

## APPENDIX

### AGENDA ITEM 9.a(4)

#### FY 2016 TUITION, FEES, AND ROOM AND BOARD RECOMMENDATIONS

This appendix includes additional information that responds to specific questions and comments that arose during the presentation and discussion of pricing recommendations with the Finance, Facilities and Operations Committee at its meeting on November 6, 2014. Below are the Administration's responses, and the following pages include other information that provides further amplification or clarification.

- Is the recommended new undergraduate tuition structure too complicated? Will it be difficult to explain it to students and parents?

Response: The Administration does not believe that the new undergraduate tuition structure is too complicated or difficult to explain, given its discussions with current students prior to the November meeting and extensive past feedback from parents. The new structure greatly simplifies the way in which current undergraduate students are charged by abandoning a declining rate structure (as credit hours increase), about which many students and parents have complained for some time. They especially find the current structure counterintuitive because their tuition rate goes up, instead of down, after the student drops a course. In addition, the recommended flat tuition rate is easier for parents to understand because it is more familiar to many of them due to its widespread use by competitor institutions. The new tuition structure also makes it readily apparent to students and parents that taking more courses than the minimum required for full-time status will cost no more and lead to timely degree completion at a more predictable cost. This is very easy for students and parents to see and understand. Finally, current students are also pleased with the University's responsiveness in addressing their current confusion, frustration, and concerns, as represented by the new structure.

Future undergraduate students who apply and consider enrolling at NIU in FY 2016 will quickly recognize the recommended tuition structure as one that is consistent with and more easily compares to pricing at other universities, and we expect far fewer questions than with previous entering students. In summary, we do not anticipate any difficulties in explaining the recommended new structure in marketing, catalogue, website, billing, or other communication materials because it is so much less complicated than the current structure.

For further information, attached is a two-page summary comparison of the current tuition structure and the recommended new tuition structure.

- Are the FY 2016 pricing recommendations for undergraduate students presented in Table 4 of Agenda Item 9.a(4) based on assumptions that make it appear that there is a reduction in the total cost of attendance for

all new and continuing undergraduate students (i.e., a “best case” scenario), when other assumptions might show that there is no reduction and some students might even be paying more?

Response: The answer is no. The total cost of attendance comparison for FY 2015 and FY 2016 shown in Table 4 is based on assumptions that are as equivalent as we can make them for new undergraduate students who have entered or will enter during the current academic year (FY 2015). While tuition and fees are recommended to increase by 2.3 and 0.3 percent, respectively, in FY 2016, a new freshman must live on campus and enroll in a residential dining program. The reduction in room and board next year is therefore a real reduction for new undergraduate students in FY 2016 relative to new undergraduates who enroll in FY 2015.

Continuing students, as always, are covered by Truth in Tuition, and in fact they will see a very slight reduction in their bill as the result of the abandonment of the declining tuition rate structure and replacement with a flat rate. Continuing students are not required to live and dine on campus, but if they choose to do so they will find campus housing and dining to cost \$800 less than last year just as new students enrolling in FY 2016 will find these prices to be lower than those charged to new students this year.

We have also attached a new Table 4.1 on the last page of this appendix. This table shows comparisons in total cost of attendance presented with last February’s pricing recommendations for FY 2015 (which reflected the Huskie 90 meal plan) and also as if the new lower priced meal plan were in effect in FY 2015. The comparison to FY 2015 is shown for both new and continuing students in FY 2016. As shown in the Table, continuing students will see their total cost of attendance decline next year by 3.4 percent if they were in the Huskie 90 plan this year; if they had been in the new plan this year, their total cost of attendance would be essentially flat. (It should be recalled that the room rates approved for FY 2015 were also reduced by \$235 compared to the previous year.)

- It was suggested that the Board grant approval to the Administration to set graduate tuition and on-line tuition for specific programs (versus current practice of tuition for courses) within minimum and maximum amounts for one year only. It was further suggested that the Administration provide a report on the tuitions that it will establish to permit the Board the opportunity to consider more fully whether continued delegation of authority in setting these rates is appropriate.

Response: The agenda item has been revised to reflect the change to one-year approval, and the Administration will report to the Board on the tuition decisions that will be made during the coming year as requested.

## Proposed Change to Undergraduate Tuition Rates

**Current Tuition Structure:**

- Sliding per credit hour scale features three distinct credit hour rates
  - 1 - 11 \$342.88 per credit hour
  - 12 - 14 \$331.37 per credit hour
  - 15 - 16 \$308.44 per credit hour
- Two separate per credit hour rates for full-time students
- Students can owe more money by dropping a class and moving from 15 to 14 hours
- Creates confusion, ill will among students and families
- Does not incentivize timely degree completion by taking more credit hours

|                           | Credit hours | Amt Charged |
|---------------------------|--------------|-------------|
| <b>Part-time Students</b> | 1            | 342.88      |
|                           | 2            | 685.76      |
|                           | 3            | 1,028.64    |
|                           | 4            | 1,371.52    |
|                           | 5            | 1,714.40    |
|                           | 6            | 2,057.28    |
|                           | 7            | 2,400.16    |
|                           | 8            | 2,743.04    |
|                           | 9            | 3,085.92    |
|                           | 10           | 3,428.80    |
|                           | 11           | 3,771.68    |
| <b>Full-Time Students</b> | 12           | 3,976.44    |
|                           | 13           | 4,307.81    |
|                           | 14           | 4,639.18    |
|                           | 15           | 4,626.60    |
|                           | 16           | 4,935.04    |

Having tuition rates that vary with the number of credit hours taken does not support transparency, student success or a positive customer service experience.

## Recommended Tuition Structure:

A good way to think of the recommended structure is that it resembles an insurance deductible. Once a certain threshold is reached (14 credit hours for continuing students and 12 hours for new students), you do not pay any more. In addition, the recommended structure has the following benefits:

- Remains consistent with Truth-in-Tuition for continuing undergraduate students
- Simplified rate structure for **both** new and continuing students
  - \$348.84 per credit hour for new students capped at \$4,732 (12 credit hour price)
  - \$330.45 per credit hour for continuing students capped at \$4,626.30 (14 credit hour price)
- New students gain value for any course enrollment over 12 credit hours
  - 16 credit hour new student will pay \$4,732.80 next year vs. \$4,935.04 current year
- Continuing students gain value for any course enrollment over 14 credit hours
  - 14 credit hour continuing student will pay \$4,626.30 next year vs. \$4,639 current year
  - 16 credit hour continuing student will pay \$4,626.30 next year vs. \$4,935.04 current year
- Every continuing student will receive a slight reduction in tuition
- Simplified bills for parents, students (no more sliding scale)
- Simplified administration of billing and receivables that allows increased focus on actual service to students
- Consistent with financial aid models based on 12 credit hour full-time student criteria

### Continuing students

|                           | Credit hours | Amt Charged |
|---------------------------|--------------|-------------|
| <b>Part-time Students</b> | 1            | 330.45      |
|                           | 2            | 660.90      |
|                           | 3            | 991.35      |
|                           | 4            | 1,321.80    |
|                           | 5            | 1,652.25    |
|                           | 6            | 1,982.70    |
|                           | 7            | 2,313.15    |
|                           | 8            | 2,643.60    |
|                           | 9            | 2,974.05    |
|                           | 10           | 3,304.50    |
|                           | 11           | 3,634.95    |
| <b>Full-Time Students</b> | 12           | 3,965.40    |
|                           | 13           | 4,295.85    |
|                           | 14           | 4,626.30    |

### New students

|                           | Credit hours | Amt Charged |
|---------------------------|--------------|-------------|
| <b>Part-time Students</b> | 1            | 348.84      |
|                           | 2            | 697.68      |
|                           | 3            | 1,046.52    |
|                           | 4            | 1,395.36    |
|                           | 5            | 1,744.20    |
|                           | 6            | 2,093.04    |
|                           | 7            | 2,441.88    |
|                           | 8            | 2,790.72    |
|                           | 9            | 3,139.56    |
|                           | 10           | 3,488.40    |
|                           | 11           | 3,837.24    |
| <b>Full-Time Students</b> | 12           | \$4,732.80  |

**TABLE 4.1 Supplemental**  
 Fiscal Year 2016 Pricing Recommendations  
 Annual Costs for Full-Time Students: Undergraduate Scenarios

| <b>1) NEW UNDERGRADUATE STUDENTS (W/Huskie 90 in FY15)</b> |  |                  |                  |                  |               |
|------------------------------------------------------------|--|------------------|------------------|------------------|---------------|
|                                                            |  | FY 2015          | FY 2016          | Change FY15-FY16 |               |
|                                                            |  | In-State         | In-State         | \$               | %             |
| TUITION                                                    |  | \$ 9,253         | \$ 9,466         | \$ 213           | 2.30%         |
| FEES*                                                      |  | \$ 2,739         | \$ 2,748         | \$ 9             | 0.33%         |
| ROOM                                                       |  | 8,412            | 8,412            | -                | 0.00%         |
| BOARD                                                      |  | 2,880            | 2,080            | (800)            | -27.78%       |
| ROOM & BOARD**                                             |  | \$ 11,292        | \$ 10,492        | \$ (800)         | -7.08%        |
| <b>TOTAL</b>                                               |  | <b>\$ 23,284</b> | <b>\$ 22,706</b> | <b>\$ (578)</b>  | <b>-2.48%</b> |

Assumptions:

Full-time 15 hours for both Fall and Spring. \* Excludes Health Insurance Fee.  
 \*\* Renovated Double, Grant, Gilbert, Stevenson; with a Huskie 90 Meal Plan.

| <b>2) NEW UNDERGRADUATE STUDENTS (W/Lower Cost Meal Plan in FY15)</b> |  |                  |                  |                  |              |
|-----------------------------------------------------------------------|--|------------------|------------------|------------------|--------------|
|                                                                       |  | FY 2015          | FY 2016          | Change FY15-FY16 |              |
|                                                                       |  | In-State         | In-State         | \$               | %            |
| TUITION                                                               |  | \$ 9,253         | \$ 9,466         | \$ 213           | 2.30%        |
| FEES*                                                                 |  | \$ 2,739         | \$ 2,748         | \$ 9             | 0.33%        |
| ROOM                                                                  |  | 8,412            | 8,412            | -                | 0.00%        |
| BOARD                                                                 |  | 2,080            | 2,080            | -                | 0.00%        |
| ROOM & BOARD**                                                        |  | \$ 10,492        | \$ 10,492        | \$ -             | 0.00%        |
| <b>TOTAL</b>                                                          |  | <b>\$ 22,484</b> | <b>\$ 22,706</b> | <b>\$ 222</b>    | <b>0.99%</b> |

Assumptions:

Full-time 15 hours for both Fall and Spring. \* Excludes Health Insurance Fee.  
 \*\* Renovated Double, Grant, Gilbert, Stevenson; with Unlimited Meal Plan.

| <b>3) CONTINUING UNDERGRADUATE STUDENTS (W/Huskie 90 in FY15)</b> |  |                  |                  |                  |               |
|-------------------------------------------------------------------|--|------------------|------------------|------------------|---------------|
|                                                                   |  | FY 2015          | FY 2016          | Change FY15-FY16 |               |
|                                                                   |  | In-State         | In-State         | \$               | %             |
| TUITION                                                           |  | \$ 9,253         | \$ 9,253         | \$ -             | 0.00%         |
| FEES*                                                             |  | \$ 2,739         | \$ 2,748         | \$ 9             | 0.33%         |
| ROOM                                                              |  | 8,412            | 8,412            | -                | 0.00%         |
| BOARD                                                             |  | 2,880            | 2,080            | (800)            | -27.78%       |
| ROOM & BOARD**                                                    |  | \$ 11,292        | \$ 10,492        | \$ (800)         | -7.08%        |
| <b>TOTAL</b>                                                      |  | <b>\$ 23,284</b> | <b>\$ 22,493</b> | <b>\$ (791)</b>  | <b>-3.40%</b> |

Assumptions:

Full-time 15 hours for both Fall and Spring. \* Excludes Health Insurance Fee.  
 \*\* Renovated Double, Grant, Gilbert, Stevenson; with a Huskie 90 Meal Plan.  
 NOTE: Truth in tuition, costs held flat. Tuition goes down slightly due to credit hour simplification schedule.

| <b>4) CONTINUING UNDERGRADUATE STUDENTS (W/Lower Cost Meal Plan in FY15)</b> |  |                  |                  |                  |              |
|------------------------------------------------------------------------------|--|------------------|------------------|------------------|--------------|
|                                                                              |  | FY 2015          | FY 2016          | Change FY15-FY16 |              |
|                                                                              |  | In-State         | In-State         | \$               | %            |
| TUITION                                                                      |  | \$ 9,253         | \$ 9,253         | \$ -             | 0.00%        |
| FEES*                                                                        |  | \$ 2,739         | \$ 2,748         | \$ 9             | 0.33%        |
| ROOM                                                                         |  | 8,412            | 8,412            | -                | 0.00%        |
| BOARD                                                                        |  | 2,080            | 2,080            | -                | 0.00%        |
| ROOM & BOARD**                                                               |  | \$ 10,492        | \$ 10,492        | \$ -             | 0.00%        |
| <b>TOTAL</b>                                                                 |  | <b>\$ 22,484</b> | <b>\$ 22,493</b> | <b>\$ 9</b>      | <b>0.04%</b> |

Assumptions:

Full-time 15 hours for both Fall and Spring. \* Excludes Health Insurance Fee.  
 \*\* Renovated Double, Grant, Gilbert, Stevenson; with a Huskie 90 Meal Plan.  
 NOTE: Truth in tuition, costs held flat. Tuition goes down slightly due to credit hour simplification schedule.