

Summer tuition and fee revenues have declined since Summer 2012 when eligibility for Pell grants was reduced from 18 semesters to 12 semesters. The cumulative loss over that period totals \$1.7 million in tuition and \$1.2 million in fees.

Based on the assumption that summer enrollment is impacted by price sensitivity, UIC will begin charging a lower, per credit hour price, effective Summer 2016. This will be done with the expectation it will also improve graduation rates if we provide access to high-demand courses needed for graduation.

Currently, UIC students pay range tuition for summer courses. This presents a disincentive for those that want to take only one 3 credit hour course and an incentive for those who pay for 6, but take as many as 18 credit hours.<sup>1</sup>

After looking at several rate options, we are recommending that UIC charge exactly the same amount that Urbana began charging two summers ago. The below chart displays how the new proposed rates compare to what UIC students paid last summer.

**Gross Price to Attend (New Resident, 3 Credit Hours)**

	Summer 2015 Range 2 Rate	PROPOSED RATE
Tuition	\$1,764	\$1,206
Fees	\$750	\$382
<b>Total</b>	<b>\$2,514</b>	<b>\$1,588</b>
<b>Difference</b>		<b>(\$926)</b>
<b>Discount (%)</b>		<b>-37%</b>

**Gross Price to Attend (New Resident, 6 Credit Hours)**

	Summer 2015 Range 1 Rate	NEW RATE
Tuition	\$2,646	\$2,412
Fees	\$837	\$764
<b>Total</b>	<b>\$3,483</b>	<b>\$3,176</b>
<b>Difference</b>		<b>(\$307)</b>
<b>Discount (%)</b>		<b>-9%</b>

<sup>1</sup> During Summer 2014, of 3,029 students, 1,141 took more than 6 credit hours but only paid for 6 (126 took 12 CH, 1 student took 18 CH.)

Proposed NEW Resident Summer 16 Rate				UIC Range Rate - Summer 15				Change in Rates			
CH	Tuition	Fees	Total	CH	Tuition	Fees	Total	CH	Tuition	Fees	Total
1	\$402	\$ 127	\$529	1	\$882	\$ 587	\$1,469	1	(\$480)	(\$460)	(\$940)
2	\$804	\$ 255	\$1,059	2	\$882	\$ 587	\$1,469	2	(\$78)	(\$332)	(\$410)
3	\$1,206	\$ 382	\$1,588	3	\$1,764	\$ 750	\$2,514	3	(\$558)	(\$368)	(\$926)
4	\$1,608	\$ 509	\$2,117	4	\$1,764	\$ 750	\$2,514	4	(\$156)	(\$241)	(\$397)
5	\$2,010	\$ 637	\$2,647	5	\$1,764	\$ 750	\$2,514	5	\$246	(\$113)	\$133
6	\$2,412	\$ 764	\$3,176	6	\$2,646	\$ 837	\$3,483	6	(\$234)	(\$73)	(\$307)
7	\$2,814	\$ 891	\$3,705	7	\$2,646	\$ 837	\$3,483	7	\$168	\$54	\$222
8	\$3,216	\$ 1,019	\$4,235	8	\$2,646	\$ 837	\$3,483	8	\$570	\$182	\$752
9+	\$3,618	\$ 1,146	\$4,764	9+	\$2,646	\$ 837	\$3,483	9+	\$972	\$309	\$1,281

**\*Students with zero credit hours shall be charged the one credit rate.**

**\*\*Excludes health insurance and transportation fees.**

How do these rates compare with 'competition' for a 3 credit hour course?

	Institution's Rate	UIC New Rate	Difference	%
Chicago City Colleges	\$1,359	\$1,588	\$229	17%
Northern Illinois Univ	\$1,413	\$1,588	\$175	12%
Southern Illinois Univ	\$1,275	\$1,588	\$313	25%
Northeastern IL Univ	\$1,254	\$1,588	\$334	27%
Harper College	\$1,196	\$1,588	\$392	33%

Several models were developed to project the revenue impacts of the per credit hour pricing:

Assumption 1: 2% growth in credit hour production and 5% increase in instructional cost results in flat net revenue in Summer 2016, over time at that same level of growth the net revenue remains relatively flat.

Assumption 2: 6.25% growth in credit hour production in year 1. 2% growth in years 2 – 5.

Assumption 3: 1.9% increase in instructional cost (similar to average annual increase in costs over the past 6 summers) results in a large net revenue return beginning in Summer 2017.