

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: FINANCIAL AFFAIRS
Policy 940.31 – Policy Statement on Tuition
Effective: March 20, 2003, Issued: May 2, 2003

I. Introduction

Funding for higher education is a shared responsibility of the state, students, and campuses. The state assumes its share of that responsibility through state general fund appropriations and millage; students, through tuition and fees; and campuses, through management efficiencies by innovative and creative thinking and the generation of additional revenue. The Board of Regents of Higher Education plays a pivotal role in ensuring that the appropriate level of responsibility is assumed by the state, students, and campuses through a variety of ongoing activities, including the setting of tuition levels.

Tuition levels have a direct bearing on both student access and educational quality. A multitude of considerations go into establishing tuition levels. This policy statement is an attempt to identify and explain the most important of those considerations. The weight given any specific factor may vary depending on changing educational priorities, funding trends or economic conditions. For that reason this policy does not give a formula by which precise tuition levels will be determined. Rather, it attempts to identify the variety of factors that influence the setting of tuition. Some of the factors may even appear to contradict one another. One factor may point to higher tuition, another to lower. Nevertheless, both are listed here because it is important to show how final tuition levels are the product of a set of countervailing considerations. It is the intent of the policy to give campuses flexibility to set price within defined parameters that preserve the Board's accountability to Montana citizens for affordability and access.

Reservation of Rights - This policy is not intended to bestow any specific rights on any individual or group of individuals and the policy creates no enforceable expectation in any person to any specific or relative level of tuition.

II. The General Goals of Tuition Policy

- A. Tuition should be set at a level that enables a campus to maintain high quality programs and services.
- B. Tuition levels should not be so high as to make postsecondary education unaffordable for Montanans of modest means.
- C. Access is a more important consideration at introductory levels of postsecondary education since this is the gateway to all subsequent achievement. Thus tuition will generally increase as educational level increases.
- D. Campuses will have the flexibility to differentiate tuition by program, sector and method of delivery to reflect the cost of providing education.
- E. As far as practicable, tuition levels should be predictable. This helps students and their families plan for college expenses. It also helps campus administrators develop plans and goals within a realistic time frame.
- F. Tuition levels should be competitive with other comparable public institutions.
- G. The issue of competitiveness is especially crucial in setting tuition levels for courses where access to the course is independent of a student's location (e.g., on-line courses).

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H. The proliferation of fees should be avoided, and the incorporation of mandatory general fees into tuition levels should be more commonplace.

III. Consideration of the Cost and Value of Education in Setting Tuition Levels

A. Tuition levels will bear a relationship to the costs incurred by the campus in providing the education to the student. Tuition levels for resident students will bear a relation to the cost of education and the level of state support. Campuses have the flexibility to ~~reduce-set~~ non-resident tuition ~~to-at~~ 150% of resident tuition and set non-resident tuition for graduate research and teaching assistants at 100% of resident tuition.

B. The economic benefits of higher education that accrue to the individual will be taken into account when tuition levels are established or when proposals for program- or institution-specific exceptions to tuition levels are considered. This factor will often complement the practice of scaling tuition to the cost of programs. The social, intellectual, cultural and economic benefits that accrue to society from having a well-educated citizenry and skilled workforce will also be considered when tuition levels are established.

C. A practical manifestation of these two factors is the tiering of tuition by level of institution and by the degree progression of students and the corresponding allocation of state appropriations to assure students affordable access to postsecondary education.

IV. The Practice of Establishing Tuition

A. As far as is practicable, the Board of Regents will establish tuition and fees for two-year intervals.

B. Campus recommendations to the board will flow from a campus governance process that includes campus hearings and opportunities for public and student input and will be presented in the context of the campus budget and strategic plan, taking into account the overall intended expenditures and their relationship to the priorities of the institution.

C. The Board will solicit recommendations on tuition levels from students and faculty and from campus and OCHE administrators as well as the public.

D. Campuses will have flexibility in the setting of tuition upon the demonstration to the board of special fiscal, infrastructure or market circumstances.

E. Incentives should be established to reward campuses that are successful in maintaining high quality programs with corresponding levels of tuition to assure access for qualified Montana students when tuition levels rise.

History:

Item 118-105-R0103, Policy Statement on Tuition, adopted by the Board of Regents March 20, 2003.