

**APPROVED
DECEMBER 4, 2018**

Item #G-8
December 4, 2018

**ADOPTED AMENDMENTS TO RULES:
TUITION AND FEE WAIVER GUIDELINES**

Submitted for:

Action.

Summary:

This item seeks final adoption of amendments for Tuition and Fee Waiver Guidelines. Proposed amendments to this Part were approved by the Board on September 18, 2018.

In accordance with the Illinois Administrative Procedures Act [5 ILCS 100], the proposed amendments were published in the *Illinois Register* on October 12, 2018, which initiated the 45-day public notice period. No comments have been received. The proposed amendments were then reviewed by the staff and members of the Joint Committee on Administrative Rules (JCAR). The proposed amendments, in the form attached, will be considered by JCAR on December 11, 2018. The rulemaking is now ready for Board adoption and pending no objection from JCAR, the adopted amendments will be filed with the Secretary of State and become effective immediately.

Action Requested:

That the Illinois Board of Higher Education adopt the amendments for Tuition and Fee Waiver Guidelines (23 Ill. Adm. Code 1075) as contained in this item.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

**ADOPTED AMENDMENTS TO RULES:
TUITION AND FEE WAIVER GUIDELINES**

This item seeks final adoption of amendments for Tuition and Fee Wavier Guidelines. (23 Ill. Adm. Code 1075) On September 18, 2018, the Board approved the proposed amendments and, in accordance with the Illinois Administrative Procedures Act (5 ILCS 100), the proposed amendments were filed the Secretary of State and published in the *Illinois Register*. There have been no comments from the public and no substantive changes required. Upon Board action, and pending no objection by the Joint Committee on Administrative Rules (JCAR) on December 11, 2018, the adopted amendments will be filed with the Secretary of State and become effective immediately.

The Board of Higher Education first discussed imposing a limit on the amount of tuition waivers awarded to undergraduate students at public universities starting in the 1960's. This was part of the on-going discussion about how to finance the rise in educational costs using a mixture of student contribution and state funding. In 1996 the Board was given statutory authority to limit the amount of undergraduate discretionary tuition waivers offered by public universities and incorporated the authority into the Board's master plan. Subsequently the Board was required to provide annual reports on tuition and fee waivers in 2002. To aid with the annual reports, the Board worked with the public universities to develop a comprehensive set of guidelines which were adopted by rule in 2007. These guidelines include a limit of discretionary tuition waivers to three percent of total available undergraduate tuition revenue. Pursuant to Public Act 100-824, the Board's authority to limit waivers has been repealed and the rules need to be amended to comply with the new legislation.

On August 13, 2018, the statutory authority of the Board to limit the amount of tuition that a public university may waive for students was repealed in the Board of Higher Education Act. (110 ILCS 205/9.29) Public Act 100-824 repealed the limitation but did not repeal the Board's duty to annually compile information from the public universities and report to the General Assembly on the tuition and fee waivers. The annual reporting on student waivers will continue.

Staff Recommendation

Staff recommends the adoption of the following resolution:

The Illinois Board of Higher Education hereby adopts the amendments for Tuition and Fee Guidelines (23 Ill. Adm. Code 1075) as detailed in the attached document, pending no objection from the Joint Committee on Administrative Rules during their meeting on December 11, 2018.

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER II: BOARD OF HIGHER EDUCATION

PART 1075
TUITION AND FEE WAIVER GUIDELINES

Section	
1075.100	Purpose
1075.200	Definitions
1075.300	Waiver Accounting Classifications
1075.400	Fiscal Year Reporting
1075.500	Standard Tuition and Fee Waiver Chart of Accounts
1075.600	Institutional Requirements
1075.700	Waiver Limits (<u>Repealed</u>)

AUTHORITY: Implementing Section 9.29 and authorized by Section 9.05 of the Board of Higher Education Act [110 ILCS 205/~~9.29 and 9.05~~], ~~Section 7g of the University of Illinois Act [110 ILCS 305/7g], Section 8g of the Southern Illinois University Management Act [110 ILCS 520/8g], Section 5-91 of the Chicago State University Law [110 ILCS 660/5-91], Section 10-91 of the Eastern Illinois University Law [110 ILCS 665/10-91], Section 15-91 of the Governors State University Law [110 ILCS 670/15-91], Section 20-91 of the Illinois State University Law [110 ILCS 675/20-91], Section 25-91 of the Northeastern Illinois University Law [110 ILCS 680/25-91], Section 30-91 of the Northern Illinois University Law [110 ILCS 685/30-91] and Section 35-91 of the Western Illinois University Law [110 ILCS 690/35-91].~~

SOURCE: Adopted at 31 Ill. Reg. 3134, effective February 7, 2007; amended at 33 Ill. Reg. 17329, effective December 8, 2009; amended at 42 Ill. Reg. _____, effective _____.

Section 1075.100 Purpose

This Part provides uniform tuition and fee waiver definitions and guidelines to be used by all Illinois public universities in reporting tuition and fee waivers to the Board of Higher Education and the Illinois General Assembly. ~~In addition, this Part sets forth the undergraduate waiver limitation policies established by the Board of Higher Education.~~

(Source: Amended at 42 Ill. Reg. _____, effective _____)

Section 1075.500 Standard Tuition and Fee Waiver Chart of Accounts

Institutions must report waivers to the Board and Illinois General Assembly using the following waiver categories. The Board must approve all university requests for additional waiver reporting categories.

- a) Mandatory Waivers shall be granted in accordance with the following statutes:
 - 1) Teachers Scholarships: Special Education Grants [110 ILCS 947/65.15]
 - 2) General Assembly Scholarships [105 ILCS 5/30-9]

- 3) Reserve Officers' Training Corps Scholarships [105 ILCS 5/30-
[16.116.116](#)]
 - 4) Department of Children and Family Services Scholarships and Fee Waiver [20 ILCS 505/8]
 - 5) Partial Tuition Waivers for Children of University Employees [110 ILCS 305/7f, [520/8f](#), 660/5-90, 665/10-~~9091~~, 670/15-90, 675/20-~~9091~~, 680/25-~~9091~~, 685/30-90, and 690/35-90]
 - 6) Senior Citizen Courses Act [110 ILCS 990]
 - 7) Honorary Scholarships [110 ILCS 305/9]
 - 8) Illinois Veteran Grants [110 ILCS 947/40]
 - 9) Illinois National Guard Grants [110 ILCS 947/45]
 - 10) MIA/POW Scholarships [105 ILCS 5/30-14.2]
- b) Discretionary Waivers
- 1) Faculty and Staff Waivers
 - A) Faculty and Administrators
 - B) Civil Service Staff: University Employees
 - C) Civil Service Staff: Interinstitutional and Related Agencies
 - D) Retired University Employees
 - E) Children of Deceased Employees
 - 2) Student Talent and Merit Waivers
 - A) Academic or Other Talent
 - B) Athletic
 - C) Gender Equity in Intercollegiate Athletics [110 ILCS 205/9.24]
 - D) Foreign Exchange Students
 - E) Out-of-State Students
 - F) Foreign Students
 - G) Fellowships
 - 3) Student Need Waivers

- A) Financial Aid Waivers
- B) Special Program Waivers
- 4) Student Service Waivers
 - A) Cooperating Professionals
 - B) Research Assistants
 - C) Teaching Assistants
 - D) Other Assistants
 - E) Contract/Training Grants

(Source: Amended at 42 Ill. Reg. _____, effective _____)

Section 1075.600 Institutional Requirements

- a) Waiver Approvals and Allocations
 - 1) Each public university shall adopt written policies that specify the institutional processes for authorizing specific tuition and fee waiver programs and the purposes of such programs, establishing waiver budget and expenditure levels, and allocating waivers to waiver programs.
 - 2) Each public university shall adopt an official list of waiver programs in which the university has chosen to participate. Allowable waiver programs include only those in accordance with Section 1075.500. The list of waiver programs offered by the university may be amended at the university's discretion and must be available to students, upon request. All waiver programs added to the university's list of available waiver programs also must be listed in the Standard Tuition and Fee Waiver Chart of Accounts. The university's list, and all amendments to the list, must be provided to the Board.
 - 3) Each public university shall develop written procedures to assure that the total amount of budgeted tuition and fee waivers and the amount of expended tuition and fee waivers, by type, academic or administrative unit, and instructional level, are fully disclosed to the university board of trustees.
- b) Waiver Applications
 - 1) Each public university shall adopt written procedures concerning waiver applications. Public universities may have separate waiver applications for various waiver programs.

- 2) Each public university shall adopt and publish eligibility criteria for each waiver program in which it participates.
 - 3) Waiver applications shall collect the information needed to determine whether a student meets the published eligibility criteria.
- c) Student Eligibility and Selection
- 1) Each public university shall adopt written procedures to assure that waivers are granted only to students eligible for the waivers. The written procedures must include the criteria and processes for selecting waiver recipients when the number of eligible students applying for waivers exceeds the amount of available waivers.
 - 2) Each department or unit granting waivers must have a clear description of the processes used to assign waivers, criteria used to award waivers (beyond the threshold criteria), and identification of persons who participate in the selection of individual waivers. Written documentation shall be maintained on why individuals were selected to receive waivers, as well as why applicants were not selected to receive waivers.
- d) Waiver Agreements
- 1) Each public university shall adopt written procedures that provide the requirements for waiver agreements between students and the university.
 - 2) Each student selected to receive a waiver for which the student is required to perform service must sign an agreement at the time of appointment with the university that delineates and determines the conditions of that service.
 - 3) The agreement shall include the level of waiver support that the public university will provide to the student.
- e) Records and Retention. Each public university shall adopt written procedures for waiver records and records retention incorporating the following principles:
- 1) Tuition and fee waiver records include, but are not limited to, written documentation for the university approved waiver listing, application cutoff dates, eligibility and selection criteria for each waiver program, awarded and rejected applications, selection records, award notifications, records of rejected applicants, and procedures for entering waiver data into the university accounting system.
 - 2) Tuition and fee waiver records shall be maintained for a minimum of five years. After five years, the university may dispose of the records, providing all audits have been completed under the direction of the Office of the Auditor General, if necessary, and no litigation is pending or anticipated. Each university, at its discretion, may retain records for longer periods.

- f) Monitoring Waiver Programs
- 1) Each public university shall identify the administrative unit responsible for the overall monitoring of the university waiver program. The unit shall be responsible for assuring that procedures are in place to assure that waivers are awarded within the requirements of the State of Illinois, the policies of the Board, and the policies and procedures of the university board of trustees.
 - 2) The designated administrative unit is responsible for assuring that the university adopts written policies and procedures and assuring implementation of appropriate methods of counting and reporting the value and number of waivers.
 - 3) Each public university shall annually submit to the Board the university's policies and procedures for administering the university waiver program. Board staff will review the policies and procedures and report to the Board the results of that review in its evaluation of waiver programs.
- g) University Internal Audits. It shall be the responsibility of each public university to assure that its tuition and fee waiver program is included in the university's internal audit plan and subject to periodic review by its internal audit staff.

Section 1075.700 Waiver Limits (Repealed)

~~a) — The amount of undergraduate tuition revenue that a public university may waive is limited to three percent of total available undergraduate tuition revenue, subject to the exceptions listed in subsection (b). Total available undergraduate tuition revenue is the total of all tuition charged and waived.~~

~~b) — Waivers excluded from the three percent limit include:~~

- ~~1) — Mandatory waivers granted in accordance with Section 1075.500(a) of this Part;~~
- ~~2) — Gender Equity in Intercollegiate Athletics waivers;~~
- ~~3) — Foreign Exchange Student waivers;~~
- ~~4) — Civil Service Staff: University Employee waivers;~~
- ~~5) — Civil Service Staff: Interinstitutional and Related Agencies waivers;~~
- ~~6) — Waivers offered through Board approved bilateral or multilateral tuition reciprocity agreements; and~~
- ~~7) — Financial aid waivers for Illinois resident students demonstrating financial need.~~

~~e) — Waivers expended by a public university above the three percent limit may result in an equal amount being adjusted from the university budget during the next Board budget cycle.~~

(Source: Repealed at 42 Ill. Reg. _____, effective _____)