

**APPROVED  
SEPTEMBER 18, 2018**

Item #VI-7  
September 18, 2018

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

**Submitted for:** Action.

**Summary:** This item requests approval of the proposed amendments to the rules for Tuition and Fee Waiver Guidelines. Public Act 100-824 amended the Board of Higher Education Act to prohibit the Board from limiting the amount of tuition revenue that a public university may waive each year. Each university was limited to three percent of total available undergraduate tuition revenue with some exceptions.

Action on the proposed amendments is timely since Public Act 100-824 went into effective on August 13, 2018.

The Board follows a three-step process for the proposal and adoption of administrative rules: (1) initial Board approval; (2) a publication and public notice period including a period for review by the staff and members of the legislative Joint Committee on Administrative Rules; and (3) final adoption by the Board.

**Action Requested:** That the Illinois Board of Higher Education approves the proposed rule amendments to Tuition and Fee Waiver Guidelines (23 Ill. Admin. Code 1075) for publication in the *Illinois Register*.



STATE OF ILLINOIS  
BOARD OF HIGHER EDUCATION

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

This item requests approval of the proposed amendments to the Illinois Board of Higher Education rules for Tuition and Fee Waiver Guidelines. (23 Ill. Adm. Code 1075) As of August 13, 2018, the statutory authority of the Board to limit the amount of tuition that a public university may waive has been repealed. The Board will continue to annually compile information from the public universities and report to the General Assembly on the tuition and fee waivers, pursuant to the Board of Higher Education Act. (110 ILCS 205/9.29)

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.

Attached please find the rule with the proposed (1) repeal of Section 1075.700 regarding waiver limits; (2) amendments regarding the repeal of authority; and (3) technical amendments. The proposed repeal and amendments are highlighted and notes added to explain the proposed changes.

Once approved by the Illinois Board of Higher Education, the proposed amendments to the rules will be submitted to the Secretary of State for publication in the *Illinois Register*. The Board follows a three-step process for the proposal and adoption of administrative rules: (1) initial Board approval; (2) a publication and public notice period including a period for review by the staff and members of the legislative Joint Committee on Administrative Rules; and (3) final adoption by the Board. Final presentation is tentatively scheduled for the first Board meeting in calendar year 2019.

**Staff Recommendation**

Staff recommends the adoption of the following resolution:

*The Illinois Board of Higher Education hereby approves the proposed amendments to the rules for the Tuition and Fee Waiver Guidelines (23 Ill. Adm. Code 1075) as detailed in the attached document for publication in the Illinois Register.*

# ATTACHMENT 1

## 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].~~ *[Note: The above sections were repealed in Public Act 100-824]*

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.~~ *[Note: The authority to limit waivers was repealed]*

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

#### **Section 1075.200 Definitions**

"Board" means the Board of Higher Education.

"Public University" means Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois

University, Northern Illinois University, Southern Illinois University, University of Illinois, and Western Illinois University.

"Standard Tuition and Fee Waiver Chart of Accounts" means the standardized list of waiver programs approved by the Board as outlined in Section 1075.500 and used for reporting purposes to the Board and the General Assembly. The Standard Tuition and Fee Waiver Chart of Accounts includes the following general categories:

"Mandatory Waiver" means a waiver that an institution is required by State statute to grant to students that meet the specific parameters and criteria included in statute.

"Discretionary Waiver" means a waiver that is granted at the discretion of the institution. Discretionary waivers include the following categories:

"Faculty and Staff Waiver" means a discretionary waiver awarded to public university faculty, staff, or other employees or their dependents.

"Student Talent or Merit Waiver" means a discretionary waiver awarded to students based on talent in a particular field, academic merit, or special status.

"Student Need Waiver" means a discretionary waiver granted to students demonstrating financial need.

"Student Service Waiver" means a discretionary waiver granted to students to support the university mission, goals, and objectives through participation in outside contracts; graduate or undergraduate research, teaching, or other assignments; training or grant programs; external internship programs; clinical portions of degree programs conducted at other institutions; or other student experiences.

"Waiver" means the amount of revenue that the public university intentionally relinquishes for one of the purposes included in the Standard Tuition and Fee Waiver Chart of Accounts and should be recorded as an expenditure.

"Waiver Accounting Classifications" means the following categories of waivers used for accounting purposes:

"Budgeted Waiver" means an estimated amount identified by the university as the total amount available to students in a particular fiscal year. Budgeted waivers are not identified with specific students or student positions.

"Granted Waiver" means a waiver that has been allocated to specific students or student positions. Granted waivers are available to students as reductions in tuition and/or fee charges.

"Expended Waiver" means that an individual student has been identified as the recipient of a granted waiver and the student's financial obligation account has been reduced by the granted waiver amount. Expended waivers may not exceed granted waivers. In instances when a student withdraws from class and is entitled to a reduction in tuition charges, a concurrent reduction in the expended tuition waiver may be recorded to recognize the reduction in remised tuition.

"Waiver Agreement" means an agreement between the public university and the student to reduce or eliminate the tuition and/or fees that normally would be charged to the student.

### **Section 1075.300 Waiver Accounting Classifications**

All tuition and fees assessed against students should be recorded as revenue, even though there may be no intention of collecting the revenue from the student. A waiver is the amount of revenue that the university intentionally relinquishes for one of the purposes included in the Standard Tuition and Fee Waiver Chart of Accounts in accordance with Section 1075.500 and should be recorded as university expenditures. Tuition and fee waivers should be classified for accounting purposes by the university as budgeted, granted, or expended waivers. The classification of tuition and fee waivers is dependent on the point in the budgeting and accounting cycle that the transaction takes place.

### **Section 1075.400 Fiscal Year Reporting**

- a) Public universities shall report tuition and fee waivers annually to the Board in a common format provided by the Board.
- b) Waivers shall be reported as budgeted, granted or expended waivers within the particular fiscal year in which the corresponding tuition and fees are recognized as revenue.
- c) In instances in which waivers are adjusted after the end of the fiscal year, universities shall establish a cutoff date of August 31 to facilitate fiscal year waiver reporting. Adjustments made after the cutoff date will be allocated to the following fiscal year. Public universities will develop appropriate written procedures to implement the cutoff date.

### **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-~~16.146~~]  
*[Note: Citation was copied from the public act and subsequently changed when legislation was compiled with existing statute.]*
  - 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-~~9094~~, 670/15-90, 675/20-~~9094~~, 680/25-~~9094~~, 685/30-90, and 690/35-90] *[Note: Citations were copied from the public act and subsequently changed when legislation was compiled with existing statutes.]*
  - 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** *[Note: Public Act 100-824 removed Board authority to limit waivers]*

- 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 \_\_\_\_\_)