BACKGROUND INFORMATION
CONCERNING TUITION
AND FINANCIAL AID

AN UPDATE FOR FY 2025

DECEMBER 2023

UNIVERSITY OF ILLINOIS
URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD
BACKGROUND INFORMATION CONCERNING TUITION AND FINANCIAL AID

AN UPDATE FOR FY 2025

DECEMBER 2023
The original edition of this document was prepared for the Board of Trustees in 1977. Data on tuition, fees, room, and board and estimated total cost of attendance were provided for the University of Illinois, and, in some cases, for other Big Ten institutions or other public or private universities. The original document and all subsequent editions are intended to serve as a reference volume with data on some of the key issues affecting the development of tuition policy without proposing any specific new policy or change in existing policies.

Determining an appropriate share of educational costs which students and their families should bear through tuition and fee charges remains a key policy issue for all universities and State legislative and executive leaders. This present volume of background information contains tuition, fees, and housing rates as of Fiscal Year 2025. It includes a brief historical review of tuition policies, and it incorporates for reference current Board of Trustees actions on tuition principles and policy issues, along with a summary of Illinois Board of Higher Education student affordability goals. As with earlier editions, the document also includes a variety of historical and comparative data on tuition, fees and room and board charges.

University Office for Planning and Budgeting
TABLE OF CONTENTS

Preface .............................................................................................................................................................................................. i

Table of Contents ............................................................................................................................................................................ ii

Background Information and Basic Definitions .............................................................................................................................................................................................. 1

Student Costs ......................................................................................................................................................................... 15
  Table 1 Annual General Base Tuition Rates for Full-time Illinois Resident Students by Undergraduate and Graduate
  Student Levels: 2014-15 through 2023-24 .................................................. 17
  Table 2 Annual Tuition Rates for Full-time Illinois Resident Students by Professional Student Levels:
    2014-15 through 2023-24 ........................................................................ 18
  Table 3 Total Headcount by Residency and Level Fall 2023 ................... 19
  Table 4 Total Headcount Undergraduate Enrollments by Differential Tuition Rates, Fall 2023 ....................... 20
  Table 5 Annual Undergraduate Full-time Resident, Nonresident and International Guaranteed Tuition
    Rates, Academic Year 2023-24 ............................................................... 26
  Table 6 Annual Graduate Full-time Resident and Nonresident Tuition Rates Academic Year 2023-24 ........ 26
  Table 7 Annual Doctoral Degree/Professional Practice Tuition Rates Full-Time Resident and Nonresident
    Academic Year 2023-24 ....................................................................... 31
  Table 8 Online Degree Program Tuition Schedules, Urbana-Champaign, 2023-24 ............................... 33
  Table 9 Online Degree Program Tuition Schedules, Chicago, 2023-24 ......................................................... 36
  Table 10 Online Degree Program Tuition Schedules, Springfield, 2023-24 ..................................................... 37
  Table 11 Annual Mandatory Fees for Full-time Students by Campus 2014-15 through 2023-24 .......... 39
  Table 12 Student Health Insurance for Full-time Students by Campus 2014-15 through 2023-24 ........... 41
  Table 13 Annual Refundable and Opt-in Fees for Full-time Students by Campus 2023-24 ............................ 42
  Table 14 Annual General Tuition and Mandatory Fee Charges for Full-time Illinois Resident Undergraduate
    Students by Campus 2014-15 through 2023-24 ................................... 43
  Table 15 Typical Double Room and Board Rates in University Residence Halls 2014-15 through 2023-24 .... 44
Table 16 University of Illinois Urbana-Champaign Annual Estimated Cost of Attending the Campus as an Undergraduate, Resident, Full-time Student at Base Rate 2014-15 through 2023-24

Table 17 University of Illinois Chicago Annual Estimated Cost of Attending the Campus as an Undergraduate, Commuter, Full-time Student at Base Rate 2014-15 through 2023-24

Table 18 University of Illinois Springfield Annual Estimated Cost of Attending the Campus as an Undergraduate, Resident, Full-time Student at Base Rate 2014-15 through 2023-24

Institutional Comparisons

**Big Ten Institutions**

Table 19 Annual Rates of Tuition and Mandatory Fees Combined at Big 10 Public Universities for Undergraduate Full-time Resident Students 2014-15 through 2023-24

Table 20 Review of Undergraduate Tuition and Mandatory Fee Changes Among Public Big Ten Universities

Table 21 Review of Undergraduate Tuition and Mandatory Fee Rankings Among Public Big Ten Universities

Table 22 Comparison of Typical Annual Double Room and Board Rates in Residence Halls at Big Ten Universities: 2014-15 through 2023-24

Figure 1 University of Illinois First-Time Freshmen Six-Year Graduation Rate Comparisons

**AAU Public Institutions**

Table 23 Review of Undergraduate Tuition and Mandatory Fee Changes Among AAU Public Institutions

Table 24 Review of Undergraduate Tuition and Mandatory Fee Rankings Among AAU Public Institutions

**IBHE Peer Institutions**

Table 25 Review of Undergraduate Tuition and Mandatory Fee Changes University of Illinois Urbana-Champaign Dashboard Peer Institutions

Table 26 Review of Undergraduate Tuition and Mandatory Fee Rankings University of Illinois Urbana-Champaign Dashboard Peer Institutions

Table 27 Review of Undergraduate Tuition and Mandatory Fee Changes University of Illinois Chicago Dashboard Peer Institutions

Table 28 Review of Undergraduate Tuition and Mandatory Fee Rankings University of Illinois Chicago Dashboard Peer Institutions

Table 29 Review of Undergraduate Tuition and Mandatory Fee Changes University of Illinois Springfield Dashboard Peer Institutions
Table 30 Review of Undergraduate Tuition and Mandatory Fee Rankings University of Illinois Springfield
Dashboard Peer Institutions ........................................................................................................................................... 63

Illinois Public Universities
Table 31 Review of Undergraduate Tuition and Mandatory Fees Among Illinois Public Universities .............. 64
Figure 2 Undergraduate Tuition and Mandatory Fees Among Illinois Public Universities AY 2023 .............. 65
Table 32 Illinois Public Four Year Institutions Federal Loan Three-Year Default Rates
FY 2011 through FY 2020 ....................................................................................................................................... 66
Table 33 Nonresident Undergraduate Tuition and Mandatory Fees Compared to Undergraduate Rates at
Selected Private Institutions ..................................................................................................................................... 67

Instructional Costs ................................................................................................................................................................. 68
Table 34 Instructional Costs Per Full-time Equivalent Student – The University of Illinois .................................. 69
Table 35 University of Illinois Total Calculation of Undergraduate Tuition as a Percent of
Full Instructional Costs FY 2022 ....................................................................................................................................... 70
Table 36 Undergraduate Instructional Costs Comparison FY 2022 .............................................................................. 71
Table 37 Illinois Public Universities Full Undergraduate Instructional Costs per FTE Student, Weighted
Average Tuition and State Undergraduate Tuition Subsidy .................................................................................... 72

Differential Tuition ................................................................................................................................................................ 73
Review of Base Tuition and Mandatory Fees Among Public Big Ten Universities
Table 38 - 45:
Undergraduate .............................................................................................................................................................. 76
Graduate ........................................................................................................................................................................ 77
Masters of Business Administration ............................................................................................................................. 78
Dentistry ....................................................................................................................................................................... 79
Law ............................................................................................................................................................................... 80
Medicine ...................................................................................................................................................................... 81
Doctor of Pharmacy ...................................................................................................................................................... 82
Veterinary Medicine .................................................................................................................................................... 83
Figure 11 Cumulative Change in State Tax Appropriation by Higher Education Sector ........................................ 113
BACKGROUND INFORMATION AND BASIC DEFINITIONS
BACKGROUND INFORMATION AND BASIC DEFINITIONS

Basic Definitions: Tuition

Stated most simply, tuition is a pricing mechanism through which students (and, often, their families) share in the costs of their educational programs. Within limitations prescribed by the Board of Trustees and/or the Illinois Board of Higher Education (IBHE), tuition may be waived for students:

- On the basis of scholarship, special talent, or financial need; or
- In connection with grant or contract activities which include funds to cover costs.

Under present University policy, tuition rates vary:

- **By student level**, these tuition differentials reflect variations in instructional costs.
- **By residency status**, i.e., out-of-state students pay higher rates.
- **By academic program**, e.g., students enrolled in architecture and the arts, business, engineering, fine and applied arts, health information management, human nutrition, life and chemical sciences, movement sciences, nursing, public health, undergraduate programs in six College of Agricultural, Consumer and Environmental Sciences Departments, programs in the Department of Journalism, science programs in Liberal Arts and Sciences, programs in the Department of Advertising; selected graduate programs in the Liautaud Graduate School of Business, Business Administration, Agriculture and Applied Economics, Accountancy, Architecture in Health Design, Architecture Design Criticism, Museum and Exhibition Studies, Biomedical Visualization, Computing and Information Technology, Energy Engineering, Financial Engineering, Health Administration, Health Technology, Health Care Administration, Human Resources and Industrial Relations, Law, Information Sciences, Medical Biotechnology, Occupational Therapy, Public Health, Public Administration, Social Work, Urban Education Leadership, Urban Planning and Policy; and the professional programs in Dentistry, Law, Master of Studies in Law, Medicine, Pharmacy, Physical Therapy and Veterinary Medicine pay charges higher than those for other students. Again, these differences generally reflect instructional cost variations.
- **By campus**, e.g., undergraduate and graduate students at Urbana-Champaign pay tuition rates greater than those at Chicago and Springfield.
- **By distance education program**, this includes a three tiered tuition structure for off-campus students at the Urbana-Champaign campus, a base tuition rate, a higher professional program rate, and a variety of program specific rates.
Online tuition, a tuition rate associated with online courses and degree programs at the campuses.

By entering cohort, beginning no later than the fall semester of 2004, tuition for an Illinois resident undergraduate student will be guaranteed (will not increase) for a period of at least four consecutive years after that student’s initial enrollment in a degree program at an Illinois public university. An excerpt of the statute pertaining to the University of Illinois, which was signed into law by Governor Blagojevich in July 2003, is listed on page 5. The University of Illinois Undergraduate Guaranteed Tuition policy is located at https://www.uaps.uillinois.edu/student_programs/guaranteed_tuition.

Basic Definitions: Fee and Assessment Charges

Generally, student fees and assessments are charged for two purposes:

Instructional fees are charged for unique instructional requirements which apply only to students in specific programs, e.g., lab fees for science courses.

Non-instructional fees are charged for student-oriented programs, activities, and facilities. These fees usually apply to all students. The fee structures at each University of Illinois campus are quite similar, although not identical. Non-instructional fees include:

- A service fee, which is composed of categories for salaries, programming, general expenses, and utilities for Auxiliary Service units such as student unions, campus recreation, or athletics.
- A general fee, which is composed of four fixed and mandatory transfer components: debt service, renewals, and replacements (R&R), Campus administrative charges, and general University charges.
- A hospital/medical fee, which supports student health services.
- A student health insurance fee, which is assessed all eligible students unless evidence of comparable health insurance coverage is provided.
- An Academic Facilities Maintenance Fund Assessment, which is to help address the deferred maintenance backlog in academic facilities.

The Academic Facilities Maintenance Fund Assessment (AFMFA) is a student charge that goes towards repair and renovation of academic facilities. Approved by the Board of Trustees on 11 April 2006, the AFMFA was introduced in FY 2007 for an initial ten-year period, during which (as per Board policy) its rate increased each year by a percentage equal to the inflation rate for building repair and replacement costs as determined by authoritative external sources. In 2015, because assumptions on
capital state support and deferred maintenance needs had not materialized, upon the administration’s recommendation the Board of Trustees approved the continuation of the AFMFA in FY 2017 and beyond, including its use for debt service, with annual reviews of the level of the Assessment by the Board of Trustees. Starting in FY 2017, the AFMFA rate will be set according to the current and anticipated needs for deferred maintenance of academic facilities across the University, to the availability of revenues from other sources to fund such deferred maintenance, as well as to overall student affordability.

A library information technology fee, which will be used to aid in the transition towards electronic media and digitalization, increase library hours, improve information technology services, strengthen opportunities for research technology and assistance, create and improve the tools for online learning/research, increase the positions focused on direct support of student learning and services, and enhance access to both electronic and print material collections.

In addition to these general categories, each campus has more specialized student fees. For example: students at Urbana-Champaign pay a transportation fee to acquire local bus service and maintain the SafeRides system; students at Urbana-Champaign pay a student initiated fee which will be used to support cultural programming, student legal service and registered student organizations, programming at the Krannert Center for the Performing Arts, the Legacy Scholarship, a sustainable campus environment, study abroad, a Collegiate Readership program, and energy technologies and students at Springfield are assessed a recreation center fee and an athletic fee to support intercollegiate athletics. Students at the Chicago and Springfield campuses also pay a refundable fee to provide for a student-to-student assistance program.

Basic Definitions: Room and Board Charges

Room and board charges are set at rates sufficient to cover operating costs for the housing divisions at each campus. Normal operational factors such as salaries and wages, utilities, supplies and food stocks, and building maintenance, repair and renovation are included. In addition, the housing divisions cover an array of student programming activities of both an academic and recreational nature.

Establishing Rates and Collecting and Spending Tuition Revenue

The University of Illinois Board of Trustees has the statutory authority to set tuition rates for University of Illinois students and to collect funds based upon those rates. Beginning in FY 1997, with a change in State Statute, public universities have the authority to retain and expend locally held tuition revenue as well. Prior to FY 1997 institutions were required to deposit tuition revenue in the State Treasury and receive an appropriation before it could be expended. For public universities as a group, tuition revenue represents nearly 57% of the former
“appropriated funds” operating budget comprised of State tax funds and tuition revenue. Since State tax funds remain such large a fraction of this total, the General Assembly and the Governor remain active participants in decisions about tuition levels through their ability to control tax appropriations for universities.

State statute also provides that the IBHE advise both the General Assembly and the Governor on budgetary matters for colleges and universities, keeping the IBHE another active participant in the tuition and fee setting process.

Board of Trustees Policy Statements on Tuition

Given the prominence of tuition issues, a section on tuition policy and planning issues was incorporated into the "University of Illinois FY 1992 Budget Request for Operating and Capital Funds," approved by the Board of Trustees on September 13, 1990.

In November 1990 the Board of Trustees reviewed a set of Tuition Principles which were used as the basis for University of Illinois testimony before the Joint Legislative Committee on College Tuition of the Illinois General Assembly. In July 1993 and again in August 1995, the Board convened a retreat to review tuition planning issues and updated a set of guidelines which form the underlying basis of the University's tuition program. Following that Board retreat, the Trustees reviewed a set of Tuition Policy Guidelines, which are reprinted on page 7. These guidelines were further revised with additional guidance in January 2011. As a supplement to this policy in February of 2003 the Board reviewed “Ensuring Quality and Affordability: Tuition and Financial Aid at the University of Illinois” which reviewed affordability issues. The Financial Aid Policy & Guidelines were amended in November 2008 and September 2014.

Public Agenda for College and Career Success

Initiated by the Illinois General Assembly and conducted by the Public Agenda Task Force and the Illinois Board of Higher Education (IBHE). On November 21, 2008 the Task Force endorsed the Public Agenda and it was adopted by IBHE on December 9, 2008. The goals and recommendations are listed on page 10.
Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The University of Illinois Act is amended by adding Section 25 as follows:

(110 ILCS 305/25 new)
Sec. 25. Limitation on tuition increase. This Section applies only to those students who first enroll after the 2003-2004 academic year. For 4 continuous academic years following initial enrollment (or for undergraduate programs that require more than 4 years to complete, for the normal time to complete the program, as determined by the University), the tuition charged an undergraduate student who is an Illinois resident shall not exceed the amount that the student was charged at the time he or she first enrolled in the University. However, if the student changes majors during this time period, the tuition charged the student shall equal the amount the student would have been charged had he or she been admitted to the changed major when he or she first enrolled. An undergraduate student who is an Illinois resident and who has for 4 continuous academic years been charged no more than the tuition amount that he or she was charged at the time he or she first enrolled in the University shall be charged tuition not to exceed the amount the University charged students who first enrolled in the University for the academic year following the academic year the student first enrolled in the University for a maximum of 2 additional continuous academic years.

Note: The University of Illinois Undergraduate Guaranteed Tuition policy is located at https://www.uaps.uillinois.edu/student_programs/guaranteed_tuition.
RESOLUTION REGARDING ACADEMIC YEAR TUITION RATE RECOMMENDATIONS
APPROVED BY THE BOARD OF TRUSTEES JANUARY 20, 2011

The Board of Trustees has discussed frequently and in great detail the University’s resource needs with a focus on three major areas: (1) sustaining academic quality; (2) addressing crucial operational needs; and (3) meeting inflationary and other essential cost increases. The Board continues to express significant concern regarding tuition and affordability at the University, especially in light of diminished State support, competition, differential costs among academic disciplines, mandatory cost increases, and financial aid to students.

In recent years, resources from the State of Illinois have declined dramatically, both with regard to levels of appropriation and timeliness of payments. As such, cash flow has emerged as a constant and critical concern. Future State appropriations and funding for the University remain uncertain. Critical high priority expenditures include continuing cost increases, increasing financial aid to insure access for qualified students, and retaining our productive and highly valued faculty and staff. The University has instituted unprecedented measures to conserve resources, including mid-year spending cuts, mandatory furlough days for faculty and staff, hiring restrictions, administrative reorganization, program elimination, and other actions.

In considering the tuition recommendation for each academic year in light of fiscal realities, the Board seeks to maintain and enhance this State’s long-standing commitment to adequately fund the University and to retain its esteemed reputation while ensuring access to its renowned academic programs. In 1995, the Board confirmed certain tuition policies and guidelines to be considered by the administration when proposing tuition charges to students. It is the Board’s desire to supplement existing tuition setting policies and guidelines at the University for the purpose of objective determination and predictability of tuition rates.

Therefore, the Board resolves that beginning with the 2011-2012 academic year and each succeeding academic year, any tuition rate increase recommendation from the president, in consultation with the senior administrative leadership, shall include a comparison to the most recent four-year average annual rate of inflation using an appropriate, nationally recognized price index. The impact of any increase or reduction in the State’s general revenue fund appropriation from the prior fiscal year appropriation amount shall also be presented, compounded to the guaranteed rate. The University’s ongoing costs reduction efforts shall be taken into account when determining any tuition rate recommendation. Once the tuition recommendation is determined, it shall be submitted to the Board for approval.
TUITION POLICY AND GUIDELINES
REVIEWED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS IN OCTOBER 1995

The University of Illinois Board of Trustees upon recommendation by the Administration sets tuition charges to students according to the following considerations:

- The three campuses of the University of Illinois serve different groups of students, incur different costs and are differently perceived as to a reasonable price for their degrees. Tuition charges will therefore vary among campuses, as may the rate of tuition charge increase in any year.

- Because student access to the University of Illinois is a high priority, tuition decisions are made in relationship to financial aid policy and resources, with the goal of minimizing financial barriers for all admitted students.

- Students and families should bear a fair share of their costs of higher education.

- Insofar as tuition revenue supplements state general funds in support of university programs, tuition charges will respond to variations in state support.

- Relevant cost and price indices include the CPI, HEPI, Illinois disposable income and tuition charges at peer institutions.

- Tuition charges are expected to be higher for graduate programs than for undergraduate programs and even higher for first-professional graduate degree programs that are in highly remunerated professions or are very costly to offer.

- Tuition charges to non-resident students should cover the cost of instruction. Refinement of cost-of-instruction measures may lead to changes in that ratio, or supersede it. At the graduate level, this ratio may not be applied due to higher resident charges or competitive pressure from peer institutions.
Guiding Principles for Undergraduate Financial Aid:

The fundamental purposes of financial aid are (1) to provide access to the University of Illinois’ undergraduate programs for students from the State of Illinois who are academically deserving of admission and (2) to ensure the University’s competitiveness with its peers in recruiting the best students to its undergraduate programs. Typically, financial aid that is provided by external sources, such as State programs (MAP) and Federal programs (Pell), is complemented with University of Illinois need-based financial aid (referred to therein as Supplemental Financial Aid) and merit-based aid in order to achieve these objectives. Consequently:

- The University of Illinois will make every effort to enable qualified students who cannot afford the cost of a university education, as determined by federal financial need, to participate in its programs of study.

- Students who can afford to pay the full price of tuition and fees are expected to do so. Such students will still be eligible for merit scholarships.

- Students who cannot afford to pay the full price will be offered a combination of grants and loans from various sources appropriate to their financial circumstances.

- The University will control its costs through control of the length of study for which it will support students from institutional funds and of the proportion of loans to grants made from institutional funds.

- Each campus will determine eligibility for financial aid based on a number of criteria. Good academic progress toward degree completion is an essential feature.

Supplemental Financial Aid (Need-Based):

- Supplemental Financial Aid grants will be derived from institutional funds, as well as from auxiliary enterprise and self-supporting funds.

- These grants will be awarded to Illinois resident undergraduates, and generally be limited to the first four years (eight semesters), with an additional year available at the discretion of each campus.
The financial aid officers, in consultation with the campus academic leaders, will develop specific campus policies for awarding Supplemental Financial Aid grants to their undergraduate students. Grants to individual students will be adjusted, within the constraints of campus policy and available resources, as circumstances warrant to best serve these students and their families.

On a yearly basis, the University will review and set Supplemental Financial Aid budgets on the campuses in relation to resident tuition and mandatory fees collected during the academic year, and will assess the effectiveness and the financial viability of financial aid programs. On average, each campus will increase its supplemental financial aid pool by a percentage that is greater than or equal to the percent increase in resident undergraduate tuition and mandatory fee income, provided student unmet financial needs warrant such increase, and provided such increase does not impair the University’s core missions and functions.

This information will be reported to the Board of Trustees on a yearly basis in order to ensure that Supplemental Financial Aid expenditures at each campus are appropriate and that financial aid programs are effective in meeting the objectives.

Summary:

The supplemental financial aid program will continue to be monitored and evaluated, in conjunction with multiple sources of student aid, student need, and student progress, in order to maximize its benefit to the students.
Goal 1: Increase educational attainment to match best-performing U.S. states and world countries.

Recommendation 1: Increase success of students at each stage of the P-20 education pipeline to eliminate achievement gaps by race, ethnicity, socioeconomic status, gender, and disability.

Recommendation 2: Increase the number of adults, including GED recipients, reentering education, and completing a postsecondary credential.

Recommendation 3: Reduce geographic disparities in education attainment.

Goal 2: Ensure college affordability for students, families and taxpayers.

Recommendation: Make Illinois one of the five most affordable states in the country measured in terms of a) the percent of family income required to pay net cost of attendance for low- and middle-income families, and b) the average amount of debt per undergraduate student.

Goal 3: Increase number of quality postsecondary credentials to meet the demands of the economy.

Recommendation 1: Increase the number of people with quality postsecondary credentials to ensure the state has an educated workforce and an engaged citizenry.

Recommendation 2: Improve transitions all along the education pipeline, including from adult education to postsecondary education, from remedial classes to degree-bearing coursework, and from associate to baccalaureate degree levels.

Recommendation 3: Increase the number of postsecondary degrees in fields of critical skills shortages, such as, initially, Nursing, Allied Health and Information Technology.

Goal 4: Better integrate Illinois’ educational, research, and innovation assets to meet economic needs of the state and its regions.

Recommendation: Boost Illinois into the ranks of the five states with the fastest growing economies through cutting-edge research, technology transfer, workforce training, innovation education, and a culture of entrepreneurship.
MIDDLE CLASS IMPACT OF TAX INCENTIVES FOR HIGHER EDUCATION

Middle class families in Illinois have tax credits and deductions available to them related to educational expenses that may offset the impact of a tuition increase:

Educational Credits

There are two education credits available: the American Opportunity Tax Credit (https://www.irs.gov/Individuals/AOTC) and the Lifetime Learning Credit (https://www.irs.gov/Individuals/LLC). There are several differences and some similarities between the American Opportunity Tax Credit (AOTC) and the Lifetime Learning Credit (LLC). You can claim both benefits on the same return but not for the same student or same qualified expenses.

The American Opportunity Tax Credit is a credit for qualified education expenses paid for an eligible student for the first four years of higher education. One can get a maximum annual credit of $2,500 per eligible student. If the credit brings the amount of tax owed to zero, one can have 40 percent of any remaining amount of the credit (up to $1,000) refunded.

To be eligible for AOTC, the student must: Be pursuing a degree or other recognized education credential, be enrolled at least half time for at least one academic period beginning in the tax year, not have finished the first four years of higher education at the beginning of the tax year, not have claimed the AOTC or the former Hope credit for more than four tax years, and not have a felony drug conviction at the end of the tax year.

The Lifetime Learning Credit is for qualified tuition and related expenses paid for eligible students enrolled in an eligible educational institution. This credit can help pay for undergraduate, graduate and professional degree courses--including courses to acquire or improve job skills. There is no limit on the number of years the credit can be claimed. It is worth up to $2,000 per tax return.

To be eligible for LLC, the student must: be enrolled or taking courses at an eligible educational institution, be taking higher education course or courses to get a degree or other recognized education credential or to get or improve job skills, and be enrolled for at least one academic period beginning in the tax year.
**Deduction of Student Loan Interest**

If an individual paid interest on a federal student loan during the tax year, meets the filing status, income limits, and cannot be claimed as a dependent he or she may reduce the gross income by the interest paid up to $2,500.

**Tax Free Treatment of Canceled Student Loans**

Generally, if an individual is responsible for making loan payments, and the loan is canceled (forgiven), one must include the amount that was forgiven in gross income for tax purposes. However, if the student loan is canceled, one may not have to include any amount in income. To qualify for tax-free treatment, the loan must contain a provision that all or part of the debt will be canceled if you work: for a certain period of time, in certain professions, and for any of a broad class of employers. The loan must have been made by a qualified lender to assist the borrower in attending an eligible educational institution.

**Tax Free Coverdell ESA**

Contributions to a Coverdell ESA are not deductible, but amounts deposited in the account grow tax free until distributed. Generally, distributions are tax free if they are not more than the beneficiary's adjusted qualified education expenses for the year. Any distributions in excess of qualified educational expenses are taxable.

**Qualified Tuition Program (QTP)**

A qualified tuition program (also known as a 529 plan or program) is a program set up to allow one to either prepay, or contribute to an account established for paying a student's qualified education expenses at an eligible educational institution. No tax is due on a distribution from a QTP unless the amount distributed is greater than the beneficiary's adjusted qualified education expenses.
Illinois Reduction for 529 Contributions

The State of Illinois allows deductions for contributions to the “Bright Start” and “Bright Directions” college savings pool and “College Illinois” prepaid tuition trust fund. Contributions to any other 529 programs do not qualify. College IL is not currently open to new investments.

Early Distributions of IRA Without Penalty

Generally, if an individual takes a distribution from an IRA before age 59½, he or she must pay a 10% additional tax on the early distribution. However, one can take distributions from IRAs for qualified education expenses without having to pay the 10% additional tax. He or she may owe income tax on at least part of the amount distributed, but may not have to pay the 10% additional tax. Generally, distributions in an amount not more than the individual’s adjusted qualified educational expenses are the portion that does not require the additional 10% tax.

Savings Bond Interest Exemption

If an individual cashed series EE or I US savings bonds during the tax year that were issued after 1989 he or she may be able to exclude all or part of the interest from gross income. The bonds must have been issued in the individual’s (or spouse’s) name and he or she must have been at least 24 years old before the bonds were issued. Bonds purchased by a parent issued in the name of the child do not count for the exclusion. In addition, the individual must have paid qualifying higher education expenses during the tax year and meet the filing status and income requirements.

Tax Free Educational Benefits from Employer

If an individual receives educational assistance benefits from his or her employer under an educational assistance program, up to $5,250 of those benefits may be excluded from his or her income each year.

Business Deductions for Self Employed

If self-employed, an individual can deduct expenses for qualifying work-related education expenses directly from the self-employment income. This reduces the amount of income subject to both income and self-employment tax. Employees who itemize their deductions may also deduct work-related education expense provided they exceed 2% of the adjusted gross income.
Parental Personal Exemption for Dependent Students Age 19 To 24

The IRS is paying $3,600 total per child to parents of children up to five years of age. That drops to $3,000 for each child ages six through 17. Half of the total is being paid as six monthly payments and half as a 2021 tax credit. So parents of a child under six receive $300 per month, and parents of a child six or over receive $250 per month. The IRS has made a one-time payment of $500 for a dependent age 18 or full-time college student up through age 24.

Data Tables

The remaining sections of this document present a variety of information which is intended to respond to frequently asked questions about the University's tuition and fee charges. Tables are included to show specific tuition, fees and room and board data for the past ten years. A number of institutional comparisons are also provided. Instructional cost information is presented, along with several detailed displays of financial assistance data.