

**AGENDA ITEM #VIII-A-1
FEBRUARY 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

FIRST READING – TUITION

RECOMMENDATION OF THE PRESIDENT: It is recommended that Board of Trustees considers for the first reading an increase in the in-district tuition rate from \$123.00 per credit hour to ^{\$133.00} \$133.00 per credit hour effective Fall semester of 2016 ^{only} and an increase in the in-district tuition rate from \$133.00 per credit hour to \$143.00 per credit hour effective Spring semester of 2017. In addition, it is recommended that the Board of Trustees considers for the first reading an increase in the senior citizen rate from \$92.00 to ^{\$100.00} \$100.00 per credit hour effective Fall semester 2016 and from \$100.00 to \$107.00 effective Spring semester 2017. The formulas for figuring out-of-district and out-of-state tuition remain unchanged. These rates will be calculated after Fall 2016 and Spring 2017 tuition rates at community colleges contiguous to Highland have been determined. 408
2/16/16

BACKGROUND: Appropriations for FY2016 State of Illinois funding of the Illinois Community College system have not been made due to the Illinois budget stalemate. Based on all available information, most Illinois community colleges are anticipating no State funding for FY2016. Highland's budget for fiscal year 2016 includes about \$1.5 million in unrestricted State funding, or about 10% of the operating budget revenues. Earlier in the fiscal year, Highland implemented a spending plan that allows for "essential" expenditures only. Projections indicate that Operating Fund balance reserves will be reduced to about 15% of Operating Fund expenditures by the end of FY2016. Recent indications are that a FY2017 State of Illinois budget may not be implemented until well into FY2017. At this time, most Illinois community colleges are anticipating that FY2017 State funding will be a fraction of that originally expected in FY2016.

A \$133 tuition rate effective Fall semester of 2016 and a \$143 tuition rate effective Spring semester of 2017 coupled with our technology fee (\$16) and activity fee (\$8) will likely be higher than the overall state average tuition and fee rate in FY17. The Administrative Rules of the Illinois Community College Board require that the out-of-state tuition rate be set at a minimum of 1.67 times its in-district tuition rate. The out-of-district tuition rate is calculated at 1.5 times the highest in-district rate of our contiguous districts. The Spring 2017 semester increase could be adjusted as late as September if action is taken regarding State funding that has a positive impact on Highland's FY16 and/or FY17 budgets. Approving a Spring 2017 semester increase at this time (rather than after the start of the semester) provides students and their families the opportunity to plan for the increase.

Early budget projections that include a small increase in property tax values and significantly diminished state support indicate that this recommended increase in tuition may require the

BOARD ACTION: Approved, as amended 2/16/16

College to evaluate additional revenue increases and/or expense reductions and adopt a deficit budget in FY17, to be offset by a planned decrease in the Operating Funds fund balance.

If (as originally planned when Illinois Community Colleges were established) state funding was one-third of the College's revenue sources, then we would only be looking at a per credit hour tuition rate of about \$105.