

BOARD OF REGENTS
BRIEFING PAPER
Handbook Revisions, Tuition and Fees Policies

BACKGROUND & POLICY CONTEXT OF ISSUE:

Pursuant to Board policy (*Title 4, Chapter 17, Section 1*), every odd-numbered year, the Chancellor must convene a committee composed of institutional Presidents, student representatives and system administration staff to review and make recommendations for tuition and fees. Board policy sets forth three principles to guide the process: shared responsibility, access and affordability, and predictable pricing. In addition, Board policy outlines a methodology the Tuition and Fees Committee must consider as it develops its recommendations for tuition and fees.

Through this process, the committee may also develop policy recommendations related to tuition and fees, in addition to recommended registration fees or tuition rates for future academic years. Through its deliberations, the 2013 committee recommended four policy revisions. The first two recommended policy revisions address the process governing the Tuition and Fees Committee. Specifically, the committee proposes to strengthen the principle of predictable pricing and prohibit changes once tuition and fees are approved for future academic years except in emergency situations or extreme economic circumstances. The second policy recommendation revises the method of calculating registration fees for Nevada State College to allow the fees to be calculated independently from the university and community college rates. The other two policy revisions clarify the ability of institutions to bring forward tuition or fee incentives or discounts for Board consideration.

The Board may choose to take final action on the Committee's policy recommendations contained in this briefing paper at its March 2014 meeting. The Committee's tuition and fee recommendations will be considered separately over the course of two Board meetings. The Board will take final action on the tuition and fee recommendations at the June 2014 meeting.

SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

The Tuition and Fees Committee recommends the following four policy changes:

1. Predictable pricing – Amend Board policy to specify that once approved by the Board for specific years, the registration fees and non-resident tuition rates shall not be changed for or during the specific years except in emergency situations or extreme economic circumstances.
2. Nevada State College – Amend Board policy to delete the requirement to calculate the registration fees for Nevada State College at the mid-point between specified university and community college fees.
3. Fee Incentives – Amend Board policy to authorize institutions to propose fee incentives for Board approval in addition to the tuition incentives institutions may propose under current Board policy in order to further the goals of the NSHE Master Plan and institutional strategic plans.
4. Tuition or Registration Fee Discounts – Amend Board policy to authorize institutions to propose for Board approval tuition or registration fee discounts. Proposals for such discounts must be accompanied by documentation justifying the discount based on the goals of the institution and any related market considerations, including the ability to compete with other non-NSHE institutions.

(See attached policy proposals.)

IMPETUS (WHY NOW?):

The Committee recommends these policy changes as part of and to implement its recommendations concerning tuition and fees.

BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Revising the policy governing the method for establishing registration fees for Nevada State College will allow the Tuition and Fees Committee flexibility in making recommendations to the Board.
- If the Board approves the Committee's recommended tuition and fee changes for the next four academic years, strengthening the Board's policy requiring predictable pricing is important to ensure that students and institutions can confidently plan for future years without concern that these rates will change absent emergency situations or extreme economic circumstances.
- Allowing institutions to propose fee incentives or tuition or fee discounts will help the institutions better serve their students and local markets demands, while still safeguarding quality and an appropriate fiscal review by requiring that these proposals be considered and approved by Board prior to implementation.

POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

Expanding institutional authority to propose tuition or fee incentives or discounts may create different institutional rates for similar programs or student populations and be difficult to track.

ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Retain existing Board policy. If the Board does not approve the recommendation to change the method of calculating registration fees at Nevada State College, the Committee will need to revisit its tuition and fee recommendations for Nevada State College and revise its proposal for tuition and fees at Nevada State College for Board consideration at its meeting in June 2014.

COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title #____ Chapter #____ Section #____
- X Amends Current Board Policy: Title 4, Chapter 17, Section 1 and *new* Section 13
- Amends Current Procedures & Guidelines Manual: Chapter #____ Section #____
- Other:_____
- Fiscal Impact: Yes____ No X
- Explain:_____

POLICY PROPOSAL
TITLE 4, CHAPTER 17, SECTION 1
Assessment of Fees – Predictable Pricing

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 1. Assessment of Fees

1. The Board of Regents shall establish tuition rates for students who are not residents of Nevada, and registration and other fees to be assessed all students. The following principles shall guide the process for establishing tuition and fee rates across the System:
 - a. Shared Responsibility. Tuition and fee levels shall reflect the shared responsibility, benefits, and needs of the students, the state, and the institution.
 - b. Access and Affordability. Maintaining affordability by ensuring that all students can enroll at a NSHE institution by virtue of the cost of attendance and an appropriate financial aid package.
 - c. Predictable Pricing. Increases in tuition and fees shall be predictable and managed so that the quality of education is not compromised to the extent this is feasible. ***Once approved by the Board for specific years, the registration fees and non-resident tuition rates shall not be changed for or during the specific years except in emergency situations or extreme economic circumstances.***

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POLICY PROPOSAL
TITLE 4, CHAPTER 17, SECTION 1
State College Registration Fees

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 1. Assessment of Fees

1. The Board of Regents shall establish tuition rates for students who are not residents of Nevada, and registration and other fees to be assessed all students. The following principles shall guide the process for establishing tuition and fee rates across the System:
 - a. *Shared Responsibility.* Tuition and fee levels shall reflect the shared responsibility, benefits, and needs of the students, the state, and the institution.
 - b. *Access and Affordability.* Maintaining affordability by ensuring that all students can enroll at a NSHE institution by virtue of the cost of attendance and an appropriate financial aid package.
 - c. *Predictable Pricing.* Increases in tuition and fees shall be predictable and managed so that the quality of education is not compromised to the extent this is feasible.

2. Every odd-numbered year, the chancellor will appoint and chair a System Committee composed of elected student government representatives, campus presidents, and System Administration staff to gather and review data and to make recommendations to the chancellor and the Board on an appropriate level of tuition and fees. The Committee will present its recommendations to the Board of Regents for its consideration and action. Whenever practicable: (1.) broad input will be sought from NSHE students by the chancellor prior to any final or binding decisions by the Board; and (2.) the final decision on tuition and fees for the biennium will be determined by June 30 of every even-numbered year.

3. In its deliberations, the Committee will consider the following: 1) charges at peer institutions in the western region of the United States, 2) higher education inflation as measured by the Higher Education Price Index or a similarly appropriate index, 3) anticipated state funding, 4) institutional needs and mission, and 5) other indices and information as appropriate.
 - a. *Registration fee will be set so that the increase is equivalent to at least the most recent Higher Education Price Index available for each year of the biennium. The Committee may recommend a higher percentage increase as appropriately justified, but no percent increase shall be less than the inflation index for higher education. [The undergraduate registration fee at the state college will be set at the midpoint between lower division fees for community colleges and undergraduate level fees at the universities. Registration fees for graduate level courses at the state college will be set at the midpoint between undergraduate fees at the state college and graduate fees at the universities.]*

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POLICY PROPOSAL
TITLE 4, CHAPTER 17, SECTION 1
Tuition or Fee Incentives

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 1. Assessment of Fees

4. The Board of Regents shall establish tuition rates for students who are not residents of Nevada, and registration and other fees to be assessed all students. The following principles shall guide the process for establishing tuition and fee rates across the System:
 - a. *Shared Responsibility.* Tuition and fee levels shall reflect the shared responsibility, benefits, and needs of the students, the state, and the institution.
 - b. *Access and Affordability.* Maintaining affordability by ensuring that all students can enroll at a NSHE institution by virtue of the cost of attendance and an appropriate financial aid package.
 - c. *Predictable Pricing.* Increases in tuition and fees shall be predictable and managed so that the quality of education is not compromised to the extent this is feasible.
5. Every odd-numbered year, the chancellor will appoint and chair a System Committee composed of elected student government representatives, campus presidents, and System Administration staff to gather and review data and to make recommendations to the chancellor and the Board on an appropriate level of tuition and fees. The Committee will present its recommendations to the Board of Regents for its consideration and action. Whenever practicable: (1.) broad input will be sought from NSHE students by the chancellor prior to any final or binding decisions by the Board; and (2.) the final decision on tuition and fees for the biennium will be determined by June 30 of every even-numbered year.
6. In its deliberations, the Committee will consider the following: 1) charges at peer institutions in the western region of the United States, 2) higher education inflation as measured by the Higher Education Price Index or a similarly appropriate index, 3) anticipated state funding, 4) institutional needs and mission, and 5) other indices and information as appropriate.
 - a. Registration fee will be set so that the increase is equivalent to at least the most recent Higher Education Price Index available for each year of the biennium. The Committee may recommend a higher percentage increase as appropriately justified, but no percent increase shall be less than the inflation index for higher education. The undergraduate registration fee at the state college will be set at the midpoint between lower-division fees for community colleges and undergraduate-level fees at the universities. Registration fees for graduate level courses at the state college will be set at the midpoint between undergraduate fees at the state college and graduate fees at the universities.
 - b. In addition to registration fees, nonresident students also pay a tuition charge. Nonresident tuition increases for full-time undergraduate and graduate students (enrolled in 7 or more credits) will equal at least the most recent Higher Education Price Index available for each year of the biennium. Nonresident tuition for part-time students (enrolled in 6 or fewer credits) will equal an amount calculated by multiplying the registration fees by 110 percent.

- c. Nonresident students enrolled exclusively in distance education courses will, in addition to registration fees, pay a tuition charge equaling the registration fees times 50 percent. The tuition charge will be assessed only to nonresident students who are residing outside of Nevada during the semester in which enrollment in the distance education course(s) occurs.
7. In order to improve the access of all students and to encourage participation in higher education, an amount equal to at least 10 percent of the total registration fee at the community colleges (lower division only) and at least 15 percent of the total registration fee for all other institutions including upper-division at the community colleges, net the amounts distributed to other fee categories, will be dedicated to student financial assistance. These percentages are target amounts that must be achieved by academic year 2022-23.
8. If desired, NSHE institutions may implement tuition *or fee* incentives in order to further the goals of the NSHE Master Plan and institutional strategic plans. Among the purposes of such incentives, if implemented, would be to increase student access, improve efficiencies in enrollment management and space utilization, and enhance time-to-degree objectives. The decision for adopting a tuition incentive rests with the Board of Regents upon recommendation of the institution president and the chancellor. The institution must absorb the costs internally in the event there is no state support for such incentives. ***Such incentives may include a graduation incentive program under which students are guaranteed one registration fee rate over four years at a university or the state college in pursuing a bachelor's degree or over two years at a community college in pursuing an associate's degree.***

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POLICY PROPOSAL
TITLE 4, CHAPTER 17, *new* SECTION 13
Tuition or Registration Fee Discounts

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 13. Tuition or Registration Fee Discounts

NSHE institutions may bring forward for Board approval tuition and/or registration fee discounts. Proposals for such discounts must be accompanied by documentation justifying the discount based on the goals of the institution and any related market considerations, including the ability to compete with other non-NSHE institutions. Institutions may be required to report periodically on approved tuition or registration fee discounts upon request of the Chancellor or the Board.

RENUMBER SECTIONS 13 THROUGH 27 AS 14 THROUGH 28.