~
- ~~1. The amount of state support;~~
 - ~~2. The availability of student financial aid as outlined in the board's financial aid policies;~~
 - ~~3. The median of tuition and mandatory fees charged by the university's peers;~~
 - ~~4. Other student fees established by each university;~~
 - ~~5. The cost of university attendance;~~
 - ~~6. Revenues required to service bonded indebtedness;~~
 - ~~7. Arizona's median family income levels; and~~
 - ~~8. Evidence of student consultation including notification of and consultation with elected student representatives concerning the proposed tuition, mandatory fees, college fees or program fees. Student consultation is not required for class fees other than the public hearing required by board policy 4-104. Class fees should be based on the requirements of the class.~~
 - ~~9. Differential tuition proposals shall include information related to costs and market conditions of the applicable college or school to support the request. Revenues from differential tuition must be used for board approved purposes and each must be accounted for separately from other university revenues.~~
 - ~~10. Fee proposals shall include information required by ABOR Policy 4-105.~~
 - ~~11. Proposals will be submitted in a format established by the Executive Director.~~
- ~~I. At the discretion of the university president:~~
- ~~1. A university may charge a tuition rate less than the adopted rates for certain sessions or programs including programs for high school students.~~

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2. ~~A university may charge a tuition rate or fees different than the established rates or fees for education services provided through a contract with a third party.~~

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4-104 PROCEDURE FOR SETTING TUITION AND FEES

A. PROCEDURES FOR SETTING GROWTH RATES:

1. THE BOARD SHALL ADOPT A SIX-YEAR GROWTH RATE(S) FOR UNDERGRADUATE RESIDENT TUITION, GRADUATE RESIDENT TUITION, ACADEMIC FEES, MEAL PLANS AND RESIDENT HALL PLANS.

2. EVERY FOUR YEARS, THE BOARD WILL REVIEW THE ADOPTED GROWTH RATES AND ADOPT NEW GROWTH RATE(S) FOR THE FOUR YEARS BEYOND THE CURRENT) FR

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- i. DIFFERENTIAL TUITION PROPOSALS SHALL INCLUDE INFORMATION RELATED TO COSTS AND MARKET CONDITIONS OF THE APPLICABLE COLLEGE OR SCHOOL TO SUPPORT THE REQUEST. REVENUES FROM DIFFERENTIAL TUITION MUST BE USED FOR BOARD APPROVED PURPOSES AND EACH MUST BE ACCOUNTED FOR SEPARATELY FROM OTHER UNIVERSITY REVENUES.
 - ii. FEE PROPOSALS SHALL INCLUDE INFORMATION REQUIRED BY ABOR POLICY 4-105.
 - iii. PROPOSALS WILL BE SUBMITTED IN A FORMAT AS ESTABLISHED BY THE EXECUTIVE DIRECTOR.
5. AT LEAST ONE WEEK PRIOR TO ANY BOARD MEETING AT WHICH THE BOARD IS ASKED TO APPROVE THE GROWTH RATE(S)(S) OR ANY NEW ACADEMIC FEES, THE BOARD WILL CONDUCT AT LEAST ONE PUBLIC HEARING ON PROPOSED INCREASES WHICH WILL BE BROADCAST THROUGH A MULTI-SITE VIDEO CONFERENCE TO AT LEAST ONE LOCATION AT EACH ARIZONA UNIVERSITY AND OTHER LOCATIONS THROUGHOUT ARIZONA.
6. AT LEAST TEN DAYS PRIOR TO THE PUBLIC HEARING, A NOTICE OF THE DATE, TIME AND LOCATION OF THE HEARING WILL BE PUBLISHED IN GENERAL CIRCULATION NEWSPAPERS IN MARICOPA, COCONINO AND PIMA COUNTIES AS REQUIRED BY STATUTE. NOTICE WILL ALSO BE POSTED ON THE BOARD'S WEBSITE.
7. AT LEAST TEN DAYS PRIOR TO THE PUBLIC HEARING EACH UNIVERSITY WILL PUBLICLY DISCLOSE RECOMMENDED INCREASES TO ANY GROWTH RATE(S) OR ACADEMIC FEES.
 - i. THIS DISCLOSURE WILL INCLUDE THE MAXIMUM TUITION AND FEE AMOUNT FOR THE UPCOMING ACADEMIC YEAR.
 - ii. PRIOR TO THIS DISCLOSURE, THE UNIVERSITY WILL HAVE CONDUCTED THE UNIVERSITY SPECIFIC TUITION PROCESS SET FORTH IN THIS POLICY,

STUDENT REPRESENTATIVES, AND MEMBERS OF THE PUBLIC.

8. ANY FINAL BOARD ACTION SETTING TUITION OR ACADEMIC FEES MUST BE TAKEN BY ROLL CALL VOTE.
 9. AFTER FINAL BOARD ACTION, THE BOARD AND EACH UNIVERSITY SHALL MAKE A PUBLIC DISCLOSURE OF THE GROWTH RATE(S) **FOR THAT UNIVERSITY.**
- B. PROCEDURES FOR SETTING PUBLISHED TUITION AND FEES
1. PRIOR TO NOTIFYING THE BOARD OF THEIR PROPOSED PUBLISHED TUITION AND FEES, THE PRESIDENTS WILL **HAVE CONSULTED WITH AND/OR REVIEWED WRITTEN COMMENTS FROM STUDENTS, ELECTED STUDENT REPRESENTATIVES, AND MEMBERS OF THE PUBLIC ON POTENTIAL CHANGES TO TUITION AND FEES.**
 2. BY NOVEMBER 15 OF EACH YEAR, THE UNIVERSITY PRESIDENTS WILL NOTIFY THE BOARD OF THEIR PROPOSED PUBLISHED TUITION AND FEES.
 3. ANY PROPOSAL MUST COMPLY WITH THE FOLLOWING:
 - i. RESIDENT UNDERGRADUATE TUITION, RESIDENT GRADUATE TUITION, ANY CURRENTLY EXISTING ACADEMIC FEES, RESIDENCE HALL RATES AND MEAL PLAN RATES MUST BE SET EQUAL TO OR LESS THAN THE MAXIMUM TUITION AND/OR MAXIMUM FEE, AS CALCULATED BY THE GROWTH RATE(S) AS FIXED BY THE BOARD.
 - ii. UNDERGRADUATE AND GRADUATE ONLINE TUITION AND FEES MUST COMPLY WITH THE FOLLOWING:
 - a. PRESIDENTS SHALL PUBLISH A PER CREDIT HOUR TUITION RATE THAT IS EQUAL TO OR LESS THAN THE PUBLISHED RESIDENT UNDERGRADUATE OR GRADUATE PER CREDIT HOUR TUITION (1/7 OF THE PUBLISHED PER SEMESTER TUITION) OR IN ACCORDANCE WITH A BOARD APPROVED PROGRAM RANGE TUITION SCHEDULE.

- b. FULL-TIME RESIDENT UNDERGRADUATE ONLINE STUDENT'S TUITION WILL BE NO MORE THAN THE PUBLISHED TUITION FOR ON-CAMPUS RESIDENT UNDERGRADUATE STUDENTS.
 - c. ALL ACADEMIC FEES CHARGED TO ONLINE STUDENTS WILL FOLLOW THE SAME PROCEDURES AS ON-CAMPUS ACADEMIC FEES.
 - iii. FOR ON-CAMPUS NONRESIDENT AND INTERNATIONAL STUDENTS, THE TUITION CANNOT EXCEED FOUR TIMES THE PUBLISHED MAXIMUM TUITION FOR RESIDENT ON-CAMPUS UNDERGRADUATE STUDENTS.
- 4. BY DECEMBER 15 OF EACH YEAR, EACH UNIVERSITY WILL PUBLISH ON THE UNIVERSITY WEBSITE THE PUBLISHED TUITION, FEES, RESIDENCE HALL AND MEAL PLAN RATES FOR THE NEXT ACADEMIC YEAR.
- 5. BY DECEMBER 31, THE BOARD OFFICE WILL PUBLISH THE PUBLISHED TUITION AND PUBLISHED FEES FOR THE NEXT ACADEMIC YEAR FOR EACH UNIVERSITY. THE BOARD OFFICE WILL ALSO PUBLISH THE MAXIMUM TUITION AND FEES FOR THE FOLLOWING YEAR.
- 6. EFFECT OF STATE ACTION ON TUITION
 - i. IF THE STATE INCREASES GENERAL FUND APPROPRIATIONS FOR ONGOING GENERAL

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PUBLISHED RESIDENT UNDERGRADUATE AND GRADUATE TUITION RATE IN EXCESS OF THE MAXIMUM GROWTH RATE IN AN AMOUNT TO OFFSET THE REDUCTION IN STATE FUNDING.

- C. PROCEDURES FOR SETTING TUITION AND FEES IN EXCESS OF THE MAXIMUM TUITION AND **MAXIMUM** FEES
 - 1. THE BOARD MAY SET TUITION **AND FEES** AT ANY TIME, PROVIDED IT PROVIDES THE NOTICE AND COMMENT OPPORTUNITIES AS REQUIRED BY APPLICABLE LAW AND BOARD POLICY.
 - 2. UNIVERSITY PRESIDENTS MAY REQUEST INCREASES TO TUITION AND FEES IN EXCESS OF THE MAXIMUM TUITION **OR MAXIMUM FEES** AMOUNT FOR GOOD CAUSE.

- D. AT THE DISCRETION OF THE UNIVERSITY PRESIDENT:
 - 1. A UNIVERSITY MAY CHARGE A PUBLISHED TUITION RATE THAT IS LESS THAN THE **MAXIMUM** TUITION FIXED BY THE BOARD INCLUDING FOR PROGRAMS FOR HIGH SCHOOL STUDENTS, PROVIDED THE PUBLISHED TUITION IS SET AS PROVIDED BY ABOR POLICY 4-105
 - 2. A UNIVERSITY MAY CHARGE A TUITION RATE OR FEES DIFFERENT THAN THE PUBLISHED RATES OR FEES FOR EDUCATION SERVICES PROVIDED THROUGH A CONTRACT WITH A THIRD PARTY.
 - 3. A UNIVERSITY MAY CHARGE A PER UNIT TUITION RATE FOR STUDENTS TAKING FEWER CREDIT HOURS THAN REQUIRED FOR A FULL-TIME RATE. THE PER UNIT RATE IS PRORATED BASED ON THE FULL-TIME RATE AND MAY VARY BY STUDENT LEVEL, RESIDENCY, SCHOOL OR COLLEGE.

~~4-104 Procedure for Setting Tuition and Fees~~

- ~~A. Procedures for setting all tuition and academic fees that require board approval~~
 - ~~1. At least one week prior to any board meeting at which the board is asked to approve any increase in tuition or academic fees, the~~


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4-105 Fees

A. Mandatory Fees

1. When setting Mandatory Fees, the board shall consider the purpose and cost of the proposed use of the fee and student input on the proposed fee.
2. Revenues from Mandatory Fees must be used for purposes approved by the board and each Mandatory Fee must be accounted for separately from other university revenues.
3. Proposals for Mandatory Fees shall include estimated revenues from the fee, a description of the proposed use of the fees, an estimated cost of those uses, and evidence of consultation WITH **ELECTED STUDENT REPRESENTATIVES.**

B. ~~College and~~ Program Fees

1. PROGRAM FEES ARE TO BE LIMITED TO SINGULAR PROGRAMS THAT DO NOT FIT WITHIN THE TIERED COLLEGE FEE STRUCTURE.
2. A UNIVERSITY CANNOT ASSESS A PROGRAM FEE, UNLESS THE BOARD APPROVES A PETITION BY THE UNIVERSITY THAT ESTABLISHES HOW THE PROGRAM IS UNIQUE FROM THE APPLICABLE COLLEGE FEE.
3. When setting ~~college and~~ Program Fees, the board may consider the costs of programs, other fees that will impact students within the ~~college or~~ program, market conditions, student input and the price of similar colleges or programs at peer institutions. Proposals for ~~college or~~ Program Fees shall address each of these elements.
4. 

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~~c. Refunds of Class COLLEGE Fees and deposits shall be in accordance with established university policy and academic units are responsible for maintaining student deposit records.~~

~~6. A university president may reduce or eliminate a class fee without~~

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PUBLISHED Tuition or **PUBLISHED** Fee pursuant to Policy 4-104(B).

3. Reports will be submitted on a template provided by the board office.
4. ~~As part of the sunset review, each university shall consider whether multiple class fees within a program should be consolidated into a program fee or if multiple program fees within a college should be consolidated into a differential tuition or college fee.~~

G. Transition from Prior Policy

1. All fees in effect on ~~July 1, 2018~~ NOVEMBER 17, 2022 remain in effect until THE ESTABLISHED SUNSET DATE OR **SUBSEQUENT BOARD ACTION.**
2. ~~By June 30, 2019, each university will propose a plan to review existing academic fees over the next ten years. The board will establish a sunset date for each fee as part of the review.~~

EFFECTIVE JULY 1, 2024, ALL FEES MUST COMPLY WITH POLICY 4-104, **EXCEPT THAT UNIVERSITIES THAT HAVE AN EXISTING TUITION GUARANTEE PROGRAM WILL HAVE UNTIL JULY 1, 2028, TO CONVERT THEIR CLASS FEES TO A COLLEGE FEE STRUCTURE.**

3. **THE FIRST GROWTH RATE PROPOSALS MADE IN 2023 MAY BE LIMITED TO 3 YEARS INSTEAD OF 6 TO ASSESS THE IMPACT OF THE PROPOSED GROWTH RATES. FURTHER, THOSE FIRST GROWTH RATE PROPOSALS MAY EXCLUDE TUITION FOR SITES OTHER THAN THE MAIN UNIVERSITY CAMPUS. ANY CHANGES TO EXCLUDED TUITION MUST BE APPROVED BY THE BOARD WITH THE APPLICABLE HEARINGS AS REQUIRED BY LAW AND POLICY.**
43. ~~Other than class fees,~~ ANY TUITION AND **academic** fees that did DO not received board approval COMPLY WITH POLICY 4-104 will 7ta5[,tCec