VIII-2.01 – POLICY ON TUITION

Approved by the Board of Regents June 11, 1993; Amended on December 19, 2003; June 23, 2004; June 22, 2005; April 15, 2016)

PREAMBLE

The University System of Maryland is responsible for and committed to ensuring that qualified Maryland residents have access to System institutions and quality education at affordable costs. Since the students benefit from the education they receive, they have a responsibility to pay a reasonable share of the costs through tuition. Since Maryland benefits from having an educated citizenry, the state also has a responsibility to bear a substantial portion of the costs through taxpayer support. The University System of Maryland also has a responsibility to Maximize the efficiency of its operation so as to minimize the cost to taxpayers and students.

Among the principles set forth in the System's founding legislation are the following:

- The people of Maryland deserve high quality in all aspects of public higher education.
- Public higher education should be accessible to all those who seek and qualify for admission.
- Adequate funding by the State is critical to ensure access to high quality public higher education.

To help identify the responsibilities of students and the state in funding public higher education AND to ensure that the University System of Maryland is able to fulfill its legislative mandates, the System leadership recognizes the need for a tuition policy. The policy is designated to:

- provide students with a quality education and enable the System to move toward its legislatively-mandated goal of achieving and sustaining national eminence;
- further the state's understanding and appreciation of the significant role state revenues are expected to play in supporting the goals of the System;
- allow the System and its institutions to plan, budget, and allocate resources over the long term;
- keep tuition increases predictable, enabling students to plan for their educational expenses;
- provide access to System institutions for the range of qualified students; and
- recognize and support the individual institutional missions.

Students from other states and countries who enroll at USM institutions add a richness of experience and diversity that benefits all institutions and their students. However, those students should pay an additional amount of tuition, which, at minimum, offsets the State's contribution intended to subsidize the education of its residents.
I. DEFINITIONS

- Tuition: The rate paid by students to enroll in a USM institution and the fees all students must pay that are part of the state supported budget. Fees to support auxiliary enterprises, self-funded operations and fees that are not collected from all students (e.g., lab fees, application fees, etc.) are not covered by this policy.

- Funding Guideline: The funding guideline is a calculation that provides an institutional benchmark to assess the adequacy of funding for an institution against an external peer-related comparison.

- Full-Time Equivalent Student (FTES): Number of full-time students plus one-third the number of part-time students. This formula is consistent with that used for the funding guidelines and national standard practice.

- State Appropriations: General funds (state tax dollars) provided annually to an institution.

- Self-funded Operations and Auxiliary Enterprises: Operations supported by fees and charges that are determined by the amount of revenue required for the individual activity to operate on a sound fiscal basis, without accumulating a deficit or postponing required expenditures to a future year.

II. Tuition Plan and Level

Tuition at an institution, when combined with state appropriations for that institution, is expected to provide sufficient revenue to support the goals of quality and of achieving and sustaining national eminence.

A. Institutional Tuition Plans

1. Each institution will update annually a four-year tuition plan based on assumptions that on a format provided by the Chancellor, related to projected state appropriation, funding guidelines target and planned enrollment levels. Changes proposed in the annual update should address changes in assumptions that caused the recommended revision to tuition rates.

2. Funding guidelines targets will NOT be adjusted to compensate for enrollment growth that has not been approved by the Board of Regents.

3. This plan will also include targets for increased efficiencies in institutional operations, including cost containment initiatives reported to the State.

4. Revenues from tuition or special programs that are part of the state-supported budget should be included in the tuition plans. The plans should also include revenues from all fees that are not related to auxiliary operations or other self-funded activities.

5. Tuition is expected to vary by institution based on mission, program offerings, general funds per full-time equivalent student, facilities, and other factors.
B. Tuition Level

Tuition for each category of student at an institution will be established either as an annual cost or specified as a cost per credit hour. The tuition levels should be established in accordance with the following principles:

1. Generally, undergraduate tuition within an institution should not vary by discipline or cohort, except for the professional schools at the University of Maryland, Baltimore. However, institutions may seek an exception to this policy.

2. Non-resident undergraduate students should pay an additional amount of tuition which at a minimum offsets the State's contribution intended to subsidize the education of its residents and institutions are encouraged to set tuition for non-resident undergraduate students at market level. Based on compelling reasons, institutions may seek an exception to this policy. For each institution, the calculation of the State contribution shall include the general funds appropriations per resident FTES (as defined in the USM Funding Guidelines) plus the System average cost of GO and PAYGO debt amortization (cost of facilities not reflected in the institutions' budgets) per resident FTES. The calculation of state subsidy should be adjusted for state financial aid and research/public service support.

3. Part-time undergraduate students are to pay a per-credit hour charge based on a normal semester load for a full-time undergraduate student of at least 12 credits per semester.

4. Tuition for graduate and professional students may be set on a program differential basis.

5. Non-resident graduate and professional students are to pay a higher amount than in-state graduate and professional students; their tuition should reflect market levels unless there is a compelling reason to the contrary.

6. Tuition for special programs at the graduate level may be set at a flat rate that may include fees and may vary from the guidelines stated above.

C. Implementation

1. Before implementation, the Board of Regents shall approve institutions' tuition rates. Generally, Board approval of tuition rates for a given academic year will occur near the start of the preceding academic year. The University System of Maryland reserves the right to make changes in tuition, fees, and other charges at any time, upon a finding by the Board of Regents, or a System institution authorized to act without Board of Regents approval, that any such change is necessary.

2. University of Maryland University College may set tuition rates and fees without prior Board of Regents' approval for groups of students covered by arrangements between UMUC and public and private entities. Any tuition rate or fee offered by UMUC as part of such arrangements shall never be lower than the corresponding resident tuition rate except for arrangements with the United States government, when those arrangements are significant to implementing UMUC's mission or business plan. UMUC shall report to the Chancellor on corporate tuition rates.
3. The University of Maryland, Baltimore, on behalf of the University of Maryland Francis King Carey School of Law, subject to the President’s approval, may enter into agreements with the federal Office of Personnel Management providing for reduced tuition rates for federal employees and their spouses in under-enrolled programs of the School in return for the Office’s promotion of the programs as opportunities for federal employees. The rate reductions may not exceed 10% of approved tuition. This authority to reduce tuition does not apply to the Full-time or Part-time JD Program.

III. FINANCIAL AID

Institutions should address need-based institutional financial aid opportunities in their tuition plans with the goal of maximizing access for all qualified students under the proposed tuition rates.

IV. REQUIRED REPORTS

This policy provides for undergraduate tuition to be established independent of tuition at comparable institutions. However, tuition information for comparable institutions within the region and nationally is to be made available to the Board of Regents Committee on Finance at the time it considers the operating budget request and the related tuition adjustments.

Each USM institution will provide to the public easily accessible information reflecting a four year projection of costs to attend the institution. The projection will include an explanation of the assumptions serving as the basis of the projects. The information should include examples of the total costs for typical students, including tuition, mandatory fees, course fees, and room and board.