

BOARD OF HIGHER EDUCATION

REQUEST FOR COMMITTEE AND BOARD ACTION

COMMITTEE: Fiscal Affairs and Administrative Policy **NO.:** FAAP 21-11

COMMITTEE DATE: March 16, 2021

BOARD DATE: March 23, 2021

COMMUNITY COLLEGE AND STATE UNIVERSITY TUITION RETENTION FEASIBILITY STUDY

MOVED: The Board of Higher Education (the Board or BHE) hereby directs the Commissioner to examine and make recommendations on tuition and fee setting authority, including tuition retention, related to the Community Colleges and State Universities.

To that end, the Commissioner is authorized and advised to convene a working group consisting of stakeholders to help examine and identify the steps necessary, including any proposed statutory changes aimed at improving tuition and fee setting processes, and tuition retention authority for State Universities and Community Colleges for the start of fiscal year 2023. At a minimum, the Board advises that the working group should include the following members, or their designees: 3 Community College presidents; 3 State University presidents; the Secretary of Education; current community college and state university segmental BHE representation; and the Executive Director of the Massachusetts State College Building Authority.

The Commissioner shall report findings and recommendations to the Fiscal Affairs and Administrative Policy Committee no later than October 2021. The Commissioner's report shall include findings and recommendations on the following matters:

(a) the costs and benefits associated with implementing tuition retention in a manner that transparently and succinctly presents total student charges;

(b) the implications of authorizing State Universities and Community Colleges to set their own student charges, within parameters established under multi-year strategic plans required pursuant to M.G.L. c. 15A, section 22(l) and subject to approval of the Secretary of Education in consultation with the Board;

(c) the manner in which campuses and the Board currently define "state supported" versus "non state-supported" for the purposes of establishing remittance amounts, allocating collective bargaining costs, determining state and campus fringe costs, and determining the applicability of tuition waivers within and across the public higher education system, and recommendations, including any necessary statutory changes, for establishing a consistent set of standards by which campuses and the Board may define "state supported" versus "non state-supported" courses and activities for said purposes;

(d) potential methodologies for establishing a revenue neutral implementation plan, including the mitigation of revenue variability due to future fluctuations in enrollments;

(e) calculations and recommendations relative to the value of all tuition waivers currently in effect, and authorized under section 19 of chapter 15A of the General Laws, any other general or special law or otherwise collectively bargained, along with recommendations for procedures and approval mechanisms to recognize the value of such tuition waivers as tuition credits;

(f) the possibility of alternative implementation timelines, including phasing in tuition retention or implementing it on separate timelines for the State University and Community College segments; and

(g) any Commonwealth financial obligations, such as collective bargaining and fringe costs, that may be affected by the implementation of tuition retention.

VOTED:

Adopted by the FAAP Committee on 03/16/2021 with the following amendment: Add the clause "current community college and state university segmental BHE representation" in the second sentence of the second paragraph; adopted by BHE 3/23/2021.

Authority: Massachusetts General Laws, Chapter 15A, Section 9(i)

Contact: Thomas J. Simard, Deputy Commissioner for Administration and Finance

Background

The Board of Higher Education is authorized by Chapter 15A, Section 9(i) of the Massachusetts General Laws to “develop a rational and equitable statewide tuition plan for the state universities and the community colleges in the commonwealth.” For over two decades, tuition rates have remained largely unchanged, though student fees which are set by institutions have risen steadily over time. This is due substantially to a statutory provision which requires that tuition revenues from state supported costs be remitted to the Commonwealth’s General Fund.

In 2014, the Higher Education Finance Commission was established by the legislature to examine this and many other financial issues relating to higher education in Massachusetts, and in particular the public colleges and universities.

(<https://www.mass.edu/bhe/lib/documents/HigherEducationFinanceCommission-FinalReport10-2014.pdf>). The Commission’s findings and recommendations contributed in part to changes made by the legislature in FY 2016, when the University of Massachusetts, received legislative authority¹ to set its own tuition rates and to retain tuition. Similarly, the Commonwealth’s special mission institutions, Massachusetts Maritime Academy² and the Massachusetts College of Art and Design³ have received legislative authority to set their tuition rates, subject to certain parameters, and to retain those funds for operating purposes. M.G.L. c. 15A, section 7. The wide disparity between tuition and fee rates for the fifteen Community Colleges and the other seven State Universities presents an opportunity to explore alternative options for setting student charges and retaining funds from in-state tuition to support operating costs.

¹ Sections 36-38, 72-73, 174-175 and 195 of Chapter 46 of the Acts of 2015.

² Section 160 of Chapter 352 of the Acts of 2004.

³ Section 63 of Chapter 25 of the Acts of 2003.