

STATEMENT OF PURPOSE

RS24171

The tuition lock plan offers stabilization and predictability of tuition costs according to a tuition schedule that will remain unchanged for four years for each cohort of undergraduate resident students. The plan ensures that the tuition rate first charged to a resident undergraduate student will remain constant for a period of four continuous academic years following initial enrollment, unless the student changes to a major that is charged a different tuition rate.

The law does not apply to room and board nor does it apply to mandatory fees, program fees, and/or course-specific fees. Further, the law does not apply to graduate or professional students.

Students who are guaranteed a fixed tuition rate for four continuous years include resident students who enroll first-time, full-time for the Fall 2016 term or later, or students who were previously enrolled at a public two-year and are transferring to a public four-year institution as a degree-seeking student. At the end of four years, the student's tuition rate will no longer be fixed. This tuition lock plan provides not only predictability but also incentivizes timely completion.

Students who do not qualify for the tuition lock include 1.) graduate students, 2.) professional students, 3.) undergraduate students whose fixed rate time period has expired, 4.) non-degree seeking students, 5.) students enrolled in cost-recovery courses and 6.) high school students who are enrolled in college courses at an Idaho public higher education institution (until such time as they earn a high school diploma and enroll as undergraduates).

This legislation would require that the state appropriate funding to offset any increase in tuition at the four-year institutions over students' locked tuition rate.

FISCAL NOTE

The first year of implementation has no cost as that would set a baseline tuition for the first cohort of freshmen in the fall of 2016. There would be a staggered financial impact as the cohorts move through the first four years. Below is year 2-4 impact based on estimates from the public four-year higher education institutions:

Year 1 \$ -0-

Year 2 \$ \$1,558,300

Year 3 \$ \$3,475,900

Year 4 \$ \$8,133,800

By year four, the impact will have flowed through. The fully loaded cost is approximately \$8 million per year.

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