

BOARD OF REGENTS
BRIEFING PAPER
Handbook Revision, Elimination of Good Neighbor Tuition Discount

BACKGROUND & POLICY CONTEXT OF ISSUE:

Under current Board policy, a graduate of a designated high school or community college in a state bordering Nevada may be charged a discounted tuition rate in lieu of non-resident tuition when enrolling as an undergraduate or graduate student at the universities, state college, or the community colleges. For example, a full-time non-resident student attending a university will be charged per credit registration fee and non-resident tuition (\$142.75 per credit registration fee plus \$13,290 non-resident tuition charge for academic year 2010-11). A student classified as a “good neighbor” will pay the per credit registration fee and the discounted per credit Good Neighbor tuition and will not pay the non-resident tuition (\$142.75 per credit registration fee plus \$157.00 per credit Good Neighbor tuition for academic year 2010-11). The Good Neighbor tuition discount would save a full-time undergraduate university student \$8,580 – assuming 30 credits over an academic year. Under the same assumptions for an NSC and community college student, the savings is \$7,958 and \$5,215 for an academic year. These savings represent foregone revenue to the institution.

In response to the required budget reductions, the Chancellor recommends elimination of the Good Neighbor tuition discount. A similar tuition discount for the children of alumni was eliminated last year in response to a recommendation of the Tuition and Fees Committee.

The extent to which the Good Neighbor discount has been utilized is noted in the following chart that indicates the number of students at each institution receiving the discount in Fall 2009 and Fall 2010.

	UNLV	UNR	NSC	CSN	GBC	TMCC	WNC	TOTAL
Fall '09	153	330	2	15	1	350	55	906
Fall '10	175	356	4	13	0	316	40	904

Source: NSHE Data Warehouse

SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Amend *Title 4, Chapter 17, Sections 1, 9 and 12; Title 4, Chapter 15, Section 8; and Procedures and Guidelines Manual, Chapter 7, Section 1*, to provide for the elimination of the Good Neighbor tuition discount effective Fall 2011. A student receiving the discount prior to Fall 2011 may continue to receive the discount as long as they remain continuously enrolled. (See attached Policy Proposal.)

IMPETUS (WHY NOW?):

This proposal is brought forward in response to the budget reductions facing the NSHE and its institutions.

BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Based on Fall 2010 Good Neighbor enrollments, and assuming full-time status for an academic year (30 credits), it is estimated that eliminating the discount may result in the generation of approximately \$6.5 million annually in otherwise foregone non-resident tuition. However, elimination of the Good Neighbor tuition discount will result in some additional revenue for each institution, although it is likely to be less than \$6.5 million across the NSHE as some students who will no longer have the option of the discount will not enroll.
- The WICHE Western Undergraduate Exchange program is available to many of these students. Its cost to the student is the registration fee plus an additional 50 percent. The Good Neighbor fee

equates to the registration fee plus 60 percent at the state college and community colleges and 110 percent at the universities.

- The list of high schools and community colleges in the Board Handbook has not been updated in a number of years and is currently incomplete.

POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- For some institutions, the Good Neighbor discount is an effective recruiting tool for students who live in nearby counties and want to attend a Nevada institution. In difficult financial times the institution will have great difficulty replacing this tuition offset with scholarships for students they want to recruit.

ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Retain the Good Neighbor tuition discount.

COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
- Amends Current Board Policy: *Title 4, Chapter 17, Sections 1, 9 and 12; Title 4, Chapter 15, Section 8*
- Amends Current Procedures & Guidelines Manual: *Chapter 7, Section 1*
- Other: _____
- Fiscal Impact: Yes No _____

Elimination of the Good Neighbor tuition discount will result in some additional revenue for each institution, although it is likely to be less than the \$6.5 million that is estimated based on Fall 2010 Good Neighbor enrollments across the NSHE as some students who will no longer have the option of the discount will not enroll. (The \$6.5 million figure assumes full-time enrollment over an academic year.)

POLICY PROPOSAL
TITLE 4, CHAPTER 17, SECTION 1 (in part)
Assessment of Fees – Good Neighbor

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 1. Assessment of Fees

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2. Every even-numbered year, the Chancellor will appoint and chair a System committee composed of elected student government representatives, campus Presidents, and System Administration staff to gather and review data and to make recommendations to the Chancellor and the Board on an appropriate level of tuition and fees. The Committee will present its recommendations to the Board of Regents for its consideration and action. Whenever practicable: (1.) broad input will be sought from NSHE students by the Chancellor prior to any final or binding decisions by the Board; and (2.) the final decision on tuition and fees for the biennium will be determined by June 30 of every even-numbered year.

In its deliberations, the Committee will consider the following: 1) charges at peer institutions in the western region of the United States, 2) higher education inflation as measured by the Higher Education Price Index or a similarly appropriate index, 3) anticipated state funding, 4) institutional needs and mission, and 5) other indices and information as appropriate.

- a. Registration fee will be set so that the increase is equivalent to at least the most recent Higher Education Price Index available for each year of the biennium. The Committee may recommend a higher percentage increase as appropriately justified, but no percent increase shall be less than the inflation index for higher education. The undergraduate registration fee at the state college will be set at the midpoint between lower-division fees for community colleges and undergraduate-level fees at the universities. Registration fees for graduate level courses at the state college will be set at the midpoint between undergraduate fees at the state college and graduate fees at the universities.
- b. In addition to registration fees, non-resident students also pay a tuition charge. Non-resident tuition increases for full-time undergraduate and graduate students (enrolled in 7 or more credits) will equal at least the most recent Higher Education Price Index available for each year of the biennium. Non-resident tuition for part-time students (enrolled in 6 or fewer credits) will equal an amount calculated by multiplying the registration fees by 110 percent.

~~[e. Students enrolling under the Good Neighbor classification (defined at Title 4, Chapter 17, Section 9) will, in addition to registration fees, pay a tuition charge as follows: Community college and state college Good Neighbor tuition will be calculated by multiplying the registration fees by 60 percent. University Good Neighbor tuition will be calculated by multiplying the registration fees by 110 percent.]~~

- ~~[d]~~c. Non-resident students enrolled exclusively in distance education courses will, in addition to registration fees, pay a tuition charge equaling the registration fees times 50 percent. The tuition charge will be assessed only to non-resident students who are residing outside of Nevada during the semester in which enrollment in the distance education course(s) occurs.

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POLICY PROPOSAL
TITLE 4, CHAPTER 17, SECTION 9
Good Neighbor Classification

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

[Section 9. — Good Neighbor Classification

~~A graduate of a specifically designated high school or community college in a state bordering on Nevada may be charged a differential tuition rate when enrolling as an undergraduate or graduate student at the universities, state college, or the community colleges of the Nevada System of Higher Education. Furthermore, any person who resides in a county in which a designated high school or community college is located and who has maintained a bona fide legal resident status for a period of at least 12 consecutive months prior to the first day of the semester in which enrollment is sought, may also be charged a differential tuition rate. These students shall be classified as “Good Neighbor” students.~~

~~Students enrolling under the Good Neighbor classification will, in addition to registration fees, pay a tuition charge as follows: Community college and state college Good Neighbor tuition will be calculated by multiplying the registration fees times 60 percent. University Good Neighbor tuition will be calculated by multiplying the registration fees times 110 percent.~~

- a. ~~Those high schools and community colleges located in Arizona and Southern California, bordering on Nevada and for which a town or a city in Nevada provides a significant source of goods and services include the following:~~

~~Mohave County, Arizona~~

~~Mohave Union High Schools~~

~~Kingman High School~~

~~Bullhead City High School~~

~~Colorado City High School~~

~~Lake Havasu High School~~

~~Mohave Community College~~

~~Three campuses~~

~~San Bernadino County, California~~

~~Baker Valley High School~~

~~Monument High School~~

~~Twenty-nine Palms High School~~

~~Sky High School~~

~~Yucca Valley High School~~

~~Needles High School~~

~~Silver Valley High School~~

~~Victor Valley College~~

~~Inyo County, California~~

~~Big Pine High School~~

~~Palisades High School~~

~~Bishop High School~~

~~Death Valley High School~~

Owens Valley High School
Lone Pine High School

- b. ~~Those high schools and community colleges, located in areas of Northern California bordering Nevada for which a town or city in Nevada provides a significant source of goods and services include the following:~~

~~Modoc County, California~~

~~Modoc High School
Surprise Valley High School
Warner High School~~

~~Lassen County, California~~

~~Credence High School
Herlong High School
Lassen High School
Render High School~~

~~Lassen Community College~~

~~Plumas County, California~~

~~Almanor High School
Beckworth High School
Chester Jr-Sr High School
Greenville Jr-Sr High School
Indian Valley High School
Portola Jr-Sr High School
Quincy Jr-Sr High School
Sierra High School~~

~~Feather River Community College~~

~~Sierra County, California~~

~~Downieville Jr-Sr High School
Loyalton High School
Nevada County, California
Tahoe Truckee Jr-Sr High School~~

~~Placer County, California~~

~~North Tahoe High School
Sierra High School~~

~~Sierra College~~

~~El Dorado County, California~~

~~Mt. Tallac High School
South Tahoe High School
Lake Tahoe Community College~~

~~Alpine County, California~~

~~Includes residents of the designated high school or community college districts in El Dorado or Mono Counties.~~

~~Mono County, California
Coleville High School
Lee Vining High School
Mammoth High School~~

~~Inyo County, California
Big Pine High School
Bishop High School
Palisade High School]~~

SECTION 9 – DELETED IN WHOLE

RENUMBER SECTIONS 10 THROUGH 25 AS SECTION 9 THROUGH 24

GRANDFATHERING PROVISION

All students receiving the discount at the time the Good Neighbor policy is eliminated in Fall 2011 will be grandfathered and may therefore continue to receive the discount so long as they are continuously enrolled.

POLICY PROPOSAL
TITLE 4, CHAPTER 17, SECTION 12 (in part)
Special Reduced Fees

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 12. Special Reduced Tuition and Fees

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6. Federally funded teacher training programs will carry an exception to in-state and out-of-state fee and tuition rates for contiguous[;] *and* WICHE [~~and Good Neighbor States~~] *states*, and may be offered at a reduced per-credit fee. Additionally, all NSHE institutions may offer professional development teacher training programs at a reduced per-credit fee when funded by Nevada school districts and/or the State of Nevada through non-NSHE funds, if collaborative agreements are in place. All course offerings will be approved and delivery overseen through the usual academic processes.

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POLICY PROPOSAL
TITLE 4, CHAPTER 15, SECTION 8 (in part)
Reclassification of Nonresident Status – Good Neighbor

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 8. Reclassification of Nonresident Status

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6. Because residence in a neighboring state other than Nevada is a continuing qualification for enrollment in the [~~Good Neighbor or~~] WICHE Western Undergraduate Exchange [~~Programs~~] ***program*** at a NSHE institution, a student who was initially enrolled in a System institution under any of these discounted tuition programs shall not normally be reclassified as a resident student following matriculation. A nonresident student who subsequently disenrolls from the [~~Good Neighbor or~~] WICHE Western Undergraduate Exchange [~~Programs~~] ***program*** and pays full nonresident tuition for at least twelve (12) months may apply for reclassification to resident student status. An application for reclassification may also be submitted under the provisions of this section if the material facts of a student's residency, or the parents' or legal guardian's residency, have substantially changed following matriculation.

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NSHE Procedures and Guidelines Manual
CHAPTER 7, SECTION 1 (in part)
Registration Fees – Good Neighbor Tuition

Additions appear in ***boldface italics***; deletions are [~~stricken~~ and bracketed]

Section 1. Registration Fees and Non-Resident Tuition Rates

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Good Neighbor Tuition

(Rates are assessed in addition to registration fees)

	2009-10	2010-11	2011-12	2012-13
Good Neighbor Tuition, Universities (undergraduate)	\$149.50/ per credit	\$157.00/ per credit	\$172.50/ per credit	\$172.50/ per credit
Good Neighbor Tuition, Universities (graduate)	\$239.50/ per credit	\$263.50/ per credit	\$263.50/ per credit	\$263.50/ per credit
Good Neighbor Tuition, NSC (undergraduate)	\$59.00/ per credit	\$62.00/ per credit	\$68.00/ per credit	\$68.00/ per credit
Good Neighbor Tuition, NSC (graduate)	\$96.25/ per credit	\$105.75/ per credit	\$105.75/ per credit	\$105.75/ per credit
Good Neighbor Tuition, GBC, CSN, WNC (upper division)	\$59.00/ per credit	\$62.00/ per credit	\$68.00/ per credit	\$68.00/ per credit
Good Neighbor Tuition, Community Colleges	\$36.00/ per credit	\$37.75/ per credit	\$41.50/ per credit	\$41.50/ per credit

Effective Fall 2011, the Good Neighbor tuition will be discontinued. Students receiving the discount at that time may continue to receive the discount so long as they are continuously enrolled.

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