

**WEST VIRGINIA  
SECRETARY OF STATE  
NATALIE E. TENNANT  
ADMINISTRATIVE LAW DIVISION**

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OFFICE WEST VIRGINIA  
SECRETARY OF STATE

Form #6

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED  
BY THE WEST VIRGINIA LEGISLATURE**

AGENCY: Higher Education Policy Commission TITLE NUMBER: 133

AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF RULE BEING PROPOSED: 32

TITLE OF RULE BEING PROPOSED: Tuition and Fee Policy

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) House Bill 4126

SECTION §18B-17-2(o), PASSED ON March 6, 2012

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON THE  
FOLLOWING DATE: June 4, 2012

  
Authorized Signature

**TITLE 133  
LEGISLATIVE RULE  
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

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**SERIES 32  
TUITION AND FEE POLICY**

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**§133-32-1. General.**

- 1.1. Scope. This rule establishes the policy for the assessment of tuition and fees at West Virginia undergraduate public institutions of higher education.
- 1.2. Authority. West Virginia Code §18B-1-6 and §18B-10-1(d)
- 1.3. Filing Date. – June 4, 2012.
- 1.4. Effective Date. – June 4, 2012.

**§133-32-2. Definitions.**

- 2.1. Auxiliary Fees. Charges levied to all students to support auxiliary enterprises or optional charges levied only on students using the auxiliary service. Auxiliary fees include charges other than sales from entities that exist predominantly to furnish goods or services to students, faculty or staff such as residence halls, faculty and staff housing, food services, intercollegiate athletics, student unions, bookstores, parking and other service centers. Sales include revenue from merchandise and tickets, short term rental of space or equipment and sales of services to the general public.
- 2.2. Capital Fees. Charges levied on students to support debt service, capital projects and facilities maintenance and renewal. Capital Fees are divided into two categories, Education and General Capital Fees and Auxiliary Capital Fees. Education and General Capital Fees support instruction, research, academic support, student services, institutional support, operation and maintenance of plant, and scholarships and fellowship programs. Auxiliary Capital Fees support entities that exist predominantly to furnish goods or services to students, faculty or staff such as residence halls, faculty and staff housing, food services, intercollegiate athletics, student unions, bookstores, parking and other service centers.
- 2.3. Tuition and Required Educational and General Fees. Charges levied on all students of that class or category to support educational and general program services or optional charges levied for education and general services collected only from students using the service or from students

for whom the services are made available. Educational and general expenditures include instruction, research, academic support, student services, institutional support, operation and maintenance of plant and scholarships and fellowships. Education and general expenditures do not include expenditures for auxiliary enterprises or independent operations. An institution may create a category within Tuition and Required Education and General Fees named Tuition to classify a fee or group of fees charged for instructional services.

- 2.4. Full Cost of Instruction. Full cost of instruction includes the direct functional expenditures from each institution's audit for both instruction and student services expenditures.
- 2.5. Higher Education Price Index (HEPI). Inflation index designed specifically to track the main cost drivers in higher education and to measure the change in the price of the goods and services purchased by colleges and universities as measured by the Commonfund Institute.
- 2.6. Median Family Income. Median household income is household income which the U.S. Census Bureau gathers and reports annually from data gathered by various surveys. Median is the statistical center of all reported households income and is presumed to be a better gauge of income as opposed to average family income.
- 2.7. Peer. A higher education institution located in another state that is similar to a West Virginia college or university.
- 2.8. Special Fee. Operational charges or user fees charged to offset the specific costs for providing these services. These fees include, but are not limited to, course, lab, parking, late payments, drug testing, instrument fees, and other services provided to students. Charging students these fees allows financial aid to be used as a form of payment for qualifying students. These fees do not include sales of merchandise and tickets, short-term rental of space or equipment and sales or services to the general public.

**§133-32-3. Goals.**

- 3.1. The Commission seeks to achieve the following goals and objectives with its tuition rule:
  - 3.1.a. To establish equity in the determination of tuition and fees charged to students.
  - 3.1.b. To foster goals related to program completion for West Virginia students.

- 3.1.c. To promote the future economic welfare of the state through an increased output of degree holders in West Virginia.
- 3.1.d. To establish tuition and fee rates that will provide for the most efficient blend of governmental, private, and student revenues based upon institutional mission, location, and student demographics.

**§133-32-4. Tuition and Fee Adjustments.**

- 4.1. Objectives. The Commission, in partnership with the institutional governing boards, shall enhance education opportunities for the widest range of state citizens:
  - 4.1.a. By establishing tuition and fee levels for in-state students that do not inhibit access to public education nor cause students to incur excessive debt; W. Va. Code §18B-1D-3(a)(2)(B); and
  - 4.1.b. By establishing tuition and fee rates for out-of-state students at levels which, at a minimum, cover the full cost of instruction unless doing so is inconsistent with a clearly delineated public policy goal established by the Legislature or the Commission. W. Va. Code §18B-1D-3(a)(2)(B).
- 4.2. Approval of Tuition and Required Fee Adjustments.
  - 4.2.a. Approval Guidelines. A governing board may approve auxiliary, tuition and required education and general, and capital fee increases for resident students each fiscal year of up to five percent collectively. Auxiliary, tuition and required education and general and capital fee increases above five percent collectively must be approved by the Commission. Governing boards are not required to approve sales prices. Programmed fee increases constituted as part of pre-existing institutional bond obligations/covenants shall be excluded from annual fee increase calculations.

A fee used solely for the purpose of complying with the athletic provisions of 20 U.S.C. 1681, *et seq.*, known as Title IX of the Education Amendment of 1972, is exempt from the limitations on fee increases set forth in this subsection for three years from June 10, 2011.

    - 4.2.a.1. For the purposes of this rule, calculation of five percent shall be based on all required tuition and fee rates charged to all West Virginia resident students.

- 4.2.a.2. Tuition increases related to fee simplification proposals that result in an expense neutral change for an in-state student shall not be counted toward the five percent allowance exempt from Commission approval.
- 4.2.b. In establishing guidelines, the Commission shall communicate annually by February 28 to institutions benchmarks and guidelines for consideration of any increase above five percent. The benchmarks and guidelines may include, but are not limited to, such items as:
  - 4.2.b.1. The HEPI, or other appropriate inflationary benchmark, which new appropriations to the institution's base budget for the corresponding fiscal year did not offset;
  - 4.2.b.2. Continued achievement of benchmarks in the institutional compact;
  - 4.2.b.3. Institution pursuit of the statewide compact for postsecondary education;
  - 4.2.b.4. The per capita income of West Virginia families and their ability to pay for college, statewide and specifically as to the county(ies) in which 75 percent of the institution's in-state students reside;
  - 4.2.b.5. Institutional distance of the sum of appropriations and tuition and fee revenues from peer equity levels as defined by the peer equity model;
  - 4.2.b.6. Institutional and state funding per full-time equivalent student;
  - 4.2.b.7. Most recent three-year history of tuition rates and increases;
  - 4.2.b.8. Total sources of student generated revenue, including special fee and program fee rates; and,
  - 4.2.b.9. Other factors as requested or deemed relevant by the Commission or in response to any new statutory language.
- 4.2.c. In responding to the guidelines and benchmarks provided by the Commission, each governing board shall provide the Commission with an annual report that details:

- 4.2.c.1. All tuition and fee rates presently charged and the estimated number of students currently being charged the tuition and fees;
  - 4.2.c.2. The proposed total increase in any tuition and fees for the next fiscal year;
  - 4.2.c.3. The estimated number of students who will be charged the increased tuition and fees; and,
  - 4.2.c.4. The estimated increase in revenue to be generated from the increased tuition and fees.
- 4.2.d. A governing board shall propose tuition and required fee rates for non-resident students at levels that, at a minimum, cover the average full cost of instruction. Governing boards may submit for approval institutional policies that support a clearly delineated public policy goal established by the Legislature or the Commission, including but not limited to, proposals to increase the total number of graduates from the institution, aid in economic development or to maximize available capacity on campus.
- 4.2.d.1. Average full cost of instruction is based on the most recent financial statements. The average shall be determined by calculating the cost of instruction and student services per full-time equivalent student. This calculation shall be provided to the institutions annually.
  - 4.2.d.2. Institutional governing boards may choose to set non-resident tuition based on the average institutional full cost of instruction or the average full cost of instruction for the system as a whole.

**§133-32-5. Expenditure.**

- 5.1. All tuition and fees collected may only be expended for the statutory purpose under which they were collected.

**§133-32-6. Refunds.**

- 6.1. Each governing board must establish a refund policy for students who officially withdraw during a semester that at minimum establishes refunds that complies with the following schedule:
  - 6.1.a. A student who begins a term and withdraws after completing up to

one (1) week or ten percent (10%) of the term is entitled to a refund of ninety percent (90%) of the charges;

6.1.b. A student who withdraws after completing more than ten percent (10%) through twenty-five percent (25%) of the term is entitled to a refund of seventy-five percent (75%) of the charges;

6.1.c. A student who withdraws after completing more than twenty-five percent (25%) through fifty percent (50%) of the term is entitled to a refund of fifty percent (50%) of the charges;

6.1.d. A student who withdraws after completing more than fifty percent (50%) of the term is not entitled to a refund; or

6.2. Each governing board may establish a refund policy for students who officially withdraw during a semester that establishes refunds based upon the same calculations that the United States Department of Education prescribes for the return of Title IV student financial aid funds.

**§133-32-7. Deferred Payment Plans.**

7.1. Each governing board may establish a policy that provides deferred payment plan for students allowing them to pay their tuition and fees in installments. The deferred payment plan(s) must provide for full payment prior to the end of the academic term. This policy must address:

7.1.a. The interest rates, if any, that will be charged during the plan.

7.1.b. The types of installment plans available either institutionally or through a third party provider.

**SUMMARY**

**TITLE 133  
LEGISLATIVE RULE  
WEST VIRGINIA HIGHER EDUCATION POLICY COMMISSION**

**SERIES 32  
TUITION AND FEE POLICY**

This rule establishes the policy for the assessment of tuition and fees at West Virginia undergraduate public institutions of higher education.

**FISCAL NOTE FOR PROPOSED RULES**

Rule Title: Tuition and Fee Policy

Type of Rule:  Legislative  Interpretive  Procedural

Agency: Higher Education Policy Commission

Address: 1018 Kanawha Blvd. East, Suite 700, Charleston, WV 25301  
Contact: Dr. Ed Magee, Vice Chancellor for Finance

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Phone Number: 304-558-0281 Email: emagee@hepc.wvnet.edu

**Fiscal Note Summary**

Summarize in a clear and concise manner what impact this measure will have on costs and revenues of state government.

No impact.

**Fiscal Note Detail**

Show over-all effect in Item 1 and 2 and, in Item 3, give an explanation of Breakdown by fiscal year, including long-range effect.

<b>FISCAL YEAR</b>			
<b>Effect of Proposal</b>	<b>Current Increase/Decrease (use "-")</b>	<b>Next Increase/Decrease (use "-")</b>	<b>Fiscal Year (Upon Full Implementation)</b>
<b>1. Estimated Total Cost</b>	0.00	0.00	0.00
Personal Services	0.00	0.00	0.00
Current Expenses	0.00	0.00	0.00
Repairs & Alterations	0.00	0.00	0.00
Assets	0.00	0.00	0.00
Other	0.00	0.00	0.00
<b>2. Estimated Total Revenues</b>	0.00	0.00	0.00

Rule Title: \_\_\_\_\_

Rule Title: Tuition and Fee Policy

- 3. Explanation of above estimates (including long-range effect):**  
Please include any increase or decrease in fees in your estimated total revenues.

There will be no effect on cost or revenue.

### MEMORANDUM

Please identify any areas of vagueness, technical defects, reasons the proposed rule would not have a fiscal impact, and/or any special issues not captured elsewhere on this form.

Date: June 4, 2012

Signature of Agency Head or Authorized Representative

