

COMMISSION FOR HIGHER EDUCATION

Friday, March 13, 2009

DISCUSSION ITEM C: **Issues Related to Non-Binding Tuition and Mandatory Fee Targets to be Recommended by Commission for Higher Education**

Staff Recommendation For discussion only.

Background By statute (I.C. 21-14-2-12.5) the Indiana Commission for Higher Education is charged with recommending “non-binding tuition and mandatory fee increase targets for each state educational institution.” The Commission makes these recommendations “after the enactment of a state budget.”

This discussion item is intended to inform the Commission about the timing and procedures related to the Commission’s duty. Substantive discussions about the targets will be at the discretion of the Chair.

Supporting Document CHE Non-Binding Tuition and Mandatory Fee Targets Issues

CHE Non-Binding Tuition and Mandatory Fee Targets Issues

Indiana Commission for Higher Education

March 13, 2009

Statutory Authority to Set Tuition

- IC 21-14-2-1
 - **Applicability**
 - Sec. 1. (a) This section applies to the board of trustees of the following state educational institutions:
 - (1) Ball State University.
 - (2) Indiana University.
 - (3) Indiana State University.
 - (4) Purdue University.
 - (5) University of Southern Indiana.
 - (b) **The board of trustees** of a state educational institution may:
 - (1) **set the fees, tuition, and charges** necessary or convenient to further the purposes of the state educational institution; and
 - (2) collect the fees, tuition, and charges set by the board of trustees for the state educational institution.
- [emphasis added]*

Statutory Authority to Set Tuition

- **IC 21-14-2-4**
- **Schedule of fees**
 - Sec. 4. The board of trustees of Ivy Tech Community College may establish a schedule of fees or charges for students.
- **IC 21-27-9-6**
- **Board; maintenance and support for [Vincennes] university**
 - Sec. 5. The board of trustees [of Vincennes University] may generally do all lawful matters and things whatsoever, necessary for maintaining and supporting Vincennes University and for the more extensive communication of useful knowledge.

Two Year Rule

- **IC 21-14-2-6**
- **Required minimum period to which tuition and fees rate change applies**
 - Sec. 6. Subject to section 12 of this chapter, a state educational institution shall set tuition and fee rates for a two (2) year period.

Timing of Tuition and Fee Announcement

- IC 21-14-2-7
- **Rate setting procedures**
- Sec. 7. The rates must be set according to the procedure set forth in section 8 of this chapter:
 - (1) on or before June 30 of the odd-numbered year; or
 - (2) sixty (60) days after the state budget bill is enacted into law;
- whichever is later.

Public Notice Requirement

- IC 21-14-2-8
- **Public hearing; notice**
- Sec. 8. A state educational institution shall hold a public hearing before adopting a proposed tuition and fee rate increase. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. **The public notice must include the specific proposal for the tuition and fee rate increase and the expected uses of the revenue to be raised by the proposed increase.** [*emphasis added*]

Public Hearing Requirements

- The hearing must be held:
- (1) on or before May 31 of each odd numbered year; or
- (2) thirty-one (31) days after the state budget bill is enacted into law;
- whichever is later.

CHE Non-Binding Tuition Targets

- IC 21-14-2-12.5
- **Tuition and mandatory fees; recommendation of targets by commission for higher education; review by state budget committee**
- (b) **After the enactment of a state budget, the commission for higher education shall recommend nonbinding tuition and mandatory fee increase targets for each state educational institution.**
[emphasis added]

CHE Non-Binding Tuition Targets

- (c) The state educational institution shall submit a report to the state budget committee concerning the financial and budgetary factors considered by the board of trustees in determining the amount of the increase.
- (d) The state budget committee **shall** review the targets recommended [by CHE] and reports received under subsection (c) and **may** request that a state educational institution appear at a public meeting of the state budget committee concerning the report. [*emphasis added*]

Adjustments to Announced Tuition

- IC 21-14-2-9
- **Conditions on tuition and rate increases**
- Sec. 9. After a state educational institution's tuition and fee rates are set under sections 7 and 8 of this chapter, the state educational institutions may adjust the tuition and fee rates **only if appropriations to the state educational institution in the state budget act are reduced or withheld.** [*emphasis added*]

Adjustments to Announced Tuition

- **IC 21-14-2-10**
- **Restrictions on tuition and rate increases**
- Sec. 10. If a state educational institution adjusts its tuition and fee rates under section 9 of this chapter, the total revenue generated by the tuition and fee rate adjustment must not exceed the amount by which appropriations to the state educational institution in the state budget act were reduced or withheld.

Timing of Tuition Targets

- CHE recommends non-binding target “after the enactment of a state budget”
 - Sine die scheduled for April 29, 2009
 - Recommendations made at CHE May meeting is May 8, 2009
 - No prescribed method to make recommendation
 - Postsecondary institutions to set tuition by June 30
 - Must hold public hearings with 10 day notice in advance

Further Discussion