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U of I trustees consider annualized 1.9 percent tuition increase
Guaranteed four-year rate increase tied to rate of inflation

CHICAGO – Guaranteed four-year tuition for incoming students of the University of Illinois next fall will increase by 4.8 percent, or the equivalent of 1.9 percent per year during the four-year guarantee, under a proposal that ties [tuition](#) increases to the rate of inflation and that the Board of Trustees will consider at its meeting in Chicago today.

The recommendation conforms with a tuition-setting policy enacted by the Board one year ago to limit increases to no more or less than the rate of inflation. The 2012-13 increase – for incoming in-state freshmen only – would be the second to be established under the policy.

Under the state’s guaranteed tuition law, the rate for the 2012-13 incoming class would be locked in for four years. The annualized increase for the four-year period would be 1.9 percent—consistent with inflation rates for the last four years as measured by a leading national index. The state tuition-guarantee was launched in 2004 to help students and families plan for the cost of a public university education by fixing tuition rates for the four years required to complete most undergraduate degree programs.

If approved, this year’s tuition adjustment for incoming Illinois-resident freshmen would be 2.1 percent less than the increase for the 2011-12 entering class, and almost half the average increase of about 9 percent over the past decade. By setting tuition in January, trustees hope to make the planning process easier on families and allow more time to firm up financial aid planning.

President Michael J. Hogan said the inflation-based tuition adjustment reflects the Board’s commitment to holding down student costs while maintaining the high-quality academic programs that are the hallmark of the university.

“Affordability is critical, but so is an education that opens doors of opportunity for our graduates and paves the way for successful careers that pay lifelong dividends,” he said.

If approved, the 1.9 percent annualized increase would be significantly lower than national trends. In 2011-12, the national average for tuition increases at four-year public universities was 8.3 percent, according to the most recent survey by the College Board, a nonprofit association representing U.S. colleges and universities.

Under the proposal, base tuition for in-state students will rise by \$532 per year to \$11,636 at the Urbana-Champaign campus; by \$468 per year to \$10,232 at the Chicago campus; and by \$420 per year to \$9,090 at the Springfield campus.

In addition to holding increases to the four-year average of national inflation rates for higher education, the University's tuition-setting policy considers changes in state funding and the impact of the University-initiated, ongoing cost-containment efforts.

Direct general tax support from the state covers less than 15 percent of the University's \$5 billion operating budget, and 35 percent of the University's \$1.9 billion educational (unrestricted) fund, for the fiscal year that began July 1. In 1980, direct general tax support covered nearly half of the University's operating expenses. The University's current state appropriation is nearly \$136 million less than it was in fiscal year 2002, when University enrollment was 67,000 students. Enrollment for fiscal year 2012 was more than 77,600 students. Currently, the University has approximately \$300 million in unpaid vouchers with the state.

In an effort to counter state funding declines, the University launched an administrative efficiency initiative in 2010 that has already produced more than \$26 million in annual recurring cost savings. By 2014, the University hopes to achieve more than \$60 million in recurring annual savings as a result of this initiative.

UNDERGRADUATE FEES/HOUSING

The Board is also being asked to approve adjustments to [room-and-board rates](#) and changes to [student fees](#) for the 2012-13 fiscal year.

Undergraduate room and board costs at the Urbana campus, based on the standard double-occupancy room and 14-meal-per-week plan, would rise 2.5 percent, or \$236, to \$9,688 per year. Similar to the guaranteed four-year tuition policy, room and board costs on the Urbana campus are locked in for up to four years if students continue to live in campus residence halls.

At the Chicago campus, the cost for a double-occupancy room and 14-meal plan would rise 2 percent, or \$198, to \$10,060 per year. At the Springfield campus, the cost for a double-occupancy room in Lincoln Residence Hall with a full meal plan would rise 2.1 percent, or \$200, to \$9,870 per year.

The costs cover expenses including operations, utilities, food and maintenance; as well as ongoing efforts to upgrade and replace campus housing facilities.

At the Urbana campus, a proposed fee increase of 0.3 percent, or \$10, to \$2,882 per year will be considered by the Board.

Students on the Chicago campus voted to add a new [sustainability fee](#) this year that will add \$4 to the fee structure. Added to the campus' other fees, if approved, Chicago's fees would rise

0.2 percent, or \$6, to \$2,904 per year. At Springfield, fees would rise 2.1 percent, or \$37, to \$1,783 per year. Vice President and Chief Financial Officer Walter Knorr attributed fee adjustments at the Springfield campus to the campus being at a different stage of development than the other campuses.

Student fees contribute to the cost of operating campus recreational facilities, student unions, career services, athletics, student health, counseling centers, libraries and also help to cover the cost of facility maintenance, renovations and utilities.

FINANCIAL AID

The Board plans to add an estimated \$7 million in supplemental, need-based student aid to help offset tuition costs – bringing the University’s total supplemental financial aid expenditures to almost \$61 million.

More than half of U of I students pay less than the full cost of tuition and fees because of need- and merit-based aid provided by the University and federal and state grant programs. Forty-six percent of students pay less than the sticker price at the Urbana-Champaign campus, 60 percent at the Chicago campus and 70 percent at the Springfield campus.

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The University of Illinois is a world leader in research and discovery, the largest educational institution in the state with more than 77,000 students, 22,000 faculty and staff, and campuses in Urbana-Champaign, Chicago and Springfield. The U of I awards more than 19,000 undergraduate, graduate and professional degrees annually.