

BOARD OF TRUSTEES
UNIVERSITY OF THE DISTRICT OF COLUMBIA
UDC RESOLUTION NO. 2019-_____

SUBJECT: NOTICE OF FINAL RULEMAKING, AMENDMENTS TO CHAPTER 7, TUITION AND FEES: DEGREE-GRANTING PROGRAMS EFFECTIVE AY 2020 -2021

WHEREAS, District of Columbia law (D.C. Official Code § 1202.06(8)) provides for the Board of Trustees of the University of the District of Columbia to fix fees to be paid by District of Columbia resident and nonresident students attending the University; provided, that such fees are adopted by the Trustees in accordance with the provisions of D.C. Official Code § 2-505(a); and

WHEREAS, the University consists of a flagship urban land-grant university offering a broad range of academic and professional programs; a community college offering workforce development opportunities, academic certifications and academic associate degrees; and a law school whose mission is to recruit and enroll students from groups under-represented at the bar, provide a well-rounded theoretical and practical legal education that will enable students to be effective and ethical advocates, and represent the legal needs of low-income District of Columbia residents through the school's legal clinics; and

WHEREAS, the University is trying to avoid sporadic, significant tuition increases and trying instead to maintain existing cost structure consistent with the rate of inflation by implementing consistent incremental increases; and

WHEREAS, a tuition rate increase of 2.5% for the Academic Year 2020-2021, will maintain the existing cost structure consistent with the rate of inflation: and

WHEREAS, the substance of the proposed rules enacted herein was published on September 20, 2019 at 66 DCR 39 for a thirty-day public comment period in accordance with D.C. Official Code §2-505(a) and no public comment was received during the public comment period; and

WHEREAS, pursuant to 8 D.C.M.R. §128.4, where no comments are received, the Chairperson of the Board may forward the rules for final adoption without committee action.

NOW, THEREFORE BE IT RESOLVED that, the Board of Trustees of the University hereby adopts the Notice of Final Rulemaking attached and incorporated hereto as Exhibit A; and

BE IT FURTHER RESOLVED that the Rules enacted herein shall take effect upon publication in the DC Register and that all prior inconsistent resolutions, customs, procedures, and practices are hereby repealed and the General Counsel is hereby directed to publish this Notice of Final Rulemaking in the D.C. Register.

Approved by the Board of Trustees:

November 19, 2019

Christopher D. Bell
Chairperson of the Board

UNIVERSITY OF THE DISTRICT OF COLUMBIA

NOTICE OF FINAL RULEMAKING

The Board of Trustees of the University of the District of Columbia, pursuant to the authority set forth under the District of Columbia Public Postsecondary Education Reorganization Act Amendments (Act), effective January 2, 1976 (D.C. Law 1-36; D.C. Official Code §§ 38-1202.01(a); 38-1202.06)(3),(13) (2012 Repl.)), hereby gives notice of its intent to amend Chapter 7 (Admissions and Academic Standards) of Subtitle B (University of the District of Columbia) of Title 8 (Higher Education) of the District of Columbia Municipal Regulations (DCMR), in not less than thirty (30) days from the date of publication of this notice in the *D.C. Register*.

The purpose of this rule is to adjust tuition rates for degree granting programs beginning in the fall semester of 2020.

The substance of the rules adopted herein was published in the *D.C. Register* on September 20, 2019 at 66 DCR 39 for a period of public comment of not less than thirty (30) days, in accordance with D.C. Official Code § 2-505(a) (2016 Repl.).

No public comment was received by the Board within the public comment period. The rule was adopted by the Board as final on November 19, 2019 and will become effective upon publication of this notice in the *D.C. Register*.

Chapter 7, ADMISSIONS AND ACADEMIC STANDARDS, of Title 8-B DCMR, UNIVERSITY OF THE DISTRICT OF COLUMBIA, is amended as follows:

Subsections 728.1–728.8 of Section 728, TUITION AND FEES: DEGREE-GRANTING PROGRAMS are amended as follows:

728.1 The following tuition and fees have been approved by the Board of Trustees consistent with D.C. Official Code § 38-1202.06(8):

728.2	COMMUNITY COLLEGE ASSOCIATE DEGREE-GRANTING PROGRAMS	
		<u>Per Credit Hour</u>
	Washington, D.C. Residents	\$117.00
	Metropolitan Area Residents	\$197.00
	All Other Residents	\$332.00

728.3	FLAGSHIP BACCALAUREATE DEGREE-GRANTING PROGRAMS	
		<u>Per Credit Hour</u>
	Washington, D.C. Residents	\$324.00
	Metropolitan Area Residents	\$374.00
	All Other Residents	\$680.00

728.4	FLAGSHIP GRADUATE DEGREE-GRANTING PROGRAMS	
		<u>Per Credit Hour</u>
	Washington, D.C. Residents	\$513.00
	Metropolitan Area Residents	\$580.00
	All Other Residents	\$986.00

728.5	DAVID A. CLARKE SCHOOL OF LAW DEGREE-GRANTING PROGRAMS FULL TIME PROGRAM STUDENTS (FALL & SPRING SEMESTERS ONLY)	<u>Per Semester</u>
	Washington, D.C. Residents	\$6,219.00
	Metropolitan Area Residents	\$9,328.00
	All Other Residents	\$12,436.00
728.6	DAVID A. CLARKE SCHOOL OF LAW DEGREE-GRANTING PROGRAMS ALL OTHER STUDENTS	<u>Per Credit Hour</u>
	Washington, D.C. Residents	\$422.00
	Metropolitan Area Residents	\$631.00
	All Other Residents	\$843.00
728.7	SCHOOL OF ENGINEERING BACCALAUREATE DEGREE-GRANTING PROGRAMS	<u>Per Credit Hour</u>
	Washington, D.C. Residents	\$345.00
	Metropolitan Area Residents	\$400.00
	All Other Residents	\$725.00

728.8 DEFINITIONS

- (a) Full-Time Students. Any undergraduate or community student enrolled in at least twelve (12) credit hours per semester, or any graduate student enrolled in at least nine (9) credit hours per semester, shall be considered a full-time student for the purposes of calculation of tuition in accordance with this chapter. Full-time undergraduate and community college students shall be charged tuition for each semester in which they are enrolled in the amount of twelve (12) credit hours, regardless of the number of credit hours actually taken. Full-time graduate students shall be charged tuition for each semester in which they are enrolled in the amount of nine (9) credit hours, regardless of the number of credit hours actually taken.

- (b) Metropolitan Area Residents. Any individual who can establish residency in one of the following counties shall be considered a Metropolitan Area Resident: Montgomery County, Maryland; Prince George's County, Maryland; Arlington County, Virginia; Alexandria County, Virginia; Fairfax County, Virginia. The standards used to establish residency shall be the same standards used to establish residency for District residents.

MEMORANDUM

TO: CHARLENE DREW JARVIS, CHAIR, AUDIT, BUDGET AND FINANCE
COMMITTEE

ANTHONY TARDD, CHAIR, ACADEMICS AND STUDENT AFFAIRS
COMMITTEE

COPY TO: LAWRENCE POTTER, CHIEF ACADEMIC OFFICER

WILLIAM LATHAM, CHIEF STUDENT DEVELOPMENT AND SUCCESS OFFICER

TROY LEMAILE-STOVALL, CHIEF OPERATING OFFICER

FROM: AVIS MARIE RUSSELL, ACTING GENERAL COUNSEL *AM Russell*

SUBJECT: **NOTICE OF FINAL RULEMAKING, AMENDMENTS TO CHAPTER 7,
TUITION RATES: DEGREE-GRANTING PROGRAMS EFFECTIVE AY 2020 -
2021**

DATE: November 8, 2019

On September 10, 2019, the Board of Trustees approved a Notice of Proposed Rulemaking (NPRM) to adjust tuition rates for degree granting programs beginning in the fall semester of 2020. The NPRM was published in the D.C. Register on September 20, 2019 (66 DCR 39) for a thirty (30) day comment period. The public comment period has elapsed, and no comments were received during the applicable period.

The NPRM was initially adopted and forwarded for consideration by the Audit, Budget & Finance Committee & Academic & Student Affairs Committee on August 6 and August 15, 2019 respectively. Pursuant to 8B DCMR §128.4, if no public comments are received on a Notice of Proposed Rulemaking, “the Chairperson of the Board Committee may forward the rules to the Board for final adoption without a meeting of or action by the committee.” Accordingly, as Chairpersons of the Audit, Budget and Finance Committee and Academic and Student Affairs Committee, you may forward the referenced rulemaking action to the full Board of Trustees for final rulemaking action at the Board meeting scheduled for November 19, 2019.

FISCAL IMPACT STATEMENT

TO: Board of Trustees

FROM: Managing Director of Finance *David A. Franklin*

DATE: September 13, 2019

SUBJECT: UDC Tuition Rate Increase for AY2020-2021

Conclusion

In conclusion, the tuition rate increase for AY 2020-2021 is expected to partially mitigate the decrease in tuition revenue assuming enrollment continues to decline at the University. The University's enrollment has declined over the past two academic years.

Background

Higher Education Price Index (HEPI) data show that inflation for colleges and universities was 2.8% for FY2018, which ended on June 30. That represents a decline from FY2017's 3.3% (which was also the highest rate of inflation in the past decade, and the highest since it reached 5.0% in FY2008). FY2018's 2.8% was, nevertheless, considerably higher than the 1.8% rate reported for FY2016.

There are eight cost factors that contribute to the HEPI regression calculation: faculty salaries, administrative salaries, clerical salaries, service employee salaries, fringe benefits, miscellaneous services, supplies and materials, and utilities. For FY2018, costs rose in all eight categories, compared to FY2017, when costs rose in seven of the eight categories. The chief causes of the increase in HEPI from FY2016 to FY2017 were: a 14.5% increase in utility costs; a 4.1% increase in fringe benefits; and a 3.7% increase in service employee costs. For FY2018, the largest increases were 3.4% in service employee costs, and 3.2% in faculty salaries. They were the only two components to reach or exceed the 3.0% level.

Notwithstanding, the Board of Trustees policy of HEPI plus 15 (3.8%), the University Administration's proposed tuition of 2.5% with a potential incremental increase in tuition revenue of \$478,750. The projected incremental increase in tuition revenue assumes the University's enrollment will continue to decline. The assumption is based on the decline in enrollment for the past two academic years. The assumption further aligns with declines in enrollment across the country.

The tuition rate increase will increase tuition revenue. That increase will be offset by the loss of tuition revenue from the decline in student enrollment. With the assumption of continued

decline in enrollment, the second assumption is that the decrease in tuition revenue from the decline in student enrollment will be greater than the increase in tuition revenue from enrolled students. Thus, the net tuition revenue for the University is projected to decrease.

Financial Impact

The decrease in tuition revenue will increase financial pressure on the University’s budget. Per the HEPI report, operational cost has increased in all eight major expense categories tracked by HEPI. The University of the District of Columbia can reasonably expect to have the same increase in operating cost as predicted in the report. The University will have to take action to address the expected increase in operating cost, and the decrease in tuition revenue. Further, impacting the net tuition revenue is the uncollected balance of student accounts.

Increasing tuition rates will have a direct impact on students. The average student indebtedness will increase. The average student indebtedness for Academic Year 2018-2019:

Student Type	Average Indebtedness (One-Year)	FY21 Projected Average Indebtedness
Undergraduate (UG) Students	\$7,866	\$8,063
Community College (CC) Students	\$6,572	\$6,736

For Community College (CC) students who receive the full Pell Grant award, the Pell Grant award will cover their direct charges (Tuition and Fees). Not all students are awarded the same amount of Pell Grant. Some students do not receive a Pell Grant award.

- % of DC Residents Receiving Federal Aid of total DC Residents registered – 58%
- % of DC Residents Receiving Federal Aid and Scholarship – 8%
- % of DC Residents Receiving Federal Aid and NO Scholarship – 50%

Risk Assumptions	Impacts
Higher tuition rates may negatively impact enrollment.	Research indicates low to moderate fiscal impact on the correlation of tuition increase and decline in enrollment and retention.

The administration continues to monitor the impact of tuition rate increases on student enrollment, and understands that continued tuition rate increase has the potential to become a point of consternation for students and prospects. The current risk level continues to be low to moderate at time. Monitoring of this will continue.

This proposed tuition rate increase is submitted for consideration based on the information provided.

