

# **University of Illinois at Chicago**

## **Tuition Remission Rate Calculation Overview**

**February 24, 2022**

The following summary is intended to provide background for faculty and address some of the basic questions about the derivation of the tuition remission rates at the University of Illinois Chicago. It explains the process for graduate tuition remission, and how the graduate tuition remission rate is calculated.

### **Graduate Student Tuition**

Graduate and professional student tuition varies across colleges corresponding to variation in cost to deliver particular educational programming. Like undergraduate tuition, graduate tuition is set by the Board of Trustees.

### **Tuition Remission**

Our sponsors recognize the importance of such costs and reimburse institutions of higher education for tuition remission costs. In order to recover the cost of graduate education from the sponsor, tuition remission is charged to sponsored projects that fund graduate research assistantships (RA). The majority of tuition remission is returned to the colleges in lieu of tuition to support the educational cost for those students on assistantships. Under current policy, the amount of tuition remission charged to a sponsor is proportional to the stipend of the student for whom tuition is being paid.<sup>1</sup>

Similarly, tuition remission is also charged to non-sponsored projects for graduate assistantships (GA). While the majority of tuition remission revenue recovered for non-sponsored projects is also returned to the colleges, the tuition remission process for RA's is separate from the GA tuition remission process.

### **Tuition Remission Rate Determination**

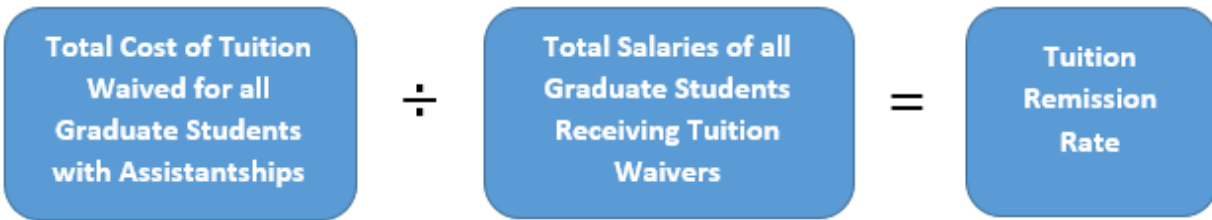
The graduate tuition remission rate is assessed as a percentage of the graduate student's salaries (stipend) that are charged to the sponsored and non-sponsored projects.

In its simplest form the Tuition Remission blended rate is calculated as follows:

---

<sup>1</sup> Note that some graduate or professional programs do not accept tuition remission for graduate research assistants and instead may require that the actual program tuition be charged to the student or to a sponsored project that is supporting that student.





In recent years, University administration has made a decision to discount the tuition remission actually charged to sponsored projects from the higher calculated rate to a discounted rate of 42%. Likewise, University administration has made a decision to discount the tuition remission actually charged to non-sponsored projects from the higher calculated rate to a discounted rate of 21%.

### **Charging Tuition Remission**

Following determination and management's approval of the tuition remission rate for a fiscal year, that rate is used in calculating sponsored projects budgets reviewed by the Office of Research Services (ORS). This rate is applied to all GA/RA/TAs working on sponsored projects and only GAs for non-sponsored projects. For example, tuition remission is calculated by multiplying (the tuition remission rate) X (the stipend of the graduate assistant). The resulting amount is charged as a direct cost to sponsored projects or assessed to the non-sponsored account. These direct costs to sponsor projects are not included in the modified total direct costs (MTDC) to which F&A charges are applied.

### **References**

#### **Graduate Student Tuition**

<https://registrar.uic.edu/tuition/grad/index.html>

#### **Tuition Waiver Policies**

<http://www.pb.uillinois.edu/dr/tuitionpolicy.cfm>

#### **Graduate College Tuition Waiver Policies**

<https://grad.uic.edu/funding-awards/graduate-college-waivers>

#### **GA Tuition Remission Benefit Cost Charged on Non-Sponsored Accounts**

<https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=436386>



## Frequently Asked Questions for Tuition Remission Charged to Sponsored Funds

### *Who sets graduate tuition at the University of Illinois?*

Each year, tuition rates for undergraduate, graduate and professional students at the University of Illinois are recommended by the Provost to the University's Office of Planning and Budgeting, for approval by the Board of Trustees.

### *What is graduate tuition remission?*

Graduate tuition remission is the practice of charging a sponsored project budget for the cost of all or part of the student's tuition when a student is employed as a research assistant supported by the project's funds. Graduate tuition remission is calculated as a percentage of the student's stipend.

### *Is it legally allowable that tuition remission be charged to sponsored projects?*

The cost of tuition remission is an allowable expense on sponsored projects, provided that the student is (1) conducting activities necessary to the sponsored agreement; (2) tuition remission is provided in accordance with established educational institutional policy; (3) tuition remission is provided consistently to students in return for similar activities conducted for non-sponsored (e.g. teaching assistants) as well as sponsored activities; (4) the student is enrolled in an advanced degree program at the institution related to the sponsored research project; and (5) the tuition or other payments are reasonable compensation for the work performed and are conditioned upon the performance of necessary work

### *What is the graduate tuition remission rate?*

The graduate tuition remission rate is the rate used in charging sponsored projects for tuition remission as a fraction of the research assistant's stipend, as calculated by System Government Costing, reviewed by university administration.

### *What are graduate tuition remission funds actually used for? How are they distributed across the University?*

Beginning in FY09, 25% of graduate remission at the University of Illinois at Chicago will be allocated to the campus administration, and 75% will be distributed to the enrolling college of the graduate assistant. These funds are then allocated by the college. How these funds are used will be at the discretion of the college and the home department.

### *Does graduate tuition reflect any real costs?*

Graduate education requires faculty time, materials, supplies, and administrative support; these are real costs. The cost of tuition is set by the Board of Trustees, on the recommendation of the Provost and University Administration, taking these factors into account.



*If tuition reflects real costs, why is there a formula that suggests those costs are dependent on the student's stipend?*

The current method of calculating a rate for tuition remission and applying this rate to graduate student stipends was developed to simplify the process of charging tuition remission to sponsored projects. It is analogous to charging a fixed percentage of salary for health insurance or other fringe benefits.

*If graduate tuition remission is an arbitrarily set source of revenue, why make the process so complex? Could we charge actual tuition, or a portion of actual tuition, rather than remission?*

Yes, actual tuition or a portion of actual tuition could be charged to sponsored projects. Our financial systems are not currently configured to accommodate this method, although the campus administration is always considering ways to improve service to the research enterprise. Notably, the accounting changes necessary to move students from one project to another would likely be more complex in a system that charged tuition rather than a remission rate, and so there would be additional transactional burden if such a change were made.

## **Frequently Asked Questions for Tuition Remission Charged to Non-Sponsored Funds**

*What is the tuition remission charge for Graduate Assistants?*

While similar to the charge imposed for Research Assistants, the tuition remission for Graduate Assistants is meant to recover part of the waived tuition for the enrolling college and to make the employing unit's cost somewhat closer to the actual total cost of employment.

*Is there a difference between tuition remission for Research Assistants and Graduate Assistants?*

Yes, an assistant supported on sponsored funding is expected to be appointed as a Research Assistant and the 42% tuition remission rate will apply. While an assistant supported by non-sponsored funding is expected to be appointed as a Graduate Assistant and the 21% tuition remission rate will apply.

*Can a Graduate Assistant be appointed as a GA and RA and will tuition remission be applied for both positions?*

Generally, we do not expect GA's to be supported on sponsored funds. An assistant supported on sponsored funding is expected to be appointed as a Research Assistant. Therefore, any GA on a sponsored fund will not be assessed the GA tuition remission charge, in anticipation that the RA tuition remission charge will apply instead.

*What are graduate tuition remission funds actually used for? How are they distributed across the University?*

Beginning in AY 2008-2009 (FY09), 75% of graduate tuition remission at the University of Illinois at Chicago will be returned to the enrolling college, and 25% will be retained by the campus. These funds



would flow to the same C-FOAPAL as the college's other tuition revenue flows to; it is then up to the college to further distribute the funds within the college, if desired.

*If a Graduate Assistant has more than one job will tuition remission apply to all jobs?*

The population of GA's subject to the tuition remission charge will be those appointed to an employee class of "GA". The tuition remission charge of 21% only applies to the earnings under the GA appointment.