

A Proposal for Course Fees in the College of Business at the University of Wyoming
A Preliminary Report to the Revenue Generation Task Force, subcommittee of the FCAC
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I. Overview

In the past decade, while state support for higher education in the state of Wyoming has held strong, support in most states for public colleges and universities has declined. Between 2008 and 2013, average support per fulltime students at research universities has declined by more than 20%. (AAAS 2015). Higher education in Wyoming has been spared this trend, largely because of the strength of energy taxes, the largest source of public funding in our state.

We can no longer take this support for granted, and should turn to other states as examples of how higher education has dealt with reductions in public funding for education. Along with cost efficiencies and increases in tuition, many universities have turned to program fees as a source of revenue that recognizes that variety of degree offerings at a university, their difference in cost of delivery, demand, and private degree value for students upon graduation. Program fees provide a mechanism for universities to more closely tie the true cost of education to the students most likely to benefit from a course of study, and to hold institutions, colleges and departments accountable to students for the quality of their education.

Among colleges of business at public land grant universities, more than two-thirds now charge an additional fee for the cost of business programs. Of the 48 public, land grant universities with colleges or schools of business, 32 (67%) some form of course fee (assessed by credit hours enrolled), program fee (assessed by semester on declared majors or minors) or percentage-of-tuition charge for undergraduate business programs. The case for these fees is made on four bases: cost of delivery, program demand, demand for graduates, and private value of degree at graduation. Most of these charges are to offset declining public funding for education, and as will be seen below, provide necessary funds for universities to provide competitive education to their students and to their future employers.

The University of Wyoming should consider strongly a program fee for business degrees at the University of Wyoming. Cuts in FY17 have limited our ability to offer courses in some areas needed to progress toward graduation in a timely manner, have resulted in lost staffing positions in critical areas of student success, and diminished our ability to supplement faculty expertise in areas important to student preparation for the job market. We anticipate additional cuts in FY18 that will further impair our ability to deliver the differentiated education experience that students and employers have come to value in the UW business experience. Differential fees will insure UW can continue to provide market-competitive education, that the college will be accountable to students and families who benefit most from education opportunities in accounting, economics, finance, management and marketing, and that the College of Business can continue to provide an education of differentiated value to its students, graduates, employers and fulfill its economic development obligation to the State of Wyoming.

II. Comparison to Tuition and Fees at Peer Universities

For the purposes of our analysis, the University of Wyoming identified eleven (11) peer institutions (Utah State, Nevada-Reno, New Mexico State, Oklahoma State, Rhode Island, Maine, Idaho, Montana State, South Dakota State, North Dakota State and Montana) and nine (9) aspirational peers (Kansas State, West Virginia, Clemson, Colorado State, Washington State, Nebraska, Texas Tech and Utah). Of these institutions, all but one charge some form of course fee or program fee (Washington State University is the exception). Within business programs, 15 of 20 charge course or program fees. They are summarized in Table 1. Six peer institutions and six aspirational peer institutions charge course fees, while one peer and two aspirational peers charge program fees. The average course fee charged by peer institutions is \$46.70 per credit hour. The average course fee for aspirational peers is \$74.81.

Table 1: Added Cost of Business Majors and Minors, at \$50 per Credit Hour

Institution Name	Base Resident Tuition (30 cr hrs)	Mandatory Fees	Total Base	Business Fee	UW Equivalent
Peer Institutions Charging Course Fees					
Utah State University	\$5,813.88	\$1,052.00	\$6,865.88	\$137.00	\$3,651,050.00
Oklahoma State University-Main Campus	\$8,320.50	\$3,378.00	\$11,698.50	\$29.55	\$787,507.50
University of Maine	\$8,370.00	\$2,258.00	\$10,628.00	\$33.00	\$879,450.00
Montana State University	\$5,330.40	\$1,576.50	\$6,906.90	\$26.00	\$692,900.00
South Dakota State University	\$7,155.00	\$1,017.00	\$8,172.00	\$28.65	\$763,522.50
The University of Montana	\$4,833.60	\$1,865.46	\$6,699.06	\$26.00	\$692,900.00
Average Peer	\$6,637.23	\$1,857.83	\$8,495.06	\$46.70	\$1,244,555.00
Aspirational Peers Charging Course Fees					
Kansas State University	\$9,012.00	\$861.00	\$9,873.00	\$58.34	\$1,554,761.00
West Virginia University	\$6,720.00	\$1,272.00	\$7,992.00	\$45.00	\$1,199,250.00
Colorado State University-Fort Collins	\$10,966.00	\$1,663.78	\$12,629.78	\$91.00	\$2,425,150.00
University of Nebraska-Lincoln	\$6,757.50	\$2,849.50	\$9,607.00	\$54.25	\$1,445,762.50
University of New Mexico-Main Campus	\$5,157.00	\$1,507.20	\$6,664.20	\$10.00	\$266,500.00
University of Utah	\$7,407.70	\$1,109.98	\$8,517.68	\$190.26	\$5,070,429.00
Average Aspirational Peer	\$7,670.03	\$1,543.91	\$9,213.94	\$74.81	\$1,993,642.08
Peer and Aspirational Charging Semester Fees					
North Dakota State University-Main Campus	\$6,924.00	\$1,283.00	\$8,207.00	\$330.00	\$396,000.00
Clemson University	\$13,418.00	\$900.00	\$14,318.00	\$2,062.00	\$2,474,400.00
Texas Tech University	\$7,500.00	\$2,730.00	\$10,230.00	\$2,040.00	\$2,448,000.00
Average	\$9,280.67	\$1,637.67	\$10,918.33	\$1,477.33	\$1,772,800.00
University of Wyoming	\$3,720.00	\$1336.00	\$5,056.00	\$0.00	\$0.00

As a demonstration of comparison, equivalent course fees charged on credit hours taken in the College of Business in the 2014-15 academic year would generate \$1,24 million and \$1,99 million, respectively. This is on top of the standard average tuition and fees charge difference of \$3,439 and \$4,158 at peer and aspirational peer institutions. With 1,200 majors in business disciplines, this is an equivalent revenue gap of \$4.1 million and \$4.9 million for educational and general costs, respectively, in addition to currently foregone differential fees.

Peer and aspirational peers charging a semester-by-semester program fee average a charge per student of \$1,477, annually. This is on top of an average tuition and fees difference of \$5,832. Average program fees in business at UW would bring \$1.77 million in revenues to the University of Wyoming and its College of Business, over and above the tuition and fees gap of \$13 million.

III. Instructional and Experiential Costs Associated with Delivering High Quality Business Education at UW

Students, graduates and employers of the College of Business point to several distinctive characteristics of a UW business education, compared to alternative. Employers speak of the work ethic and values-centered decision making skills of UW students, and of their superior technical skills. Students speak of the caring and knowledgeable faculty at UW, and appreciate the quality of advising and the opportunities created by the Peter M. and Paula Green Johnson Career Center. These are the hallmarks of the education they have come to appreciate, and the features that are put at risk with deep budget cuts.

Table 2 summarizes at-risk costs associated with delivering excellent student education, in and out of the classroom. The Academic Advising Center provides fulltime professional advising for on-campus and online students, whether pre-business, majors or minors. The technical capabilities of these fine advisors insures students are making progress toward graduation, completing courses in the appropriate sequence to minimize credit hours and semesters to graduation, and serve as a voice for students in academic planning. The cost of staffing an office for 1,200 undergraduate students is approximately \$240,000 a year.

The Peter M. and Paula Green Johnson Career Center provides internship and career services to COB students. Internships provide students with valuable experiences that help them connect classroom learning with business problem solving, and provides companies with extended interactions that frequently lead to employment. The JCC plays a vital role in recruiting employers, connecting those employers with highly talented graduates, and making it worth their time to travel to Laramie to recruit. In the first five years of operation, recruiting visits increased, as have the number of students with job offers at graduation, and the starting salaries of those students were up by an average of \$10,000. The generous gift of Peter and Paula Johnson cover a good portion of the cost of the JCC, but it has grown beyond initial expectations and now needs a little more than \$100,000 in funds, beyond expendables generated by the Johnson endowment, to meet demand.

To create a competitive advantage over peer institutions, the College of Business opened a communications studio in Fall, 2015. This was in response to employers' requests, who identified improved communications skills as a way to further improve the competitive advantage our students enjoy in the marketplace because of their technical capabilities. This office is designed to work with faculty and students in critical courses to improve students' written and oral communications skills. The office works with First Year Seminar and COMM 3 instructors to craft communications assignments, and to provide intensive guidance to students on written and oral communications skills. Our goal is to infuse this service into additional courses in coming years. The cost of this program at full strength is \$150,000, annually.

In addition to these student success services, the College of Business provides a series of supporting activities and resources that add to the education students obtain at UW. We provide software and datasets, such as Bloomberg, to student in technical courses, giving students access to real world resources they will need to compete in the global economy. We annually articulate courses with Wyoming's community colleges, to insure transfer students progress toward graduation at UW in a timely manner. AACSB accreditation is an assurance to students and employers that they are receiving the quality education – and employee – that they expect from UW. There are annual costs associated with accreditation maintenance. Student organizations serve as a means for students to network, learn professional skills and gain valuable leadership

Table 2: Cost of Value-Adding Programs, Services and Personnel

	Using New Peers and Aspirational	Needed for Timely Progress to Graduation	Needed for High Quality Experience	Needed for Career Ready on Day One
Student Success Services				
Academic Advising Office	\$240,000	*	*	*
Johnson Career Center	\$105,000	*	*	*
Communication Studio	\$160,000	*	*	*
Supporting Activities & Resources				
Instructional software	\$95,000		*	*
Articulation	\$5,000	*	*	*
Accreditation Costs	\$10,000		*	*
Student Organizations	\$15,000		*	*
Dean's Experiential Initiative	\$50,000		*	*
Total	\$645,000			

experience. They add to the quality of students' education experience and work-ready skills.

Vital to students' success at UW and beyond are highly qualified, engaged faculty. UW faces challenges in recruiting and retaining faculty, including competitive compensation. An analysis of faculty salaries compared to peer institutions, using data from the Oklahoma State University salary survey, finds that UW's College of Business lags behind comparator institutions by more

than \$450,000, in the aggregate. Our ability to attract and retain faculty is vital to our ability to provide a highly qualified workforce for the State of Wyoming in the 21st Century.

IV. Credit Hours in Business and Economics Courses

In the 2014-15 academic year (Fall 2014, Spring 2015, Summer 2015), the College of Business generated 28,414 credit hours. Of these, 9,671 were lower division credits, 13,301 were upper division, on campus credits, and 1,680 credits were on campus, graduate credits. The college offers two online programs, the Bachelor of Science in Business Administration Online, and the Executive MBA. These programs and a handful of related courses account for an additional 4,032 credits. To estimate the impact of a course fee, we use these credits, exclusive of credits for the MBA program (for which we already charge a differential tuition), we use the figure of 26,669 credit hours, annually.

Table 3: Credit Hours Generated by COB Department, 2014-15

Unit in College of Business	Lower Campus Credit Hours	Upper Campus Credit Hours	Gr Campus Credit hours	Online Credit Hours	Other	Total
Accounting	3,567.0	1,959.0	144.0	174.0	0.0	5,844.0
COB Dean's Office (MBA)	0.0	0.0	788.0	957.0	0.0	1,745.0
Economics & Finance	5,007.0	3,784.0	594.0	468.0	0.0	9,853.0
Management & Marketing	1,097.0	7,288.0	154.0	2,433.0	0.0	10,972.0
COB Total	9,671.0	13,031.0	1,680.0	4,032.0	0.0	28,414.0

V. Proposed Course fee for College of Business Courses at UW

We propose a course fee of \$50 per credit hour for all courses designated Accounting (ACC), Business (BUSN), Decision Science (DSCI), Economics (ECON), Finance (FIN), International Business (INBU), Management (MGT), and Marketing (MKT). Resources gathered by this fee will be used to cover the cost of the college's student success services, to cover direct and indirect costs associated with delivering quality business education, and to shore up faculty salaries to stem attrition and to insure sufficient courses and seats to insure timely progress toward graduation.

A request of \$50 per credit hour is justified by the cost of these critical needs (see Part II), and credit hours delivered on an annual basis. Based on \$50 per credit hour for ACCT, BUSN, DSCI, ECON, FIN, INBU, MGT and MKT coded courses, the fee should generate \$1,333,450. The proposed fee is in line with those charged by peer (\$47.60 per credit hour) and aspirational peer (\$74.81) institutions. Furthermore, it is in line with the identified deficit needed

to provide excellent student services (see Part III). Based on 2014-15 credit hours, a \$50 per credit hour fee would generate a little more than \$1.3 million.

VI. Promise to Students

- a. Courses and success services available to keep you on track for graduation
- b. Expanded High Quality Advising
- c. Career Ready on Day One
- d. Estimated cost added to business majors and minors

Table 4 summarizes the additional cost associated with course fees for Business majors and minors. A \$50 credit hour fee on COB classes would add between \$1,500 and \$3,150 to the cost of a four-year bachelor's degree at UW, and between \$600 and \$1,200 to a business minor. In addition, business majors are required to take 18 hours of SCI/Q credits (8 hours of math, 4 hours of statistics and 6 hours of science), which will be added to the cost of the degree, as well. Three minors require an additional 4 hours of SCI/Q for non-business majors (Business, Decision Science and Finance), which non-business majors will need to consider when making a decision about a minor.

Table 4: Added Cost of Business Majors and Minors, at \$50 per Credit Hour

Majors	COB Hrs	@ \$50/ch
Pre-Business		
Accounting	63	\$3,150
Business Economics	57	\$2,850
Economics	30	\$1,500
Finance	60	\$3,000
Management	54	\$2,700
Marketing	54	\$2,700
Business Administration (online)	60	\$3,000
Minors		
Accounting	18	\$900
Business (non-business) + 4 SCI/Q	24	\$1,200
Decision Science + 4 SCI/Q	15	\$750
Economics	21	\$1,050
Finance + 4 SCI/Q	18	\$900
Information Management	18	\$900
International Business (non-Bus)	24	\$1,200
International Business (Bus)	12	\$600
Management	21	\$1,050
Marketing	18	\$900

Marketing Communications (non-bus)	15	\$750
Marketing Communications (bus)	0	\$0
Sustainable Business Practices	18	\$900

What does this mean for the overall cost of a 4-year degree in business at the University of Wyoming? For a student majoring in Finance, it would raise the average cost of a degree (resident tuition and fees for four years, assuming a 4% increase in tuition), from \$21,470 to \$24,470, an increase of 14%. It would raise the price of the same degree for a non-resident student from \$68,861 to \$71,861, an increase of 4.36%. Compared to average tuition, fees and current differential tuition at peer institutions, the cost of a finance degree at the University of Wyoming is still only 63% of what it would cost at peer institutions.

Table 5: Comparison of Resident Cost of Degree to Average Peer Resident Cost

Majors	COB Hrs	Additional Fee at \$50/CrHr	Revised 4 Year Resident, with Fees	% increase in cost of degree (Res)	As a % of Resident at Average Peer Institution	4 Year Non-Resident, with Course Fees	% Increase in Cost of Degree (Non-Res)
Pre-Business							
Accounting	63	\$3,150	\$24,620	14.67%	63.10%	\$72,011	4.57%
Business Economics	57	\$2,850	\$24,320	13.27%	62.78%	\$71,711	4.14%
Economics	30	\$1,500	\$22,970	6.99%	61.29%	\$70,361	2.18%
Finance	60	\$3,000	\$24,470	13.97%	62.94%	\$71,861	4.36%
Management	54	\$2,700	\$24,170	12.58%	62.62%	\$71,561	3.92%
Marketing	54	\$2,700	\$24,170	12.58%	62.62%	\$71,561	3.92%
Business Administration (online)	60	\$3,000	\$24,470	13.97%	62.94%	\$71,861	4.36%