

## 98TH GENERAL ASSEMBLY State of Illinois 2013 and 2014 HB3360

by Rep. Michael W. Tryon

## SYNOPSIS AS INTRODUCED:

New Act

Creates the University Student Fee Act. Provides that all students enrolled in college credit programs at State universities shall be charged fees, except students who are exempt from fees or students whose fees are waived. Provides that, beginning on July 1, 2014, the resident undergraduate tuition for lower-level and upper-level coursework at a State university shall be \$103.32 per credit hour. Provides that, beginning with the 2016 fiscal year and each fiscal year thereafter, the resident undergraduate tuition per credit hour shall increase at the beginning of each fall semester at a rate equal to inflation. Allows the Board of Higher Education or the Board's designee to establish tuition for graduate and professional programs and out-of-State fees for all programs. Sets forth provisions concerning flexible tuition policies, the establishment of fees, fee proposals, a tuition differential, and rules.

LRB098 03855 NHT 33872 b

FISCAL NOTE ACT MAY APPLY

- 1 AN ACT concerning education.
- 2 Be it enacted by the People of the State of Illinois,
- **represented in the General Assembly:**
- 4 Section 1. Short title. This Act may be cited as the
- 5 University Student Fee Act.
- 6 Section 5. Definitions. In this Act:
- 7 "Board" means the Board of Higher Education.
- 8 "University" means the University of Illinois, Southern
- 9 Illinois University, Chicago State University, Eastern
- 10 Illinois University, Governors State University, Illinois
- 11 State University, Northeastern Illinois University, Northern
- 12 Illinois University, Western Illinois University, and any
- other public universities now or hereafter established or
- authorized by the General Assembly.
- 15 Section 10. Application.
- 16 (a) This Act applies notwithstanding any other provision of
- 17 law to the contrary.
- 18 (b) This Act applies to students enrolled in college credit
- 19 programs at State universities.
- 20 Section 15. Fees required to be charged; resident
- 21 undergraduate tuition rate.

- 1 (a) All students shall be charged fees, except students who 2 are exempt from fees or students whose fees are waived.
  - (b) Beginning on July 1, 2014, the resident undergraduate tuition for lower-level and upper-level coursework shall be \$103.32 per credit hour.
  - (c) Beginning with the 2016 fiscal year and each fiscal year thereafter, the resident undergraduate tuition per credit hour shall increase at the beginning of each fall semester at a rate equal to inflation. The Department of Labor shall report the rate of inflation to the President of the Senate, the Speaker of the House of Representatives, the Governor, and the Board each year prior to March 1. For purposes of this subsection (c), the rate of inflation shall be defined as the rate of the 12-month percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, or successor reports as reported by the United States Department of Labor, Bureau of Labor Statistics, or its successor for December of the previous year. In the event the percentage change is negative, the resident undergraduate tuition shall remain at the same level as the prior fiscal year.
  - Section 20. Tuition for graduate and professional programs; out-of-State fees. The Board or the Board's designee may establish tuition for graduate and professional programs and out-of-State fees for all programs. Except as otherwise provided in this Section, the sum of tuition and out-of-State

- 1 fees assessed to nonresident students must be sufficient to
- 2 offset the full instructional cost of serving such students.
- 3 However, adjustments to out-of-State fees or tuition for
- 4 graduate programs and professional programs may not exceed 15%
- 5 in any year.
- 6 Section 25. Flexible tuition policies. The Board may
- 7 consider and approve flexible tuition policies as requested by
- 8 a university's board of trustees, in accordance with the
- 9 provisions of Section 35 of this Act, only to the extent such
- 10 policies are in alignment with the mission of the university
- 11 and do not increase the State's fiscal liability or
- 12 obligations.
- 13 Section 30. Establishment of fees.
- 14 (a) The sum of the activity and service, health, and
- 15 athletic fees a student is required to pay to register for a
- 16 course shall not exceed 40% of the tuition established under
- 17 this Act. No university shall be required to lower any fee in
- 18 effect on the effective date of this Act in order to comply
- 19 with this Section. Within the 40% cap, universities may not
- 20 increase the aggregate sum of activity and service, health, and
- 21 athletic fees more than 5% per year or the same percentage
- increase in tuition authorized under subsection (c) of Section
- 23 15 of this Act, whichever is greater, unless specifically
- 24 authorized by law. A university may increase its athletic fee

to defray the costs associated with changing National Collegiate Athletic Association divisions. Any such increase in the athletic fee may exceed both the 40% cap and the 5% cap imposed by this subsection (a). Any such increase must be approved by the athletic fee committee in the process outlined in subsection (j) of this Section and may not exceed \$2 per credit hour. That portion of any increase in an athletic fee pursuant to this Section that causes the sum of the activity and service, health, and athletic fees to exceed the 40% cap or the annual increase in such fees to exceed the 5% cap shall not be included in calculating the amount a student receives from a scholarship from the Illinois Student Assistance Commission.

- (b) This Section does not prohibit a university from increasing or assessing optional fees related to specific activities if payment of such fees is not required as a part of registration for courses.
- (c) A university may implement a differential out-of-State fee, in accordance with rules developed by the Board, for the following:
  - (1) A student from another state that borders the service area of the university.
  - (2) A graduate student who has been determined to be a nonresident for tuition purposes and has a 0.25 full-time equivalent appointment or greater as a graduate assistant, graduate research assistant, graduate teaching assistant, graduate research associate, or graduate teaching

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- (3) A graduate student who has been determined to be a nonresident for tuition purposes and is receiving a full fellowship.
- (d) Students who are enrolled in programs in medical sciences are considered graduate students for the purpose of enrollment and student fees.
- (e) A university's board of trustees is authorized to collect for financial aid purposes an amount not to exceed 5% of the tuition and out-of-State fees. The revenues from fees are to remain at each campus and replace existing financial aid fees. Such funds shall be disbursed to students as quickly as possible. A minimum of 75% of funds from the student financial aid fee shall be used to provide financial aid based on absolute need. The Illinois Student Assistance Commission shall develop criteria for making financial aid awards. Each university shall report annually to the Illinois Student Assistance Commission and the Board on the revenue collected pursuant to this subsection (e), the amount carried forward, the criteria used to make awards, the amount and number of awards for each criterion, and a delineation of t.he distribution of such awards. The report shall include an assessment by category of the financial need of every student who receives an award, regardless of the purpose for which the award is received. Awards that are based on financial need shall be distributed in accordance with a nationally recognized

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system of need analysis approved by the Board. An award for academic merit shall require a minimum overall grade point average of 3.0 on a 4.0 scale or the equivalent for both

initial receipt of the award and renewal of the award.

- 5 (f) The capital improvement fee is established at \$2.44 per 6 credit hour per semester. The building fee is established at 7 \$2.32 per credit hour per semester.
  - (q) Each university's board of trustees is authorized to establish separate activity and service, health, and athletic fees. When duly established, the fees shall be collected as component parts of tuition and fees and shall be retained by the university and paid into the separate activity and service, and athletic funds. Notwithstanding health, any other provision of law to the contrary, a university may transfer revenues derived from the fees authorized pursuant to this subsection (q) to a direct-support organization of university to be used only for the purpose of paying and securing debt on projects approved by the Board and pursuant to a written agreement approved by the Board. The amount transferred may not exceed the amount authorized for annual debt service.
  - (h) Each university's board of trustees shall establish a student activity and service fee for the main campus of the university. The university's board of trustees may also establish a student activity and service fee for any branch campus or center. Any subsequent increase in the activity and

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service fee must be recommended by an activity and service fee committee, at least one-half of whom are students appointed by the student body president. The remainder of the committee shall be appointed by the university president. A chairperson, appointed jointly by the university president and the student body president, shall vote only in the case of a tie. The recommendations of the committee shall take effect only after approval by the university president, after consultation with the student body president, with final approval by the university's board of trustees. An increase in the activity and service fee may occur only once each fiscal year and must be implemented beginning with the fall term. The Board is responsible for adopting the rules and timetables necessary to implement this fee.

The student activity and service fees shall be expended for lawful purposes to benefit the student body in general. This include, but shall not be limited to, shall student publications and grants to duly recognized student organizations, the membership of which is open to all students at the university without regard to race, sex, or religion. The funds may not benefit activities for which an admission fee is charged students, except for student government to association-sponsored concerts. The allocation and expenditure of the funds shall be determined by the student government association of the university, except that the president of the university may veto any line item or portion thereof within the

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budget when submitted by the student government association's legislative body. The university president shall have 15 school days from the date of presentation of the budget to act on the allocation and expenditure recommendations, which shall be deemed approved if no action is taken within the 15 school days. If any line item or portion thereof within the budget is vetoed, the student government association's legislative body shall, within 15 school days, make new budget recommendations for expenditure of the vetoed portion of the funds. If the university president vetoes any line item or portion thereof within the new budget revisions, the university president may reallocate by line item that vetoed portion to bond obligations quaranteed by activity and service fees. Unexpended funds and undisbursed funds remaining at the end of a fiscal year shall be carried over and remain in the student activity and service fund and be available for allocation and expenditure during the next fiscal year.

(i) Each university's board of trustees shall establish a student health fee for the main campus of the university. The university's board of trustees may also establish a student health fee for any branch campus or center. Any subsequent increase in the health fee must be recommended by a health committee, at least one-half of whom are students appointed by the student body president. The remainder of the committee shall be appointed by the university president. A chairperson, appointed jointly by the university president and the student

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body president, shall vote only in the case of a tie. The recommendations of the committee shall take effect only after approval by the university president, after consultation with the student body president, with final approval by the university's board of trustees. An increase in the health fee may occur only once each fiscal year and must be implemented beginning with the fall term. The Board is responsible for adopting the rules and timetables necessary to implement this fee.

(j) Each university's board of trustees shall establish a separate athletic fee for the main campus of the university. The university's board of trustees may also establish a separate athletic fee for any branch campus or center. Any subsequent increase in the athletic fee must be recommended by an athletic fee committee, at least one-half of whom are students appointed by the student body president. The remainder the committee shall be appointed by the university president. A chairperson, appointed jointly by the university president and the student body president, shall vote only in the case of a tie. The recommendations of the committee shall take effect only after approval by the university president, after consultation with the student body president, with final approval by the university's board of trustees. An increase in the athletic fee may occur only once each fiscal year and must be implemented beginning with the fall term. The Board is responsible for adopting the rules and timetables necessary to

- 1 implement this fee.
  - (k) Each university's board of trustees may establish a technology fee of up to 5% of the tuition per credit hour. The revenue from this fee shall be used to enhance instructional technology resources for students and faculty.
    - (1) Except as otherwise provided in Section 35 of this Act, each university's board of trustees is authorized to establish the following fees:
      - (1) A nonrefundable application fee in an amount not to exceed \$30.
        - (2) An orientation fee in an amount not to exceed \$35.
      - (3) A fee for security, access, or identification cards. The annual fee for such a card may not exceed \$10 per card. The maximum amount charged for a replacement card may not exceed \$15.
      - (4) Registration fees for audit and zero-hours registration; a service charge, which may not exceed \$15, for the payment of tuition and fees in installments; and a late-registration fee in an amount not less than \$50 nor more than \$100 to be imposed on students who fail to initiate registration during the regular registration period.
      - (5) A late-payment fee in an amount not less than \$50 nor more than \$100 to be imposed on students who fail to pay or fail to make appropriate arrangements to pay (by means of installment payment, deferment, or third-party

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- billing) tuition by the deadline set by each university.
  Each university may adopt specific procedures or policies
  for waiving the late-payment fee for minor underpayments.
  - (6) Fees for transcripts and diploma replacement, not to exceed \$10 per item.
  - deposit (7) Α nonrefundable admissions for undergraduate, graduate, and professional degree programs in an amount not to exceed \$200. The admissions deposit shall be imposed at the time of an applicant's acceptance to the university and shall be applied toward tuition upon enrollment. If the applicant does not enroll in the university, the admissions deposit shall be deposited in an auxiliary account of the university and used to expand financial assistance, scholarships, and student academic and career counseling services at the university. The Board shall adopt a policy that provides for the waiver of such admissions deposit on the basis of financial hardship.
  - (8) A fee for miscellaneous health-related charges for services provided at cost by the university health center that are not covered by the health fee set under subsection (i) of this Section.
  - (9) Materials and supplies fees to offset the cost of materials or supplies that are consumed in the course of the student's instructional activities, excluding the cost of equipment replacement, repairs, and maintenance.
    - (10) Housing rental rates and miscellaneous housing

- charges for services provided by the university at the request of the student.
  - (11) A charge representing the reasonable cost of efforts to collect payment of overdue accounts.
  - (12) A service charge on university loans in lieu of interest and administrative handling charges.
  - (13) A fee for off-campus course offerings when the location results in specific, identifiable, increased costs to the university.
  - (14) Library fees and fines, including charges for damaged and lost library materials, overdue reserve library books, interlibrary loans, and literature searches.
  - (15) Fees relating to duplicating, photocopying, binding, and microfilming; copyright services; and standardized testing. These fees may be charged only to those who receive the services.
  - (16) Fees and fines relating to the use, late return, and loss and damage of facilities and equipment.
  - (17) A returned-check fee for unpaid checks returned to the university.
  - (18) Traffic and parking fines, charges for parking decals, and transportation access fees.
  - (19) A fee for child care and services offered by the university.
    - (20) A transient student fee that may not exceed \$5 per

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With the exception of housing rental rates and except as otherwise provided, fees assessed pursuant to items (8) through (19) of this subsection (1) shall be based on reasonable costs of services.

The Board shall adopt rules and timetables necessary to implement the fees and fines authorized under this subsection (1). The fees assessed under this subsection (1) may be used for debt.

- 12 Section 35. Fee proposals.
- 13 (a) The Board may approve the following:
  - (1) A proposal from a university's board of trustees to establish a new student fee that is not specifically authorized by this Act.
  - (2) A proposal from a university's board of trustees to increase the current cap for an existing fee authorized pursuant to items (1) through (7) of subsection (1) of Section 30 of this Act.
  - (3) A proposal from a university's board of trustees to implement flexible tuition policies, such as undergraduate or graduate block tuition, a block tuition differential, or market tuition rates for graduate-level online courses or graduate-level courses offered through a university's

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continuing education program. A block tuition policy for resident undergraduate students or undergraduate-level courses shall be based the per-credit-hour on undergraduate tuition established under Section 15 of this Act. A block tuition policy for nonresident undergraduate students shall be based on the per-credit-hour undergraduate tuition and out-of-State fee established under Section 15 of this Act. Flexible tuition policies, including block tuition, may not increase this State's fiscal liability or obligation.

- (b) A proposal developed pursuant to subsection (a) of this Section shall be submitted in accordance with guidelines established by the Board. Approval by the Board of such a proposal must be made in accordance with the provisions of this Section.
- (c) In reviewing a proposal to establish a new fee under subdivision (1) of subsection (a) of this Section, the Board shall consider the following:
- 19 (1) The purpose to be served or accomplished by the new 20 fee.
  - (2) Whether there is a demonstrable, student-based need for the new fee that is not currently being met through existing university services, operations, or another fee.
  - (3) Whether the financial impact on students is warranted in light of other charges assessed to students

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- for tuition and associated fees. 1
- 2 (4)Whether any restrictions, limitations, or 3 conditions should be placed on the use of the fee.
  - (5) Whether there are outcome measures to indicate if the purpose for which the fee was established is accomplished.
  - (d) In reviewing a proposal to increase or exceed the current cap for an existing fee under subdivision (2) of subsection (a) of this Section, the Board shall consider the following:
- 11 (1) The services or operations currently being funded 12 by the fee.
  - Whether those services or operations can (2) performed more efficiently to alleviate the need for any increase.
  - (3) The additional or enhanced services or operations to be funded by the increase.
  - (4) Whether any alternative resources are available to meet the need.
  - Whether the financial impact on students is warranted in light of other charges assessed to students for tuition and associated fees.
- (e) In reviewing a proposal to implement a flexible tuition policy under subdivision (3) of subsection (a) of this Section, 25 the Board shall consider the following:
  - (1) Whether the proposed tuition flexibility policy is

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- 1 aligned with the mission of the university.
- 2 (2) Whether the proposed tuition flexibility policy 3 increases this State's fiscal liabilities or obligations, 4 and, if so, the proposal shall be denied.
  - (3) Whether any restrictions, limitations, or conditions should be placed on the policy.
  - (4) How the proposed tuition flexibility policy will be implemented to honor the advance payment contracts of students who are beneficiaries of prepaid tuition contracts.
  - (f) The Board shall submit an annual report to the President of the Senate, the Speaker of the House of Representatives, and the Governor summarizing the proposals received by the Board during the preceding year and actions taken by the Board in response to such proposals. The Board shall also include in the annual report the following information for each fee established pursuant to subdivision (1) of subsection (a) of this Section:
    - (1) The amount of the fee.
- 20 (2) The total revenues generated by the fee.
- 21 (3) Detailed expenditures of the revenues generated by 22 the fee.
  - (g) The aggregate sum of any fees established pursuant to subdivision (1) of subsection (a) of this Section that a student is required to pay to register for a course shall not exceed 10% of tuition.

- (h) The revenues generated by a fee established pursuant to subdivision (1) of subsection (a) of this Section may not be transferred to an auxiliary enterprise or a direct-support organization and may not be used for the purpose of paying or securing debt.
  - (i) If the Board approves a university's proposal to establish a fee pursuant to subdivision (1) of subsection (a) of this Section, a fee committee shall be established at the university to make recommendations to the university president and the university's board of trustees regarding how the revenue from the fee is to be spent and any subsequent changes to the fee. At least one-half of the committee must be students appointed by the student body president. The remainder of the committee shall be appointed by the university president. A chairperson, appointed jointly by the university president and the student body president, shall vote only in the case of a tie.
  - (j) An increase to an existing fee or a fee established pursuant to subdivision (1) of subsection (a) of this Section may occur no more than once each fiscal year and must be implemented beginning with the fall term.
- 22 Section 40. Tuition differential.
  - (a) Each university's board of trustees may establish a tuition differential for undergraduate courses upon receipt of approval from the Board. The tuition differential shall promote

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- improvements in the quality of undergraduate education and shall provide financial aid to undergraduate students who exhibit financial need.
  - Seventy percent of the revenues from the tuition differential shall be expended for purposes of undergraduate education. Such expenditures may include, but are not limited to, increasing course offerings, improving graduation rates, increasing the percentage of undergraduate students who are by faculty, decreasing student-faculty ratios, taught providing salary increases for faculty who have a history of excellent teaching in undergraduate courses, improving the efficiency of the delivery of undergraduate education through academic advisement and counseling, and reducing percentage of students who graduate with excess hours. This expenditure for undergraduate education may not be used to pay the salaries of graduate teaching assistants. Except as otherwise provided in this Section, the remaining 30% of the revenues from the tuition differential or the equivalent amount of revenue from private sources shall be expended to provide financial aid to undergraduate students who exhibit financial need, including students who are scholarship recipients, to meet the cost of university attendance. This expenditure for need-based financial aid shall not supplant the amount of need-based aid provided to undergraduate students in the preceding fiscal year from financial aid fee revenues, from the direct appropriation for financial assistance provided to

universities, or from private sources. If the entire tuition and fee costs of resident students who have applied for and received Pell Grant funds have been met and the university has excess funds remaining from the 30% of the revenues from the tuition differential required to be used to assist students who exhibit financial need, the university may expend the excess portion in the same manner as required for the other 70% of the tuition differential revenues.

- (c) Each tuition differential is subject to the following conditions:
  - (1) The tuition differential may be assessed on one or more undergraduate courses or on all undergraduate courses at a university.
  - (2) The tuition differential may vary by course or courses, by campus or center location, and by institution. Each university's board of trustees shall strive to maintain and increase enrollment in degree programs related to mathematics, science, high technology, and other State or regional high-need fields when establishing tuition differentials by course.
  - (3) For each university, the aggregate sum of tuition and the tuition differential may not be increased by more than 15% of the total charged for the aggregate sum of these fees in the preceding fiscal year.
  - (4) The aggregate sum of undergraduate tuition and fees per credit hour, including the tuition differential, may

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- (5) Beneficiaries having prepaid tuition contracts that are in effect on January 1, 2014 and which remain in effect are exempt from the payment of the tuition differential.
- (6) The tuition differential may not be charged to any student who was in attendance at the university before January 1, 2014 and who maintains continuous enrollment.
- (7) Subject to approval by the Board, the tuition differential authorized pursuant to this Section may take effect with the 2014 fall term.
- (d) A university's board of trustees may submit a proposal to the Board to implement a tuition differential for one or more undergraduate courses. At a minimum, the proposal shall do the following:
- (1) Identify the course or courses for which the
  - (2) Indicate the amount that will be assessed for each tuition differential proposed.
    - (3) Indicate the purpose of the tuition differential.
  - (4) Indicate how the revenues from the tuition differential will be used.
  - (5) Indicate how the university will monitor the success of the tuition differential in achieving the

purpose for which the tuition differential is being assessed.

- (e) The Board shall review each proposal and advise the university's board of trustees of approval of the proposal, the need for additional information or revision to the proposal, or denial of the proposal. The Board shall establish a process for any university to revise a proposal or appeal a decision of the Board.
- (f) The Board shall submit a report to the President of the Senate, the Speaker of the House of Representatives, and the Governor describing the implementation of the provisions of this Section no later than January 1, 2015 and no later than January 1 each year thereafter. The report shall summarize proposals received by the Board during the preceding fiscal year and actions taken by the Board in response to such proposals. In addition, the report shall provide the following information for each university that has been approved by the Board to assess a tuition differential:
  - (1) The course or courses for which the tuition differential was assessed and the amount assessed.
  - (2) The total revenues generated by the tuition differential.
    - (3) Detailed expenditures of the revenues generated by the tuition differential.
    - (4) Changes in retention rates, graduation rates, the percentage of students graduating with more than 110% of

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- the hours required for graduation, passage rates on licensure examinations, the number of undergraduate course offerings, the percentage of undergraduate students who are taught by faculty, student-faculty ratios, and the average salaries of faculty who teach undergraduate courses.
  - (g) No university shall be required to lower any tuition differential that was approved by the Board and in effect prior to January 1, 2014 in order to comply with the provisions of this Section.
- 11 Section 45. Distance learning course fee.
  - (a) A University may assess a student who enrolls in a distance learning course a per-credit-hour distance learning course fee. For purposes of assessing this fee, a distance learning course is a course in which at least 80% of the direct instruction of the course is delivered using some form of technology when the student and instructor are separated by time or space or both.
  - (b) The amount of the distance learning course fee may not exceed the additional costs of the services provided that are attributable to the development and delivery of the distance learning course. If the distance learning course fee is assessed by a university, the university may not assess duplicative fees to cover the additional costs.

- 1 Section 50. Authorized fees only. A university may not
- 2 charge any fee except as specifically authorized by law.
- 3 Section 90. Rules. The Board shall adopt rules to
- 4 implement the provisions of this Act.