

**AGENDA ITEM #X-D-4
FEBRUARY 19, 2019
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 \$141.00 per credit hour to \$146.00 per credit hour effective Fall semester of 2019. In addition, it is recommended that Board of Trustees considers for the first reading an increase in the senior citizen rate from \$106.00 to \$111.00 per credit hour effective Fall semester 2019. The formulas for figuring out-of-district and out-of-state tuition remain unchanged. These rates will be calculated after Fall 2019 tuition rates at community colleges contiguous to Highland have been determined.

BACKGROUND: Highland's State funding for the past three fiscal years has been at historically low levels. In response to this, tuition was increased in FY18 (no increase in FY19), expenses have been reduced, transfers from other funds have been utilized, and the fund balance has absorbed the remaining deficit.

A \$148 tuition rate effective Fall semester of 2019 coupled with our technology fee (\$19) and activity fee (\$13) may be higher than the overall State average in-district tuition and fee rate in FY19, however many colleges have not yet determined tuition and many are discussing increases. 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.

Early budget projections that include a small increase in property tax values and level State funding indicate that this recommended increase in tuition may require the College to evaluate additional revenue increases and/or expense reductions and adopt a deficit budget in FY20, 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 \$124.

BOARD ACTION: _____