

## **Board of Trustees Agenda Item**

**Board Meeting Date:** 2/6/12

**Title of Item:** Non-Resident Tuition Rate for 2012-2013

### **Background and Analysis:**

Education Code Section 76140 requires each district to establish its nonresident tuition for the subsequent fiscal year by February 1.

The nonresident tuition fee is composed of two parts: the tuition fee and an assessment for capital outlay.

For 11-12, the base rate was set at the district rate of \$120. The capital outlay rate was set at \$15 for a total of \$135 (applicable to all non-resident students).

For 12-13, the statewide rate is \$119 per unit compared to the district rate of \$123 as per the calculation on the attached worksheet. Under these circumstances the district has the following options:

1. Set the rate at the statewide average of \$119 (plus capital)
2. Set the rate at the district average rate of \$123 (plus capital)
3. Set the rate to equal the rate of a contiguous district (plus capital)
4. Option 4 as specified under education Code section 76140 cannot be exercised as FHDA enrollment in non-credit courses is below 10%
5. No more than district average cost, no less than the state average cost (plus capital)
6. Set the rate at highest years statewide average tuition. *This rate is calculated to be \$127 per quarter unit* (plus capital)
7. Set the rate no greater than 2010/11 average nonresident tuition fee of public community colleges in a minimum of 12 states comparable to California in cost of living. *This average is calculated to be \$221 per quarter unit* (plus capital)

Upon analysis of these options, and in discussion with program managers of the international student program, it is recommended that the base rate be set at \$123 for FY2012-13 or \$3 more than in FY 2011-12.

The capital outlay rate could be set not to exceed the lower of \$60 per quarter unit (or 50% of Adopted 2011-12 Non-resident Tuition Fee) or \$29, which reflects Capital Outlay Fee per Unit in FY 11-12. To stay competitive, we are recommending the Capital Outlay rate for FY 2012-13 to be set at \$15 or the same as 2010-11. *Note: Since FY 2010/11 AB 947 amended section 76141 to enable community college districts to charge all nonresident students a capital outlay fee, not only those students who were both citizens and residents of a foreign country.*

In summary, the rate for all non-resident students will be \$123 base rate plus \$15 capital rate for a total of \$138/unit, representing \$3 increase over the FY 11-12 rate.

**Recommendation:** (specify if information only)

It is recommended that the Board approve the rate of \$123/quarter unit and the capital outlay rate of \$15/quarter unit for a total of \$138/unit for all nonresident students for the 2012-13 fiscal year.

Submitted by:	Kevin McElroy/Bernata Slater
Additional contact names:	George Beers
Is backup provided?	Yes

1/08/12

# California Community Colleges Nonresident Fee Worksheet

2012-13

2012-13 Nonresident Tuition Fee (ECS 76140)	Statewide (Col. 1)	District (Col. 2)	For Districts with 10% or More Noncredit FTES (Col. 3)
<b>A. Expense of Education for Base Year</b> (2010-11 CCFIS-311, Expenditures by Activity Report, AC 0100-6700, Cols. 1-3)	\$6,582,664,734 \$	188,416,509 \$	\$
<b>B. Annual Attendance FTES (Recal 2010-11)</b>	1,276,020	35,267 \$	
<b>C. Average Expense of Education per FTES (A ÷ B)</b>	\$5,159	\$5,343 \$	
<b>D. USCPI Factor (2 years)</b>	x 1.038	x 1.038	x 1.038
<b>E. Average Cost per FTES for Tuition Year (C x D)</b>	\$5,355	\$5,546 \$	
<b>F. Average Per Unit Nonresident Cost:</b> Semester-System Colleges (E ÷ 30) and/or Quarter-System Colleges (E ÷ 45)	\$178	\$	
<b>Statewide Average-Quarter</b>	<b>\$119</b>	<b>\$123 \$</b>	
<b>Comparable 12 state average-Quarter</b>	<b>\$127</b>		
	<b>\$221</b>		

## NOTE:

however apprentice hours are divided by 525 to compute an FTES equivalent. Round tuition fee to the nearest dollar.

The district governing board at its February 6, 2012 meeting, adopted a nonresident tuition fee of **\$ 123** per quarter unit. Basis for adoption is:

(Circle One)

1 Statewide average cost, per column 1;

**2 District average cost, per column 2;**

3 District average cost with 10% or more noncredit FTES, per column 3;

4 Contiguous district \_\_\_\_\_ (Specify district and its fee.)

5 No more than district average cost (Col. 2 or 3); no less than state average cost (Col. 1).

6 Statewide average cost, from 2009-10 (\$190 per semester unit; \$127 per quarter unit).

7 No more than average tuition of 12 states with cost of living comparable to California.

## NONRESIDENT TUITION FEE CALCULATIONS FOR OPTIONS 6 OR 7

Option 6. The greater amount of the calculations of statewide nonresident tuition for 2007-08 through 2012-13 is \$190 per semester unit or \$127 per quarter unit (2009-10).

Option 7. The average of the nonresident tuition fees of public community colleges in 2010-11 of no less than 12 states comparable to California in cost of living is \$331 per semester unit or \$221 per quarter unit.

Requirement for Use of Option 6 or 7: The additional revenue generated by the increased nonresident tuition permitted under options 6 or 7 shall be used to expand and enhance services to resident students (EC 76140(e)(2). Districts meeting one or more criteria below shall be considered in compliance with the requirements of EC 76140(e)(2). Please check all that apply:

Revenue from nonresident tuition was less than 5% of total general fund revenue (2009-10).  
 Actual resident FTES was greater than funded resident FTES (2009-10).  
 Percent expenditures for counseling and student services were greater than statewide average (AC 6300 plus 6400 divided by AC 0100-6700, Cols. 1-3) (2009-10)  
 Percent expenditures for instructional services were greater than statewide average (AC 0100-5900 divided by AC 0100-6700, Cols. 1-3 (2009-10).


For districts electing to charge a **capital outlay fee** to **ANY** non-resident students (as discussed in the memo), please compute this fee as follows:

a. Capital Outlay for 2010-11	\$	45,882,857	
b. FTES for 2010-11		35,267	
c. Capital outlay expense per FTES (line a divided by line b)	\$	1,301	
d. Capital Outlay Fee per Unit: Amount per Semester Unit (line c ÷ 30) and/OR Amount per Quarter Unit (line c ÷ 45)	\$	29	
e. 2012-13 Non-resident Student Capital Outlay Fee (the lesser of line d OR 50% of adopted 2010-11 Nonresident Tuition Fee)	\$	15	<i>Note: the capital outlay rate can be set at a recommended lower amount but cannot exceed calculated rate</i>

The district governing board at its February 6, 2012 meeting, adopted a nonresident capital outlay fee of **\$15** per quarter unit.

Upon adoption of fee, please submit a copy of this report by February 15, 2012 to:

California Community Colleges Chancellor's Office  
 Fiscal Services Unit  
 1102 Q Street, 4th Floor  
 Sacramento, CA 95811-6549  
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