

Minutes: Revenue Enhancement Committee

July 21, 9:00 am OM 321

Primary purpose – Attempt to define an approach to developing a fee proposal

- Note - Gerry Andrews should be joining us.
- President Nichols
 - o Types of fees to consider (assessment method)
 - o Area/discipline fees justified
 - o Other
- Anne – Principles document
- John – M - fees at comparative institutions
 - o Data collected since last meeting
- Outreach fees? Reed Scull
- Other issues unknown
 - o Coming absences...
- Committee homework forward.
 - o Rob has copies of recent fee proposals – not yet summarized.
 - o React to President Nichols charge
 - o Continue to collect comparator data
 - o Begin writing a proposal document

Attending: Susan Frye, John Mittelstaedt, Reed Scull, Leigh Selting (for Ricki Klages), Anne Alexander, Rob Godby, Greg Brown, Gerry Andrews, Laurie Nichols

Absent: Mary Burman, Denise Gable, Ricki Klages, Michael Pishko

Committee was introduced to Gerry Andrews who has been appointed by Frank Galey to serve as the College of Agriculture and Applied Science rep. Leigh Selting also filled in for Ricki Klages.

President Nichols joined us.

President Nichols noted that her plan to implement program fees was in part why the Trustees turned down almost all new course fee proposals in March. They were also concerned by the results of the internal audit on fees. Most of all, however, they were also worried about creating a “hodge-podge” of course fees that were not necessarily based on a consistent cost estimate or cost basis for a program. Further, so many fees make it almost impossible to determine the cost of attendance at UW, and become very difficult to manage and to maintain accountability that course fees flow to intended uses only.

As we discussed in the last meeting, selling the program fee proposal will be important. She indicated that in her interactions where the idea has come up, there has been support for the concept with little push-back.

We asked her to outline the principles she feels the program fee proposal the committee is creating must include to be acceptable:

- 1) Transparency - the new program fees should be comprehensive/all-inclusive and replace all other existing course and program fees. The idea is to replace many of the “piecemeal” fees in the fee book currently to ensure that wherever possible the proposed program fee is “all-in”.
- 2) As we have previously noted they will be cost-based and justified clearly where possible. Not all programs will or should have program fees.
- 3) Fees must also be market competitive. We may not be able to cover all program costs with a market-competitive fee.
- 4) All plans are developed using the same format and be assessed the same way, though fees can be different.
- 5) She wants to see program fees assessed on a per credit hour basis. This was actually one of the primary reasons to invite her was to hear her preferences, and this one is pretty strong.
- 6) The program fee should be assessed to all students registering for the course codes in the programs being supported by the fee. All students registering for courses within the programs (identified by course code prefix) would be assessed a per credit hour fee. No junior/senior or major only.
- 7) She does not want any student aid as part of the plan. She feels that this can be dealt with elsewhere and amounts to a redistribution – collecting fees from everyone to give them back out to other students. She wants student aid and program fees to entirely separate though we could raise funds elsewhere if it is perceived they are needed to help some people with fees. Elsewhere, it is far less common to see a financial aid justification for fees assessed by credit hour than when assessed as semester fees, so this would be consistent with that principles above.

Justifiable costs could include as examples (not exhaustive):

- Lab/studio/special facilities costs
- Computer equipment necessary for program
- Software necessary for program
- Student advising/counselling
- Travel – class travel or for other program related activity
- Accreditation
- Assessment
- Certification exams/state authorizations
- Placement
- Faculty salary supplement when salaries are far below market/difficult to attract in particular areas.
- Staff/support and instructional staff not funded under state dollars
- GA support including undergrad GA

Principles:

- Costs included are above and beyond what state dollars provide for with basic facilities and base salary support at UW to provide a competitive and sustainable program, but can **only** be used for student instruction and support, **not research**.
- Costs must be justified on the basis of student support, and we must show that collected fees are used to for the areas used in their justification.

- Increases in program cost can be justified with the fees if we can show there is a need and that the current program is lacking relative to peers.
- Bottom line – fees must create student benefits.

President Nichols was provided with some summary analysis from John Mittelstaedt regarding comparative tuitions and mandatory fees at comparator institutions, and we discussed how other schools are implementing fees – note most are. Also discussed the fact that most implement a credit hour system applied to all students taking particular course codes.

It was noted how low our tuition and fees are relative to comparators, tuition averages 87% lower than the peer group UW has developed of 11 universities, while mandatory fees are 270% lower. We are “out of the market” and there is lots of “headroom” to accommodate program fees while remaining among the lowest cost institutions in the country.

President Nichols also emphasized that collected fees should go to units offering the courses – while there may be some justification for the college siphoning some amount for general services such as advising, only those necessary to support such efforts should be drawn away. The rest should go to the units providing the courses and incurring the costs.

Discussion and questions from committee regarding specific area fees possible...

Greg Brown wondered how a “SciQ” fee could be implemented – we discussed how the fee did not have to be identical over sub-programs – while, for example, Engineering and Business may develop one credit hour fee, a SciQ fee could be different for math versus natural science departments under a SciQ program fee framework. Asked if fees can be diverted to other uses in the College – Answer – No – but funds freed up by existence of fee could.

- Principle – comprehensive and common where possible but recognize that some fees could be different to support an area-based fee like SciQ. They just must be justified.

Leigh Selting noted that a current Arts mandatory fee is very important to Visual and Performing Arts budgets. Worried the wide base currently collected on would require a larger program fee to replace. Comments from committee agreed that a mandatory fee would not have to be rolled in to Program fee if it exists on all students – Anne noted that we are following the principle of “do no harm”.

IT fees are applied as a program fee at the same rate across all colleges but one – comment from committee that this portion should become a mandatory fee with top-up where needed for IT support under a program fee in particular areas.

Ag fees in science could be rolled into a SciQ framework.

President Nichols noted that she felt it was imperative to assess a credit hour fee on all students within a program – she has run into semester fee problems – “nickel and diming” concerns – for example “my son is taking less than a full load in the program – why do they have to pay the full semester fee?” Also real concern of delayed majors and assessment of fee on minors. Problems can more cleanly be dealt with in a very transparent and comprehensive manner using credit hour fees.

President Nichols also noted that as a principle program fees go to programs and departments where a differential tuition could go into the general tuition pool. This is another reason to stay away from

something that looks like differential tuition. (Context of discussion was why a general tuition increase was not pursued. Not to be confused with fact that in the proposal committee develops fees go to department incurring costs (supplying credit hours the fee is charged for.)

John reiterated point that Dean's offices could only "tax" fees for common programs and college-wide services. Noted that the exception might be A&S where if a SciQ or Arts fee only pertains to particular programs within the college, in those cases funding other student services may have to come out of funds freed up by new fee, not a tax on the fee.

John noted in the past increases in mandatory or other fees were often approached as a zero-sum – if something went up, something else had to come down. President Nichols assured everyone the intent here is clear – to collect more revenue and collect it for what it is needed for to support students.

Anne and Rob commented on ENR's very high existing fees – possible need for a program fee and that some of their existing travel fees could be put under the International Travel fee already in the fee-book as a pass-through.

Outreach fees – must be based on services offered in addition to the course. Fees go to program offering course with possible additional portion for delivery or other services. Existing split tuition should be replaced, and instead a preferred model could be one where the tuition and program cost was differentiated from the service/delivery component Outreach provides.

President Nichols also noted that when she was at SDSU the concept of transparency to allow students to understand the cost of particular majors was addressed by a website that included the cost to take each major at the university. The website showed year by year cost including all tuition, mandatory and program fees in each year of attendance, assuming a 3% inflation in each year, based on the order of courses students would be expected to take in the programs. She noted this was wildly popular and that generally students accepted program fees when they saw the benefits and knew their costs.

What does President Nichols need from us?

- A plan for implementing a set of program fees across the university where needed in FY18. Target end of summer for draft proposal and September for vetting and presentation, with revisions made in October and final draft ready for Trustees approval at November meeting.
- For Trustees retreat (early August) a 2-3 page brief on what we are doing/summary findings and the process we are following with a description of the big picture of what we are doing. Rob Godby will attend that meeting.
 - o Similar materials needed in PowerPoint slides for Town Hall on Tuesday July 26.

Additional discussion occurred regarding how fees could work in specific instances after President Nichols left.

It was noted we might add Arizona State University and Univ of Arizona to our comparator set because they are at least aspirational, local in the region and have similar efforts and have had large budget cuts thus what they do may be useful to learn from. It was also noted one is a land-grant school.

Greg noted the size of the task that maybe we should just develop some program fees and do others later – it was noted that the President wants all fees possible identified and proposed now – John noted

that waiting would be risky if window of opportunity closed. Rob noted that this would cause some programs that need a fee but have to wait to lose revenue.

Was also noted that Deans may have “program fee envy” and try to achieve revenues equal to other colleges. It was noted this will not be allowed to affect fees – they must be justified on basis of need, more than a comparative revenue target.

HOMEWORK!!

Anne: update principles document to reflect charge President Nichols has given us. She will also continue to try to get the data on current fee revenues.

Cost information – how can we get that? Collect it from affected departments or use Delaware Dataset as a start. Note this is now available to everyone on the committee – files are in the revenue committee Dropbox > Materials>UW institutional data>Delaware data

All others: begin to collect information to

- 1) Identify programs with costs that can justify a program fee – identify specific course codes within these programs a per-credit hour fee would be applied to.
- 2) Identify any existing fees in the Fee book a program fee will replace
- 3) Identify the cost basis and costs of these programs – for example what are the additional costs needed from the following list to provide a chemistry program or an engineering degree:
 - Lab/studio/special facilities costs
 - Computer equipment necessary for program
 - Software necessary for program
 - Student advising/counseling
 - Travel – class travel or for other program related activity
 - Accreditation
 - Assessment
 - Certification exams/state authorizations
 - Placement
 - Staff/support and instructional staff not funded under state dollars
 - GA support including undergrad GA
 - May also include facility or program improvements needed that are not currently offered.
- 4) From this create a cost estimate that must be covered.
- 5) Identify the credit hours taken in each program by course code (e.g. total chemistry hours). One possible source of data for credit hours and costs is the Delaware Data set put together by UW, or can be found from Old Main
- 6) First estimate of a possible program fee – $\text{divide cost by credit hours} = \text{cost/credit hour needed}$.

From there - in the future we will compare to existing fees when data is available, and to market rates charged to determine if program fees needed are too high.

Rob will work on salary info– we will need to define how to use this formally to cost estimates where appropriate – it may not be appropriate everywhere.

Rob will invite Education to nominate a representative since they have a large set of fees in the Fee Book.

Meeting adjourned at 11:00 am.