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ILLINOIS BOARD OF HIGHER EDUCATION
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January 25, 2022

TO: Senate President Don Harmon
Senate Minority Leader Dan McConchie
Secretary of the Senate Timothy Anderson

Speaker of the House Emanuel "Chris" Welsh
House Minority Leader Jim Durkin
Acting Clerk of the House John W. Hollman

FROM: Ginger Ostro, Executive Director

RE: Annual Tuition Waiver and Tuition Quartiles Report
(Public Act 92-0051 and Public Act 101-0093)

I am pleased to submit to you the combined annual reports on public university tuition and fee waivers as specified in Public Act 92-0051 and the analysis of the amount of tuition that undergraduate students pay by their income levels, as required by Public Act 101-0093.

Please contact Jerry Lazzara at (217) 866-1443 or Lazzara@ibhe.org with any questions about this report.

Enclosure

CC: Illinois State Library
Legislative Research Unit

**ANNUAL REPORT ON PUBLIC UNIVERSITY TUITION
AND FEE WAIVERS AND TUITION QUARTILES
FISCAL YEAR 2021**



January 2022
Illinois Board of Higher Education

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INTRODUCTION

This report looks at affordability in two specific ways: the percentage of tuition and fees that students pay and students that receive waivers of tuition and fees. IBHE annually collects information from Illinois public universities on the amount and value of tuition waivers granted by student level, type of waiver (mandatory or discretionary), and specific waiver program.

Beginning in 2020, a new requirement was added that IBHE collect and include data pertaining to the percentage of out-of-pocket tuition and fees paid by students each year. Consistent with the Board's focus on equity, we have shown the impact on students by socio-economic status and race/ethnicity.

Tuition Paid by Quartiles

This section details the amount of tuition and fees paid by undergraduate students in recent years based on the following five ranges:

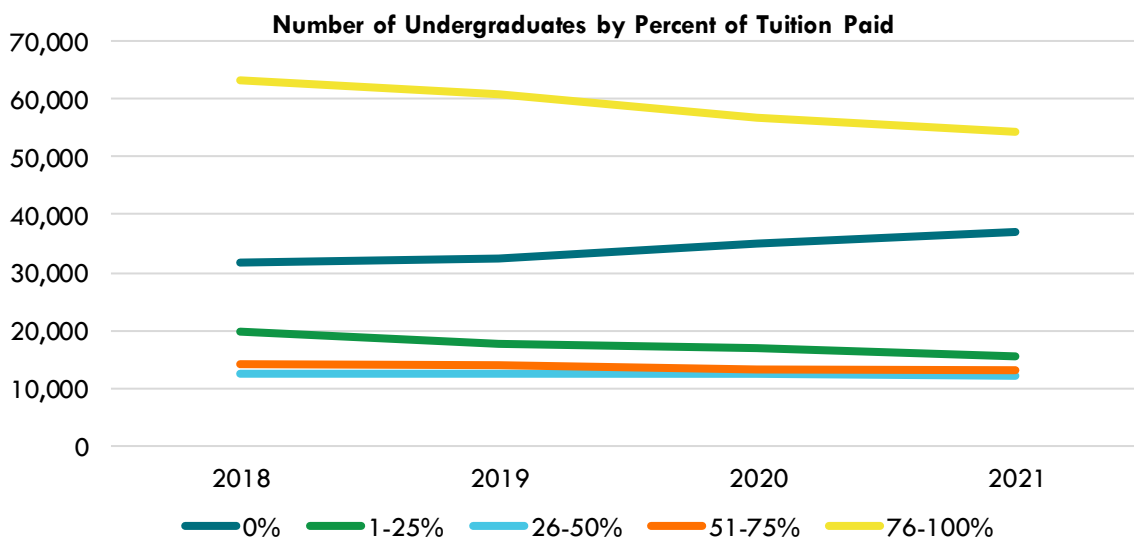
Percentage of Tuition and Fees Paid
0%
1% - 25%
26% - 50%
51% - 75%
76% - 100%

The tuition and fees reflect the amount the student paid (including from loans and work study) after all scholarships, grants, and other financial assistance have been applied to the students' tuition charge.

Findings

In Fiscal Year 2021, of the 132,024 undergraduate students reported, 41.1% (54,296) paid at least 76% of their tuition and fees, down from 44.8% in Fiscal Year 2018. In Fiscal Year 2021 28% (36,993) of students paid zero, up from 22.5% in 2018. Figure 1 shows a year-over-year comparison of the number of students in each quartile range from Fiscal Year 2018 through 2021.

Figure 1: Increasing number of undergraduates pay no tuition and fees at public universities once scholarships, grants, and non-loan financial assistance taken into account



Residency. Over half of all in-state undergraduates paid less than 50% of their 2021 tuition and fees. In Fiscal Year 2021, 37.3% of in-state students paid at least 76% of their tuition and fees, while 30% paid zero. Significantly, the percent of residents who paid no tuition and fees increased from 24% in 2018 to 30% in 2021. Out-of-state students were more likely to pay a higher share of tuition and fees, with 68.4% of out-of-state students paying at least 76% of tuition and fees and only 11.7% paying zero in Fiscal Year 2021. Figures 2 and 3 display the differences in the percentages of students in each category for residents versus non-residents.

Figure 2: Resident Undergraduate Students Paying Tuition and Fees

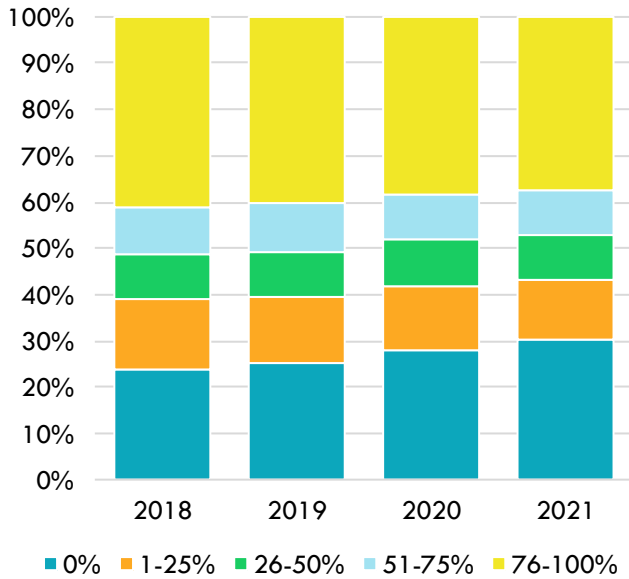
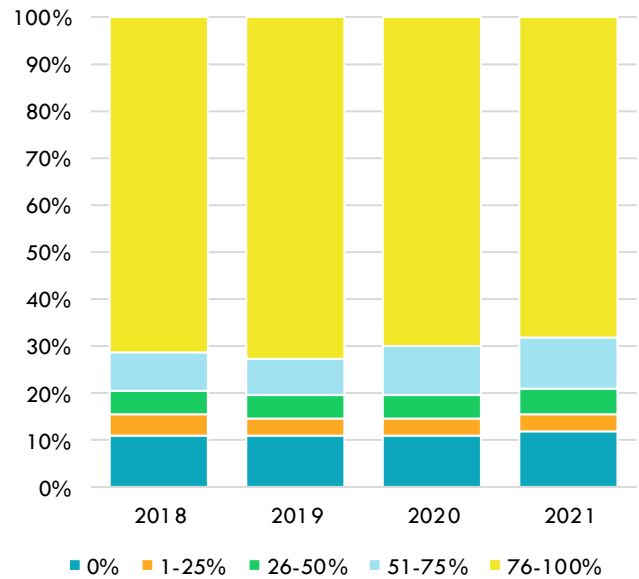


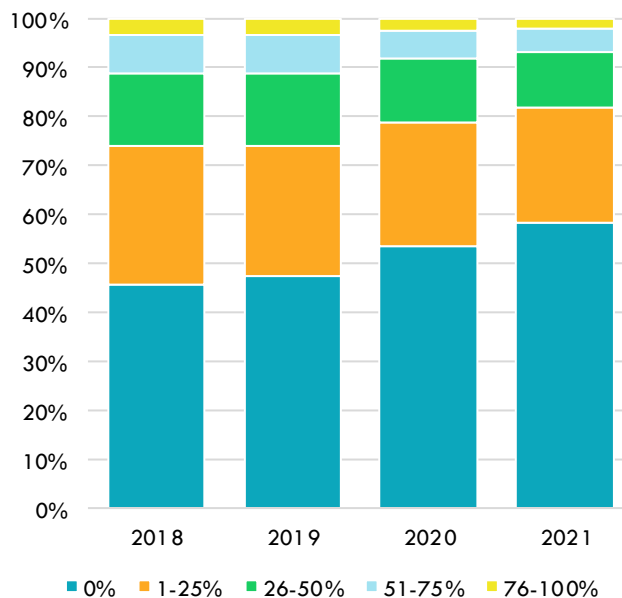
Figure 3: Non-Resident Undergraduate Students Paying Tuition and Fees



by Percentage Quartiles

Socio-Economic Status. As shown in Figure 4, in Fiscal Year 2021, among students eligible for the Pell grant, 58.4% paid no tuition and fees, an increase from 45.9% in 2018. Conversely, only 2.1% of Pell eligible students were reported to have paid at least 76% of their tuition and fees in Fiscal Year 2021. This is a decline from 3.1% in 2018. The data suggests that affordability for low-income students is increasing slowly over time.

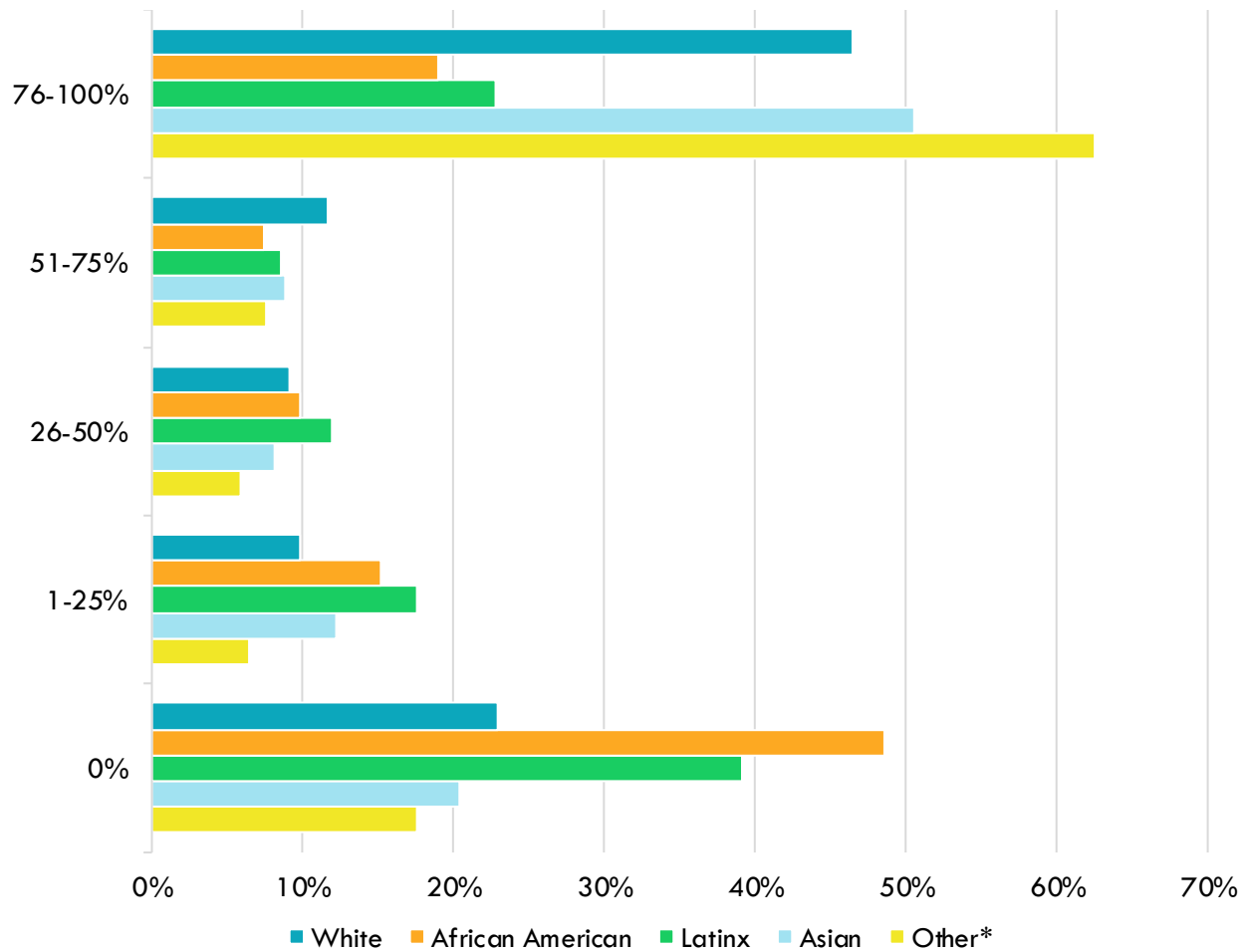
Figure 4: Pell Eligible Undergraduate Students Paying Tuition and Fees



by Percentage Quartiles

Race/Ethnicity. In Fiscal Year 2021, nearly half of White undergraduates and over half of Asian undergraduate students paid at least 76% of their tuition and fees. In contrast, over 48% of African American and 39% of Latinx students paid no tuition and fees, as seen in Figure 5.

Figure 5: 2021 Undergraduate Students Paying Tuition and Fees by Race by Percentage Quartiles



*Other includes Native Americans, two or more races, missing, unknown, and foreign nationals.

TUITION WAIVERS

Background on Waivers

Tuition and fee waivers are a type of institutional financial aid that exempts students from paying a portion (or all) tuition and fee charges. Tuition and fee waivers are typically awarded at the undergraduate level to students with special talents and/or financial needs. Graduate-level tuition and fee waivers are typically awarded to students serving as teaching or research assistants.

Waivers serve multiple purposes: they provide access to higher education programs, promote scholarships, provide a recruitment tool, provide employee benefits, and enhance the educational environment by promoting a diverse student body. All Illinois public university waivers fall into one of two categories, mandatory or discretionary. Mandatory waivers are authorized and required by state statute. Discretionary waivers are determined at the institutional level, and used by universities to provide access to higher education for students who possess specific academic or athletic talents and for special status students, such as out-of-state and foreign students.

The Standard Tuition and Fee Waiver Chart of Accounts, attached as Appendix B to this report, provides a complete description of each waiver category.

Summary Findings

In Fiscal Year 2021, public universities issued a total of 40,748 waivers at a value of \$471.2 million, down slightly from Fiscal Year 2020 with 41,595 waivers at a value of \$478.5 million. Graduate student waivers account for the majority of waivers granted at Illinois public universities, with most of these being graduate teaching/research assistants. Figure 6 provides the total number of recipients and dollar values of mandatory and discretionary waivers granted at both the undergraduate and graduate levels for Fiscal Year 2021. Fiscal year 2020 values are also included for comparison purposes. Detailed data by institution for Fiscal Year 2021 are included in Appendix A.

Figure 6: Mandatory and Discretionary Tuition and Fee Waivers by Level of Study Fiscal Years 2020-2021

	Fiscal Year 2020			Fiscal Year 2021		
	Recipients**	\$ Value	% of Total	Recipients**	\$ Value	% of Total
Undergraduate	19,031	\$116,107.8	24.3%	18,589	\$108,535.5	23.0%
Mandatory	6,209	46,890.6	9.8%	6,111	47,669.5	10.1%
Discretionary	13,132	69,217.1	14.5%	12,807	60,866.0	12.9%
Graduate	22,564	\$362,367.2	75.7%	22,159	\$362,670.6	77.0%
Mandatory	1,038	8,555.3	1.8%	1,088	9,210.9	2.0%
Discretionary	24,000	353,811.9	73.9%	21,088	353,459.7	75.0%
Total	41,595	\$478,475.0	100.0%	40,748	\$471,206.1	100.0%
Mandatory	7,247	55,445.9	11.6%	7,199	56,880.4	12.1%
Discretionary	37,132	423,029.1	88.4%	33,895	414,325.7	87.9%

(in thousands of dollars)

**This represents an unduplicated number of waiver recipients. Therefore, the sum of mandatory and discretionary waivers may not equal the total for each level of study if a recipient received both mandatory and discretionary waivers.

Undergraduate Waivers

The total value of undergraduate waivers decreased by 6.5 percent, from \$116.1 million in Fiscal Year 2020 to approximately \$108.5 million in Fiscal Year 2021. Undergraduate waivers accounted for 23% of the total value of all public university tuition and fee waivers in Fiscal Year 2021.

In Fiscal Year 2021, of the \$108.5 million in total undergraduate waivers, approximately \$47.7 million (43.9 percent) were mandatory and \$60.9 million (56.1 percent) were discretionary. As described above, the largest mandatory waiver program, Veteran Grants and Scholarships, totaled \$14.6 million, or 31% of the value of undergraduate mandatory waivers in Fiscal Year 2020.

Of the \$60.9 million in discretionary waivers awarded in Fiscal Year 2021, \$28.4 million, or 46.6 percent, were awarded to students with athletic, academic, or other talents. Foreign/Out-of-State waivers totaled \$1.2 million (2 percent), Student Need waivers totaled \$15.3 million (25.1 percent), Gender Equity waivers totaled \$9.6 million (15.8 percent), and Civil Service waivers totaled approximately \$2.6 million (4.2 percent).

Graduate Waivers

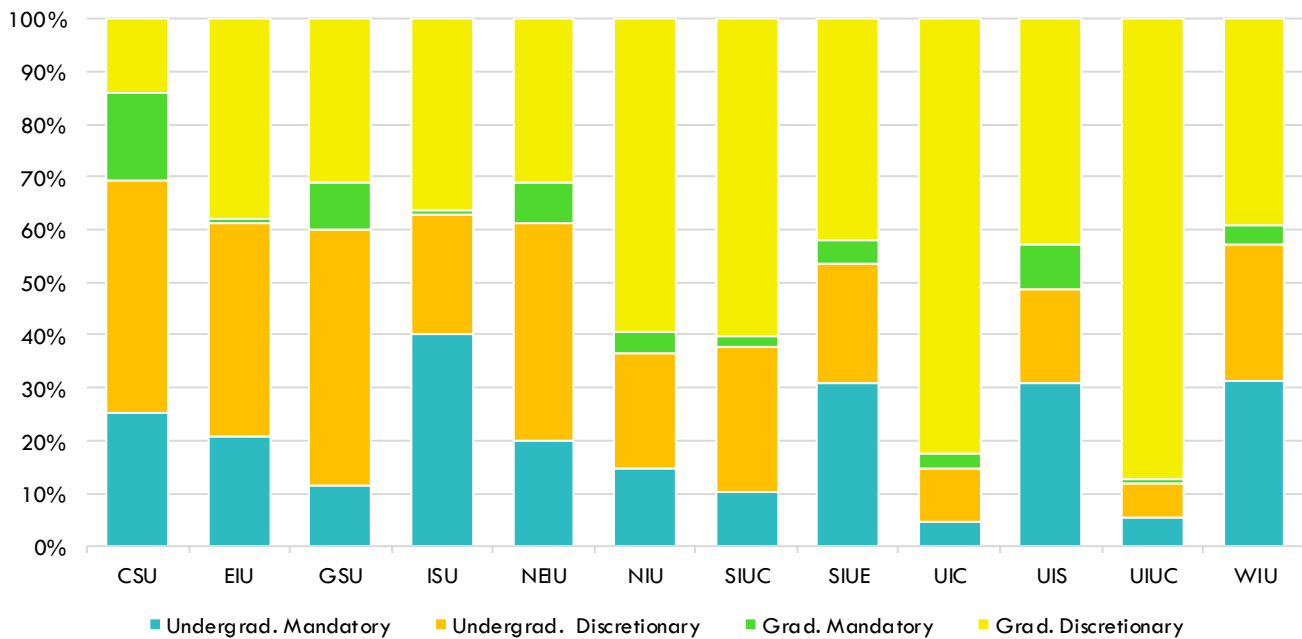
Graduate students play an integral role in the educational missions of Illinois public universities, enriching the educational environment by serving as instructors and teaching assistants for undergraduate course sections and provide valuable research assistance. These waivers further enable Illinois public universities to remain competitive in attracting the best graduate students.

Graduate waivers accounted for 77% of the value of all public university waivers in Fiscal Year 2021. Graduate assistant waivers, which consists primarily of waivers for graduate, teaching, and research assistantships, accounted for 72.6% of the value of all public university graduate tuition and fee waivers granted in Fiscal Year 2021.

Public universities awarded graduate waivers to 22,159 recipients totaling \$362.7 million in Fiscal Year 2021. Of the total, approximately 97.4 percent, or \$353.5 million, were for discretionary waivers, and of those, graduate assistant waivers totaled \$263.3 million. From Fiscal Year 2020 to Fiscal Year 2021, the value of graduate tuition and fee waivers increased, from \$362.4 million to \$362.7 million, which is an increase of about 0.1 percent.

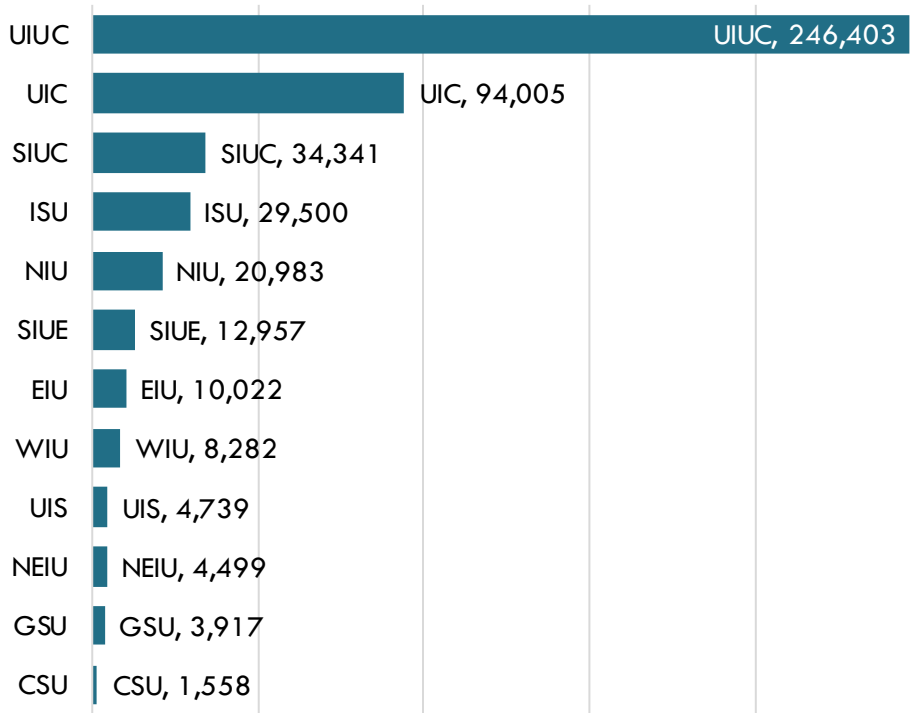
Figure 7 displays the proportion of waiver dollars dedicated to each category by institution. Graduate discretionary waivers accounted for more than 50% of the total at NIU and SIUC, and over 80% at UIC, and UIUC. The smallest category for every institution is graduate mandatory waivers, where it accounts for less than 10% at every university except for CSU and GSU.

Figure 7: Waiver Dollar Amount Distribution by University



Total waiver value from every university can be seen in Figure 8 below. Of the total \$471.2 million in waivers for Fiscal Year 2021, UIUC is responsible for over half with \$246.4 million. CSU is responsible for the least amount of waiver dollars with only about \$1.56 million.

Figure 8: Tuition Waiver Dollars



(Dollars in Thousands)

Military Personnel Waivers

The report includes the number of recipients and value for the unfunded or waived portion of the Illinois Veteran Grant, Illinois National Guard Grant, and MIA/POW Scholarship Program tuition and fee waivers that were not reimbursed to the institution by the State. In the past, the State reimbursed the institutions for most of the cost of this mandatory waiver. In total, Illinois public universities waived approximately \$23.9 million in tuition and fees during Fiscal Year 2021 for eligible military veterans that were not reimbursed by the state. This is an increase of about \$1.08 million, or 4.7%, from the \$22.8 million reported in Fiscal Year 2020.

The following table illustrates the economic impact of Veterans and National Guard scholarships on Illinois public colleges and universities. Waivers can be used for either undergraduate or graduate studies. While military grants are invaluable in helping our veterans pursue a higher education degree, universities and until recently, community colleges, do not receive funding to cover the costs of these grants resulting in a reduction in the amount of tuition income revenues available to institutions. This impacts Western Illinois University the most, representing more than 3% of their tuition and fee revenues.

Figure 9: Impact of Veterans & IL National Guard Scholarships at Universities and Community Colleges – Fiscal Year 2021

Public University	Veterans & NG Awards	Total Waiver \$ \$ in Thousands	University Income	% of University Income
CSU	60	\$326.9	\$21,488.9	1.5%
EIU	149	\$857.5	\$41,478.7	2.1%
GSU	118	\$657.2	\$34,124.1	1.9%
ISU	299	\$2,612.5	\$202,879.1	1.3%
NEIU	88	\$388.6	\$54,648.7	0.7%
NIU	280	\$2,065.8	\$138,754.0	1.5%
SIUC	331	\$2,447.6	\$87,607.3	2.8%
SIUE	359	\$2,916.7	\$105,004.3	2.8%
UIC	330	\$3,906.5	\$494,686.9	0.8%
UIS	161	\$867.1	\$31,834.7	2.7%
UIUC	309	\$3,053.5	\$841,555.5	0.4%
WIU	295	\$1,750.7	\$53,978.2	3.2%
University Sub-total	2,779	\$21,850.4	\$2,108,040.3	1.04%
Community College	1,870	\$4,035.2		
Total	4,649	\$25,885.6		