



DIRECTIVE 2019-037

September 17, 2019

Re: CONSIDERATION OF A REQUEST BY THE UNIVERSITY OF TOLEDO TO REDUCE THE NON-RESIDENT SURCHARGE FOR NON-OHIO RESIDENTS ENOLLED IN ONLINE COURSES.

§375.30.30 of Am. Sub. H.B. 119 of the 127th General Assembly required any waiver of tuition for a student or class of students not otherwise permitted by law at a state-assisted institution of higher education be approved by the Chancellor of Higher Education (the “Chancellor”). On April 17, 2009, the Chancellor signed Directive 2009-011 establishing procedures for institutions to follow when requesting to waive standard tuition rates. §381.170 of Am. Sub. H.B. 166 of the 133rd General Assembly continues this authority of the Chancellor for this biennium.

Pursuant to the continued authority in §381.170 of Am. Sub. H.B. 166 and Directive 2009-011, the University of Toledo (“UT”) has requested that for academic years 2019-2020 and 2020-2021 the out-of-state surcharge be reduced to \$5 per credit hour for students enrolling in online courses.

UT has demonstrated the following:

- UT’s Board of Trustees approved a resolution authorizing the tuition waiver at its meeting on June 17, 2019. A copy of the resolution is attached.
- UT’s current out-of-state surcharge rate is as follows:

Table 1. Current and Proposed Non-Ohio surcharge rates.	
	Per credit hour
Online Programs	Current
Associate’s Degrees	\$390.00
Bachelor’s Degrees	\$390.00
Master’s Degrees	\$441.78

Education Specialist Degree	\$441.78
Ph.D in Curriculum and Instruction – Special Education	\$441.78
Doctor of Nursing Practice	\$441.78

- UT has submitted a specific request to reduce the out-of-state surcharge to \$5 per credit hour for students enrolling in online courses.
 - The specific amount being waived per credit hour may change depending on UT’s tuition rates, but in any event, the amount of the out-of-state surcharge will be \$5 for student enrolling in online courses.
- UT proposes that the duration of the continued waiver be for academic years 2019-2020 and 2020-2021, including summer terms beginning before June 30, 2021.
- It is estimated that the proposed waiver will continue to affect approximately 60 students.
- The goals of this waiver is to expand the University’s online program enrollment to students outside of Ohio. Another goal is to expand the University’s online program offerings in unique areas that complement its traditional offerings.
- UT will track enrollment of non-Ohio students in its online programs and compare any changes with current enrollment patterns to determine the effect of the lower out-of-state surcharge on its online enrollment.

Agency staff reviewed the request and posted its recommendations to the ODHE website for the purpose of providing a public comment period before final approval by the Chancellor. No public comments were received.

Based upon my review of staff recommendations and public comments received, I hereby approve the tuition waiver request from the University of Toledo as set forth above for academic years 2019-2020 and 2020-2021, including summer terms beginning before June 30, 2021.

This directive will take immediate effect.



 Randy Gardner
 Chancellor, Ohio Department of Higher Education



June 18, 2019

Dear Chancellor Gardner:

Pursuant to §381.170 of Am. Sub. H.B. 49 of the 132nd General Assembly, which requires any waiver of tuition for a student or class of students not otherwise permitted by law at a state-assisted institution of higher education be approved by the Chancellor of the Ohio Department of Higher Education, the University of Toledo is requesting it be allowed to reduce its non-Ohio resident surcharge to \$5 per credit hour for students in online programs.

Per directive 2009-011, this request is in writing and includes:

- the specific tuition waiver request;
- the rationale for the request;
- the period during which the request would be in effect;
- the number of students that are anticipated to be served under the request;
- a statement of the goals to be realized by virtue of the implementation of the waiver;
- the methods that will be used to gather data and make determinations about whether such goals are accomplished; and
- The Board of Trustee’s approved resolution (No. 19.06.11).

Tuition waiver request. The tuition waiver will apply to students in the University of Toledo’s online programs. The current non-Ohio surcharge varies depending on the level of the degree program. The table below contains the current and proposed non-Ohio surcharge rates for undergraduate and graduate programs.

Table 1. Current and Proposed Non-Ohio surcharge rates.		
	Per credit hour	
Online Programs	Current	Proposed
Associate’s Degrees	\$390	\$5
Bachelor’s Degrees	\$390	\$5
Master’s Degrees	\$431	\$5
Education Specialist Degree	\$431	\$5
Ph.D in Curriculum and Instruction – Special Education	\$431	\$5
Doctor of Nursing Practice	\$302	\$5
Source: https://www.utoledo.edu/online-degree-programs/programs/		

Interaction with the University’s tuition guarantee program. There is no interaction with the Toledo Guarantee Plan since the non-Ohio surcharge is not part of the guarantee.

Rationale. Given the extent of competition in the online-only realm, the current non-Ohio surcharge is a major deterrent to increasing the University's enrollment in its online programs. Reducing the non-Ohio surcharge will allow the University to offer a more competitive price; thus, allowing it to compete nationally with public, private and for-profit institutions.

Time period. The University proposes that the tuition waiver be in effect for academic years 2019-20 and 2020-21, including summer terms that begin prior to June 30, 2021.

Number of students. Given current enrollment patterns, the proposed waiver will affect 60 students.

Goals. One goal is to expand the University's online program enrollment to students outside of Ohio. Another goal is to expand the University's online programming offerings in unique areas that complement its traditional offerings. The intent of both goals is to increase net tuition revenue.

Data collection and analysis methods. The University will track enrollment of non-Ohio students in its online programs and compare any changes with current enrollment patterns. It will review enrollment data to see whether the increase in enrollment offsets the loss of net revenue currently generated by the reduction in the non-Ohio surcharge. The waiver policy will be re-evaluated if there is evidence that it has had a negative fiscal impact on net tuition revenue.

Board resolution. The Board of Trustees' approved resolution, *Approval to make online programs more assessable* (No. 19.06.11), which is seeking to establish a reduced non-Ohio resident surcharge for students enrolled in online programs for AY2019-20 to AY2020-21 subject to prior approval from the Chancellor of Higher Education, is attached.

Thank you for your time.

Sincerely,

Kristen

Kristen Keith, Ph.D.
Director of Strategic Business Services/Faculty Associate
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Finance and Administration

THE UNIVERSITY OF TOLEDO BOARD OF TRUSTEES

RESOLUTION NO. 19-06-11

APPROVAL TO MAKE ONLINE PROGRAMS MORE ACCESSIBLE

- WHEREAS, the appropriate planning and consultations within The University of Toledo to expand online learning opportunities have been completed; and
- WHEREAS, the current non-Ohio surcharge negatively impacts the accessibility of the University's online programs and is a major deterrent to efforts to increase the University's enrollment in the competitive online realm; and
- WHEREAS, reducing the non-Ohio surcharge will allow the University to offer a more competitive price, thus, allowing it to compete nationally with public, private and for-profit institutions; and
- WHEREAS, the University desires to charge a reduced non-Ohio resident surcharge of \$5 per credit hour for students enrolled exclusively in its online programs; and
- WHEREAS, the administration anticipates the ongoing fee reduction will affect approximately 60 students per year in which the waiver is in effect; and
- WHEREAS, §381.170 of Am. Sub. House Bill 49 of the 132nd General Assembly requires any waiver of tuition for a student, or class of students, not otherwise permitted by law at a state-assisted institution of higher education be approved by the Chancellor of the Ohio Department of Higher Education.

NOW, THEREFORE, BE IT RESOLVED,

that the Board of Trustees of The University of Toledo authorizes the administration to offer a reduced non-Ohio resident surcharge for students enrolled exclusively in online programs of \$5 per credit hour beginning AY2019-20 and continuing through AY2020-21; and

BE IT FURTHER RESOLVED,

that the administration will seek prior approval from the Chancellor of Higher Education for the associated fee waiver as required by law.