

**A Proposal to Implement Program Fees to Maintain and Improve Student Success While
Covering the Costs of Instruction in Higher-Cost Programs at the University of Wyoming.**

Report of the Revenue Enhancement Sub-Committee of the University of Wyoming's Financial
Crisis Advisory Committee

October 16, 2016

**This report was prepared by the members of the Revenue Enhancement Sub-Committee,
in consultation with University of Wyoming Faculty, Students and Staff.**

Thank you to all those who helped the committee by offering advice and submitting materials. Despite any future setbacks we may face, we can all still ensure the University of Wyoming is what we want it to be, and that we continue to offer the greatest value possible to our students.

Members of the Revenue Enhancement Sub-Committee

Robert Godby Chair
Mary Burman Vice-Chair
Anne Alexander
Susan Frye
Denise Gable
Ricki Klages
Michael Pishko
Reed Scull
John Mittelstaedt
Greg Brown
Gerry Andrews
Suzanne Young

Executive Summary

The University of Wyoming has been incredibly fortunate over its existence to have had strong State support. This has allowed the university to remain one of the lowest cost higher-education institutions in the country, having the lowest required tuition and fees of any doctoral institution in the United States. We can no longer take this State support for granted. The recent energy downturn has forced the state to make hard decisions in allocating its scarce revenue resources. While Wyomingites still expect their only four-year public university to maintain its high academic quality, the University, along with all other state agencies', has had to adapt to painful budget cuts. The University of Wyoming, however, need not compromise its academic standards, nor its drive to continually improve the quality of education offered to its students. The institution can persevere through a concerted effort to find efficiencies and to work together to face these challenges by adopting new ideas and lessons learned elsewhere.

UW's Mission statement in part states: *"The University of Wyoming aspires to be one of the nation's finest public land-grant research universities. We serve as a statewide resource for accessible and affordable higher education of the highest quality; rigorous scholarship; technology transfer; economic and community development; and responsible stewardship of our cultural, historical, and natural resources."* To address the current funding challenges facing the University, and to ensure the University's mission was not compromised by immediate revenue shortfalls, the University of Wyoming's Revenue Enhancement Sub-committee was convened at the request of President Laurie Nichols in early July, 2016.

To achieve the goal of ensuring academic excellence and affordability, the committee first turned to peer state universities for examples of how higher education has dealt with reductions in public funding. Along with cost efficiencies, many have turned to program fees as a source of revenue. These recognize that the variety of degree offerings at a university, their difference in cost of delivery, student demand, and the private degree value for students they provide upon graduation can justify differential fees above their standard tuition rate. 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. After consideration of other institution's efforts in this area, the committee recommended implementing similar program fees at the University, justified on the basis of program cost and market competitiveness.

An unfortunate reality of the current funding challenges facing UW is that to avoid declines in program quality and ensure student outcomes improve, students will have to shoulder additional costs for their education as state support is withdrawn. This proposal argues though, that while student cost may have to increase, the value students receive by choosing to come to Wyoming can be increased simultaneously. To this end, the proposed program fee system recommended is designed to achieve two goals:

- 1) Support those instructional programs that require additional resources by creating a revenue stream that reflects the higher costs of instruction present in certain programs.

- 2) To create a revenue stream that allows the University of Wyoming to improve important student-centered institutional priorities, specifically
 - To improve retention rates of students enrolling at UW
 - To improve time to graduation for students at UW.
 - To improve career-readiness among UW graduates.

An important and philosophical question to address is “why program fees?” In the view of the Committee, the program fee approach provided the fairest means to maintain academic standards while striving to ensure student success and career-readiness by allocating program costs through a “user-pay” principle. Program fees allow charges to be levied on the basis of cost of delivery, student demand, and the private degree value for students they provide upon graduation, and they also allow students to choose to avoid such costs if they wish to in pursuit of a university education. Program fees also allow greater transparency and can allow greater accountability than a single tuition/fee increase, as revenues must be used by the programs they are intended for, and in a way that can be assessed to determine the effectiveness of their use.

An additional benefit of instituting comprehensive program fees is transparency with respect to the cost of attendance for students. Current student fees for courses and programs are defined in the University of Wyoming Fee Book FY2017 in Section IV: Program and Special Course Fees, pp. 27-36. In this section there are eleven separate undergraduate fees, at least 86 courses listed with separate fees, and over 40 specific or miscellaneous fees for course or program activities, certifications or other charges. These make a student’s calculation of the cost of attendance at UW very difficult. Instituting differential tuition to use a single program fee allows the streamlining of existing fees and more clearly allows the determination of the costs of a specific educational programs. The proposed fees outlined here will replace the existing majority of the fees in Section IV with a simpler and comprehensive framework that more simply allows students and administrators to understand the student costs of attendance at UW.

Finally, program fees must benefit the students the revenues come from. For this reason fees collected must be used both to improve student services, or student instruction and program requirements. They cannot be used to supplement research, faculty salaries or other activities within a unit.

Proposed Fees

After consultation with various units on campus, programs with higher costs above were identified. The program fees proposed are outlined in Tables ES-1 and ES-2 below. There are two types of program fee proposed: college-wide program fees instituted across all course codes offered within a College (Table 3), and discipline-specific program fees assessed for particular programs (Table 4). Discipline-specific program fees are charged in addition to associated college fees shown in Table 3. *These fees are to be charged on undergraduate courses only (course numbers below 5000).* College-wide fees support technology, accreditation, assessment costs, and will provide funds for increased student services. They will also be used to create a seat guarantee for all students to ensure capacity to offer required classes, by opening new sections as needed in high-demand areas when necessary.

Table ES-1: College-Wide Fees Proposed

College/School	Credit-hour Fee Proposed
Agriculture and Natural Resources	\$10
Arts and Science	\$10
Business	\$45
Education	\$45
Engineering and Applied Science	\$69
Haub School of Environment and Natural Resources	\$48
Health Science	\$12

Table ES-2: Specific Program Fees Charged Additional to College fees)

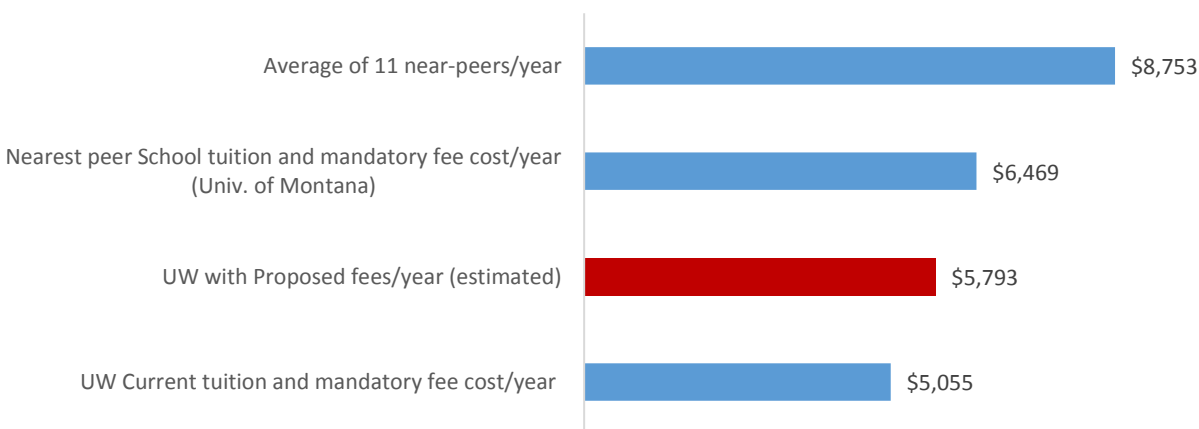
Programs	Fee	Course Codes
Science and Quantitative Programs (Sci-Q)		
Tier 1	\$10	ANTH, GEOG, MATH, PSYC, STAT
Tier 2	\$20	GEOL
Tier 3	\$45	ASTR, BOT, CHEM, LIFE, PHYS, ZOO
Visual and Performing Arts (VPA)	\$45	ART, MUSC, THEA
Agriculture Studio/Science		
Tier A	\$10	AGEC
Tier B	\$15	AECL, ANSC, ENTO, ESM, FCSC, FDSC, MICR, MOLB, PATB, PLNT, REWM, RNEW, SOIL
Health Sciences Programs		
Communications Disorders	\$30	SPPA
Kinesiology And Health	\$25	HLED, KIN
Nursing	\$30	NURS
WIND minor	\$10	WIND

Anticipated revenues from the fees proposed in Tables ES-1 and ES-2 are estimated to produce almost \$10.9 million. Netting the current \$1.4 million in current fees that the proposed fees would replace leaves an estimated \$9.5 million in net new revenue. New expenditures to support expanded student services totals \$3.6 million, leaving approximately \$5.9 million in net

replacement revenues for instruction and with which to provide additional student services beyond those already budgeted in the \$3.6 million. These new revenues would only in part replace the over \$40 million that has been withdrawn from the University budget over the past year, but they can significantly offset the negative impacts such funding changes would otherwise have on student services and instruction.

The average increase in tuition and fees paid by students net of existing fees is estimated to be 14.6% for in-state students (approximately 4.5% for non-resident students) if the proposed fees are implemented. This would result in an average increase in attendance per year to \$5793 over the current \$5055 level, or \$369 per semester. Figure ES-1 summarizes how the proposed fee change would affect the comparison of average tuition and fees at UW to tuition and fees for in-state students at UW's peers and the next most-affordable peer institution. The University of Montana's mandatory fee and tuition cost for 120 credit hours using AY 2016-17 rates is \$6469 per year, or 12% more than what UW's would be if the proposed fees were implemented. Comparing UW to the average tuition and mandatory fee cost of \$8753 per year at the 11 near-peer institutions shown in Table 1, UW's cost of \$5793 would be 51% lower than these schools after proposed fees were implemented.¹ Using federal debt data, the increase in cost resulting from the proposed fees recommended here would result in a \$28/month increase in student loan debt payments after graduation.

Figure ES-1: Comparison of Proposed UW Student Costs for One Year of Attendance with Peers



While these new revenues are substantial and imply a not insignificant increase in student cost burden, the fees proposed have also been designed to ensure that UW remains the most affordable doctoral institution in the country. After implementation, tuition and fees at the University of Wyoming would still be 51% lower than the average of UW's eleven nearest-peer schools, and UW would remain the lowest cost doctoral institution in the country. Challenging times need not undermine the University of Wyoming's commitment to ensuring that *accessible and affordable higher education of the highest quality* continues to be provided to the residents of the state.

¹ The comparison of average cost of tuition and fees at the near-peer schools shown does not include the cost of additional program fees or class fees present at all these institutions.

I. Overview

The University of Wyoming has been incredibly fortunate over its existence to have had strong State support. This has allowed the university to remain one of the lowest cost higher-education institutions in the country, having the lowest required tuition and fees of any doctoral institution in the United States.² Despite its low cost, however, the University of Wyoming has prided itself on offering a high value to students.³ 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). Until recently, 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. The recent energy downturn has forced the state to make hard decisions in allocating its scarce revenue resources. While Wyomingites still expect their only four-year public university to maintain its high academic quality, the University's budget, along with all other state agencies', has had to adapt to painful budget cuts. The University of Wyoming, however, need not compromise its academic standards, nor its drive to continually improve the quality of education offered to its students. The institution can persevere through a concerted effort to find efficiencies and to work together to face these challenges. Faculty, staff and students can continue to ensure the school remains among the best values in the country with excellent academics and student opportunity while also remaining one of the most affordable through commitment to our shared ideals. Doing so, though, will require each of these groups to shoulder a greater amount of the costs of higher education in the State.

To achieve the goal of ensuring academic excellence and affordability, Wyoming can turn to other states for examples of how higher education has dealt with reductions in public funding for education. Along with cost efficiencies, many universities have turned to program-specific fees as a source of revenue.⁴ These recognize that the variety of degree offerings at a university, their difference in cost of delivery, student demand, and the private degree value for students they provide upon graduation can justify differential fees above their standard tuition rate. Program fees provide a mechanism for universities to more closely tie the true cost of education to the

² In 2015-16, UW's combined in-state tuition and mandatory fee total of \$4,890 was lowest among public four-year flagship institutions in the country. UW's out-of-state total tuition and fee rate of \$15,630 was second lowest after South Dakota (College Board, 2015 "Trends in College Pricing 2015", <http://trends.collegeboard.org/sites/default/files/trends-college-pricing-web-final-508-2.pdf>), and OIA 2016a <http://www.uwyo.edu/oia/files/tfrb/10yrchange.pdf>.

³ Wyoming was ranked 9th overall in Forbes' Top 25 Best Value Colleges in 2015 <http://www.forbes.com/pictures/gkjc45lg/9-university-of-wyoming/#4a46b1e6c464>. Forbes ranked Wyoming 241st of 660 schools, also noting Wyoming was ranked 43rd in the west, 66th among public universities, and 111th among research universities (see <http://www.forbes.com/colleges/university-of-wyoming/>).

⁴ Program fees are often also referred to as "differential tuition", as they impose a different cost of education upon students based on the degree programs or courses of study they choose to take. These began to be assessed in the late 1980s and onward as institutions began to depart from the model of charging one tuition level for all disciplines (see Nelson, 2008; and Stange, 2013 for discussions).

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.

Most typically, program fees are assessed in business, engineering, nursing, and health science programs; but can also be assessed on a course basis across a wide variety disciplines.⁵ Such fees are charged in a variety of ways, including course fees assessed by credit hours enrolled in a particular program or discipline, by an additional semester fee based on a student's declared program of study (major or minor), or as an additional percentage-of-tuition charge for specific undergraduate programs. The case for these fees is usually made on the basis of four considerations: cost of delivery, program demand, demand for graduates, and private value of degree at graduation. Most of these charges originated to offset declining public funding for education, and provide necessary funds for universities to provide competitive education to their students and to their future employers.⁶

This proposal argues that the University of Wyoming now implement program fees. Significant and permanent budget cuts will limit our future ability to both offer the high quality education we have prided ourselves on, and the quality of education that will be necessary for students to be successful in the 21st century. Budget cuts have already begun to impair our ability to maintain excellence in many areas and to provide classes when needed to ensure students progress toward successful graduation in a timely manner. Lost staffing positions in critical areas of student success have also diminished our ability to supplement faculty expertise in areas important to student preparation for the job market, and to ensure the direction and advising necessary to help students complete their degrees on time with minimal debt. We anticipate additional cuts in FY18 will further impair our ability to deliver the differentiated education experience that students and employers have come to value in UW alumni. Differential program fees would allow UW to (i) ensure it can continue to provide market-competitive education, (ii) ensure that the institution will be accountable to students and families who benefit most from educational opportunities the school offers, and (iii) ensure UW continues to provide educations of differentiated value to students, graduates, and employers that fulfill its economic development obligation to the State of Wyoming.

The proposed fees suggested here would not change UW's status as one of the least cost public institutions in the country. Wyoming would still be the lowest-cost institution among its peer-group, among flagship universities and among public 4-year doctoral and research institutions. Though the proposed fees impose additional costs on students, if they are implemented as we suggest they actually can improve the value students receive per dollar spent above the already

⁵ Most commonly course fees are assessed on high-cost disciplines across science, technology, engineering and mathematics (STEM) classes, business, visual, fine and performing arts programs, nursing and health science-related disciplines, and education, and may be assessed in many other areas depending on the school in question.

⁶ See for example Stange, 2013; Harwell 2013; Ehrenberg, 2012; who are among the most recent studies who note the trend toward differential tuition began after public funding for institutions of higher education began to decline since the mid-1990s. By 2012, Ehrenberg found that 42 percent of doctoral granting institutions had adopted a form of differential tuition, a term broadly used to describe and include the types of program and course fees discussed here, while Nelson, 2008 found that over 45 percent of a set of 165 public-research universities charged such fees. Since these studies were published the trend has accelerated, and such differential tuition practices can now be assumed to constitute the majority of university tuition models.

excellent value UW students currently receive. Fees will first ensure academic quality. Second, they will ensure advising and career preparation services at UW have the necessary resources to continually improve graduation and retention rates, and to ensure that students are career-ready upon graduation with the skills necessary to face the workplace of the 21st century.

II. Instructional Costs, Tuition and Fees at UW and Peer Institutions

Total cost of attendance at the University of Wyoming is among the lowest in the country when tuition and mandatory fees are compared across public 4-year institutions nationally. The following sections describe national trends in tuition and state support, and explore UW tuition and fee levels in more detail across national sets of comparators and a set of institutions chosen to reflect more specific characteristics of the University of Wyoming.

II.1 National Trends

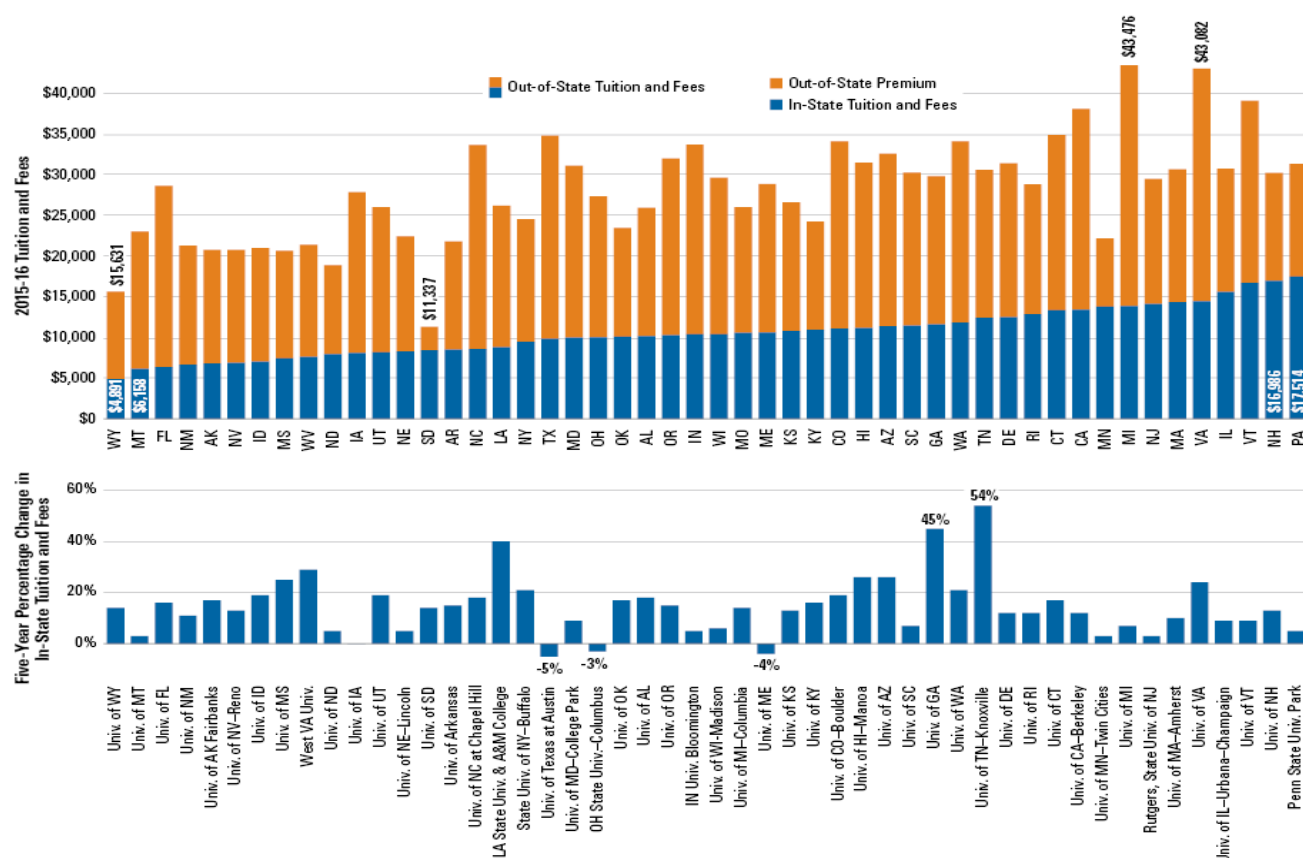
Among public universities, the University of Wyoming's current tuition and fees are on average among the lowest in the country. Figure 1 compares UW's in-state tuition and fees to those at flagship public 4-year institutions in the other 49 states in 2015-16. The lower panel of the figure describes the percentage change that has occurred in those fees over the past five years. As can be seen from the top panel, Wyoming's tuition and fees for in-state students are the lowest in the country, while UW's out-of-state tuition and fees rate second lowest among the states shown. Change in Wyoming's tuition and fees have matched the average occurring across the other schools shown, with these costs increasing by 14 percent over the previous five years. The same results hold when UW is compared to the average tuition and fees charged across all four-year public institutions in other states for academic year (AY) 2015-16.⁷

Across the country and over time, changes in tuition and state support have varied with economic conditions. Figure 2 shows the changes over time in both state support and total tuition/fees charged across all public 4-year institutions expressed on a full-time equivalent (FTE) basis. From the figure, several trends are apparent. First, increases in tuition/fees across all public institutions have been primarily concentrated in periods of declining state support. Specifically, the largest increases in tuition and fees have occurred during or immediately after major recessions, - in 1990 through 1995, in 2001 to 2003, and in 2009 through 2013. All three of these periods correspond to significant reductions in state support for 4-year institutions, the most prolonged occurring after the 2008-09 recession. Tuition increases were primarily instituted to allow schools to maintain their quality of education.⁸

⁷ See [College Board, Trends in College Pricing, 2015](#), pp. 19-20.

⁸ Ibid.

Figure 1: University Tuition and Fees and five-year change by State Flagship Public 4-Year Institutions

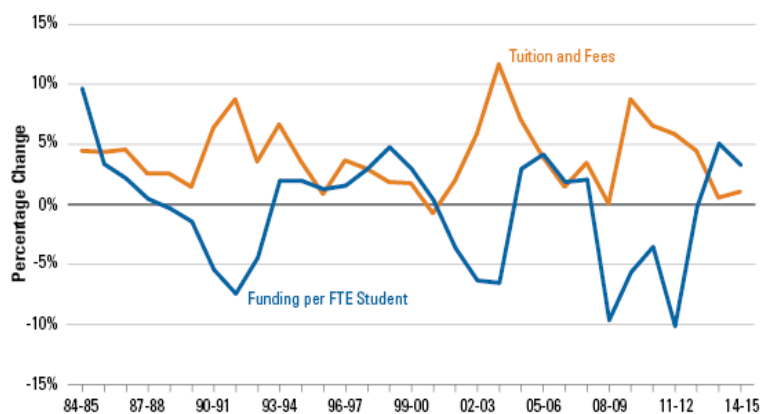


Source: [College Board, Trends in College Pricing, 2015](#).

Secondly, across the nation, tuition increases have been occurring every year with the exception of 2000-01, and have increased at an average rate of 3.9% annually over the 31-year period shown. Since the beginning of the 2000s this rate of tuition increase accelerated to 4.1% annually, and following the 2008-09 recession averaged 6.4 percent annually across all public 4-year institutions. Only since 2013, have tuition increases stabilized at levels corresponding to the rates approaching the general national level of inflation.⁹

⁹ Changes in tuition and fees nationally over this period averaged 8.7% in 2009-10, 6.5% in 2010-11, 5.8% in 2011-12, and 4.4% in 2012-13, before falling to 0.5% and 0.9% in the following two years. Declines in state funding averaged 9.7% in 2008-09, 5.7%, 3.6%, 10.2% and 0.3% in each of the following years before returning to growth. The average annual decline in state support over this period was 5.9%. In 2013-14, state funding began to increase again and averaged 4.1% in the following two years that data is available (5.0% and 3.2% in each of the two years respectively).

Figure 2: Changes in state funding and tuition and fees per student across all 4-year Public Institution.



Source: [College Board, Trends in College Pricing, 2015.](#)

II.2 Comparisons of University of Wyoming funding relative to Peer Institutions

The University of Wyoming has managed to maintain relatively low tuition throughout the 2000s due to relatively generous state support compared to other institutions. Budget shortfalls in other states have led to tuition increases elsewhere that have generally exceeded UW's over time. This has resulted in a decline in UW's comparative tuition and fee level, leaving UW the most affordable doctoral institution in the country (OIA 2016). Where other states have reduced support significantly and moved a greater burden of the cost of education to students, Wyoming continues to fund the majority of total educational expenses through revenue sources other than tuition, primarily by using state-provided dollars.

Figure 3: UW Share of Instructional Cost relative to Tuition and Fees

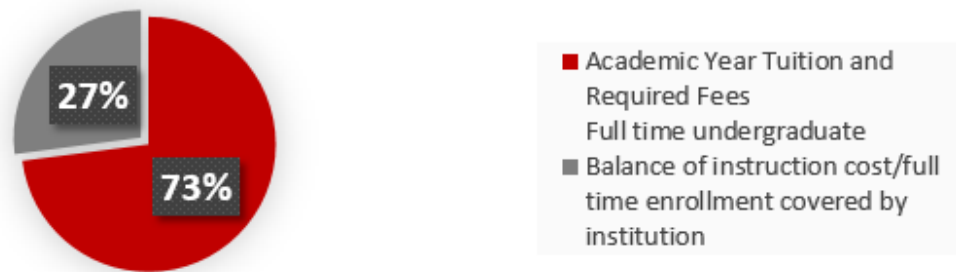
UW Annual Instruction Cost/Full Time Enrollment = \$14,616 (FY 2014)
 UW Academic Year Tuition and Required Fees, Full Time Undergraduate = \$4,646 (AY 2014)



Source: Analysis courtesy Anne Alexander using Integrated Postsecondary Education Data System (IPEDS) data.

Figure 4: Average of 50 Public University Comparators Share of Instructional Cost relative to Tuition and Fees

50 Comparator Avg., Annual Instruction Cost/Full Time Student = \$13,738 (FY 2014)
50 Comparators Avg. Academic Year Tuition and Required Fees, Full Time Undergraduate = \$10,020 (AY 2014)



Source: Analysis courtesy Anne Alexander using IPEDS data.

Figures 3 and 4 compare total instructional costs relative to total tuition and fees collected across fifty public institutions to those at the University of Wyoming. Figure 3 shows the proportion of total instructional costs on an FTE basis compared to tuition and mandatory fees collected per full-time student at UW. As shown, tuition and fees collected cover just 32% of the average instructional costs per student, with 68% of costs covered by state or other revenue sources.

Figure 4 presents the same comparison across 50 comparable 4-year public institutions. Results in the second figure indicate that at these schools, tuition and fee levels cover 73% of instructional costs on an FTE basis, with other sources of revenue including state support covering the remaining 27%. At UW, state revenues cover the majority of instructional costs with tuition the remainder, while across the nation the opposite pattern is observed, with tuition the primary source of support for instructional costs. This result has, in part, been driven by the outcomes shown in Figure 2 – ongoing state funding reductions nationally resulted in tuition increases elsewhere, shifting the funding of instruction primarily to tuition. Wyoming’s countercyclical economy, combined with generous state support has allowed UW to escape this trend with necessary instructional expenses primarily supported by state funds.¹⁰ The main benefit of this funding pattern in Wyoming has been the persistence of lowest in the country tuition rates, as shown in Figure 1.

More recently the University of Wyoming has developed a new comparator set of the 11 schools most like UW based on a wide variety of characteristics and referred to as “near-peer schools” (Schueler, 2016). A further nine schools were identified as aspirational schools based on their regional characteristics or land-grant status. These institutions are shown in Table 1.

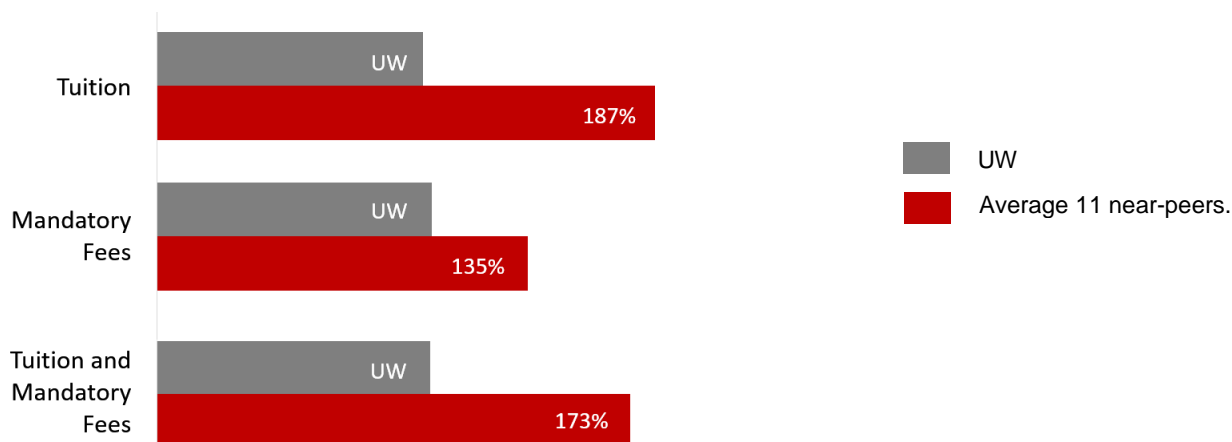
¹⁰ Instruction costs at Wyoming are not significantly different from those at similar schools (see for example, Schueler, 2016).

Table 1: List of Comparator Institutions' Tuition and Fees for Academic Year 2016-17

<i>Institution Name</i>	<i>City</i>	<i>State</i>	<i>Base Resident Tuition (30 cr hrs)</i>	<i>Effective cost/credit hr.</i>	<i>Mandatory Fees</i>	<i>Total Tuition and Mandatory Fees</i>
<i>Near-Peer Institutions</i>						
<i>University of Wyoming</i>	Laramie	WY	\$3,720	\$124.00	\$1,335	\$5,055
<i>Utah State University</i>	Logan	UT	\$5,814	\$193.80	\$1,052	\$6,866
<i>University of Nevada-Reno</i>	Reno	NV	\$6,218	\$207.25	\$974	\$7,192
<i>New Mexico State University-Main Campus</i>	Las Cruces	NM	\$5,307	\$176.90	\$1,422	\$6,729
<i>Oklahoma State University-Main Campus</i>	Stillwater	OK	\$8,321	\$277.35	\$3,378	\$11,699
<i>University of Rhode Island</i>	Kingston	RI	\$11,128	\$370.93	\$1,756	\$12,884
<i>University of Maine</i>	Orono	ME	\$8,370	\$279.00	\$2,258	\$10,628
<i>University of Idaho</i>	Moscow	ID	\$7,232	\$241.07	\$3,300	\$10,532
<i>Montana State University</i>	Bozeman	MT	\$5,330	\$177.68	\$1,557	\$6,887
<i>South Dakota State University</i>	Brookings	SD	\$7,170	\$239.00	\$1,020	\$8,190
<i>North Dakota State University-Main Campus</i>	Fargo	ND	\$6,924	\$230.80	\$1,283	\$8,207
<i>The University of Montana</i>	Missoula	MT	\$4,603	\$153.44	\$1,865	\$6,469
<i>Aspirational Institutions</i>						
<i>Kansas State University</i>	Manhattan	KS	\$9,012	\$300.40	\$862	\$9,874
<i>West Virginia University</i>	Morgantown	WV	\$6,720	\$224.00	\$1,272	\$7,992
<i>Clemson University</i>	Clemson	SC	\$13,418	\$447.27	\$900	\$14,318
<i>Colorado State University-Fort Collins</i>	Fort Collins	CO	\$10,966	\$365.53	\$2,336	\$13,302
<i>Washington State University</i>	Pullman	WA	\$10,916	\$363.87	\$1,050	\$11,966
<i>University of Nebraska-Lincoln</i>	Lincoln	NE	\$6,758	\$225.25	\$1,871	\$8,628
<i>Texas Tech University</i>	Lubbock	TX	\$7,500	\$250.00	\$2,730	\$10,230
<i>University of New Mexico-Main Campus</i>	Albuquerque	NM	\$5,286	\$176.20	\$1,664	\$6,950
<i>University of Utah</i>	Salt Lake City	UT	\$7,452	\$248.39	\$1,110	\$8,562

Figure 5 compares the average level of annual tuition based on two semesters of full-time attendance in the 2015-16 academic year by summarizing the information across the 11 near-peer schools in Table 1 and presenting them as a percentage of UW's tuition and fee levels. None of the tuition levels at the 11 peer institutions is lower than UW's, and only four schools have lower levels of mandatory fees. Tuition rates across these schools averages 87% higher than Wyoming, while fees average 35% more. The combined tuition and mandatory cost across these 11 schools is 73% higher than the combined level at Wyoming. The next lowest school in terms of combined tuition and mandatory fees of the schools shown in Table 1 is 28% higher (at the University of Montana). If the comparison is extended across the full 20-school comparator set of near-peer and aspirational schools, average tuition levels across the full set of schools in Table 1 is 202% of Wyoming's tuition rate, and mandatory fees average 125% above UW's rate, implying the total cost of tuition and fees across this set of schools is 182% of UW's cost for one year of attendance.

Figure 5: Near-Peer Comparison of Tuition and Mandatory Fees



Cost comparisons on the basis of tuition and mandatory fees alone, however, are misleading, as in addition to these charges, students attending the schools listed in all but one case in Table 1 will pay differential tuition in some programs. As noted previously, differential tuition is another response institutions of higher education have used to deal with reduced levels of state support. Such fees are charged in a variety of ways, including by credit hours enrolled in specific, usually high-cost classes (referred to hereafter as “course fees”), by charging fees on all classes or credit hours in a particular program (referred to hereafter as “program fees”), and fees assessed by semester on declared majors or minors in particular program (referred to hereafter as “semester fees”).¹¹

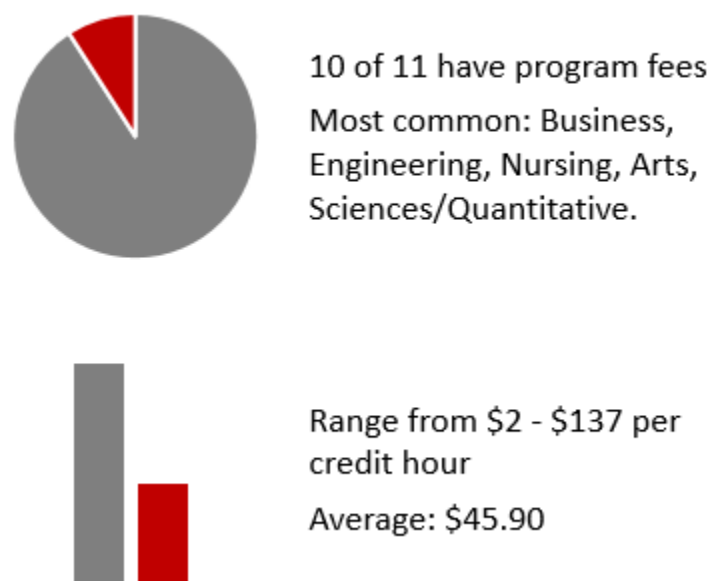
Table 2 provides data on the types of differential tuition charged at each the 20 institutions identified in Table 1. Data comes from institutional websites for academic year 2016-17. Figure 6 summarizes those findings across the 11 near-peer schools. Of the 11 near-peer schools, all have a form of differential tuition though New Mexico State University levies this on the basis of

¹¹ At a few institutions, another approach is used to assess differential tuition, by imposing an additional percentage-of-tuition charge for specific undergraduate programs. None of the programs in Table 1 impose such a fee.

specific course fees.¹² Of all twenty comparator schools shown in Table 2, only Washington State University has no form of differential tuition currently.

Comparing near-peer schools, all charge per credit-hour program fees but the Universities of Idaho, Rhode Island, and North Dakota State University, which charge program fees on a semester basis. Among the schools with credit-hour fees, Utah State University differentiates between upper- and lower-division courses and only the upper-division class charges are shown in the table. Lower-division charges are usually \$2/credit hour in the listed program.¹³ Among the schools with program fees assessed by credit-hour the average fee charged was \$49.48, with a range from \$2 to \$137 in 2016. The average semester fee was \$991.92 across the programs shown with this type of fee.

Figure 6: Program fees summary across near peers.



Among aspirational schools there was a similar pattern found regarding fees among schools that charged differential tuition (all but Washington State University). The average per credit-hour program fee charged across all those shown was \$61.83, with a range from \$25/credit-hour to \$185/credit-hour. Among schools charging semester program fees, the average semester fee across all those shown was \$1,021.52/semester. Across all the schools shown in Table 2, the most common programs to assess fees, either on a semester or per credit-hour basis, were Business, Engineering and Nursing.

¹² Montana State has a similarly wide set of course fees, but because some are levied across all courses in a program the school has been categorized as having a program fee.

¹³ In 2017-18 upper-division business fees will rise by \$20/credit-hour, Engineering by \$14/credit hour, and Agriculture by \$10/credit hour.

Table 2: List of Comparator Institutions' Tuition and Fees for Academic Year 2016-17

<i>Institution Name</i>	<i>Business</i>	<i>Engineer- ing</i>	<i>Scienc e</i>	<i>Health Science/ Nursing</i>	<i>Architect -ure</i>	<i>Art</i>	<i>A&S</i>	<i>Education</i>	<i>Agricult -ure</i>	<i>Online</i>	<i>Honors</i>
<i>Near-Peer Institutions</i>											
<i>University of Wyoming</i>											
<i>Utah State University</i>	\$137	\$34	.	\$25	.	\$37		\$25	\$49	.	.
<i>University of Nevada-Reno</i>	.	\$85	.	\$157	.		.	.	.	.	.
<i>New Mexico State University</i>	**	**	**	**	**	**	**	**	**	**	**
<i>Oklahoma State University</i>	\$30	\$59	.	\$44	.		\$35	\$38	\$45	.	.
<i>University of Rhode Island</i>	.	\$990*	.	\$1,600*	.		.	.	.	.	.
<i>University of Maine</i>	\$33	\$100	.	\$50	.		.	\$100***	.	\$25	.
<i>University of Idaho</i>	.	.	.	\$890*	\$1,246*		.	.	.	.	.
<i>Montana State University</i>	\$26	.	.	.	.		.	.	.	.	.
<i>South Dakota State University</i>	\$29	\$80	\$40	\$98	.		\$15	.	.	.	.
<i>North Dakota State University</i>	\$165*	\$696*		\$1,088*	\$2,288*		.	.	.	.	.
<i>The University of Montana</i>	\$26		Varies	\$100	.	Varies		.	.	.	.
<i>Aspirational Institutions</i>											
<i>Kansas State University</i>	\$58										
<i>West Virginia University</i>	\$45	\$52	\$30	\$103	.		\$25	\$23	.	.	.
<i>Clemson University</i>	\$2,062*	.	.	.	.		\$2,000*	.	.	.	\$1,000*
<i>Colorado State University</i>	\$91	\$91	\$68	\$68	.		\$51	\$51	\$51	.	\$68
<i>Washington State University</i>	.	.	.	.	.		.	.	.	.	.
<i>University of Nebraska-Lincoln</i>	\$54	\$98	.	.	\$79		.	.	.	.	.
<i>Texas Tech University</i>	\$2,040*	\$1,950*	.	.	\$750*		\$750*	.	\$750*	.	.
<i>University of New Mexico</i>	\$10	\$15	.	\$185	.		.	.	.	.	.
<i>University of Utah</i>	\$175*	.	.	\$400*	\$500*		\$250*	.	.	.	.

* semester fee, ** various course fees , *** one-time fee.

Overall, while there is wide variation in credit-hour and semester-based program fees charged, among the 11 near peer institutions identified with credit-hour based program fees, using an average fee of \$49.48 this would result in an additional cost to students of \$742.22/year assuming that these students take half of their courses (15 credit hours) within major.¹⁴ The average total tuition and mandatory fees charged at these schools using per credit-hour program fees was \$8,276, or 64% more than the total cost of attendance at UW in 2016-17. The additional revenue the average program fee would generate across these schools would increase a student's total cost of attendance by an additional 9%, raising the difference over UW's costs to 73%. Those schools charging a semester fee would average an additional charge of 1,983.84/year beyond the average total cost of tuition and mandatory fees of \$10,541. This represents an 18.8% increase in cost above the listed mandatory fee and tuition charge. Including program fees at these schools, their cost of attendance is 227% more than the University of Wyoming's.

III. Proposed Program Fees at the University of Wyoming

Current budgetary changes threaten the ability of the University of Wyoming to continue to deliver high-quality programs, particularly in the areas where costs of instruction are rising more quickly. Over the past year and continuing into FY2018, the University of Wyoming has been required to absorb a reduction in its budget of \$41 million. \$34 million is a permanent, or recurring reduction. This has caused a significant reduction in staff and faculty positions, and reduced the ability of the institution to serve students in very important areas. For example, the College of Business was forced to close its student communications center, and eliminate the personnel that center provided to help students improve their written communications skills even though this had been an area of high priority to support student career preparation and academic success. Tight budgets have also required significant budget reallocation and reduction in other academic units. To avoid these changes affecting the quality of academic programs, and to ensure programs that support and improve students' academic achievement and career preparation, new revenue sources will have to be found. For this reason, this proposal develops a program-fee system to allow the increased costs of instruction to be addressed despite declining state support in areas where overall costs of instruction are rising, especially in programs that require additional resources beyond the faculty and facility already provided by the state. Further, the proposed fees allow the institution to continue to strive to improve, both with respect to program quality and with respect to student outcomes through reinvestment in student advising, academic and career services.

To this end, the proposed program fee system will attempt to achieve two goals:

- 1) Support those instructional programs that require additional resources to provide by creating a revenue stream that reflects the higher costs of instruction present in certain programs.
- 2) To create a revenue stream that allows the University of Wyoming to improve important student-centered institutional priorities, specifically
 - To improve retention rates of students enrolling at UW

¹⁴ If a student was in their junior year, for example, and still finishing electives, but taking a significant amount of required classes for their program such a pattern of classes might be expected.

- To improve time to graduation for students at UW.
- To improve career-readiness among UW graduates.

The following describes the process, justification, recommended fees the University of Wyoming's Revenue Enhancement Sub-committee determined were appropriate to achieve the goals just described, and how they should be implemented. Implementation comments include discussion of how such fees shall remain accountable to students and transparent with respect to how they will be charged and how they will be reviewed and adjusted as necessary over time. The process by which the program was developed is detailed and the fees are justified in the following sections, along with their revenue implications and the proposed expenditure programs these fees would support to achieve the goals above.

III.1 Process

The University of Wyoming's Revenue Enhancement Sub-committee was convened at the request of President Laurie Nichols as a sub-committee of the Financial Crisis Advisory Committee (FCAC) in early July, 2016. The committee chair and initial members of the committee were also appointed at this time by the President. Later, additional committee members were identified and recruited by the original committee and chosen for the programs and colleges they represented and for which program fees were determined potentially appropriate.¹⁵ *The charge of the committee was to develop a program fee proposal, assessed by credit hour and to be comprehensive, replacing existing course and program fees in the affected area.* Such a program was meant to define new revenue sources to ensure continuing academic program quality and to improve student-centered priorities described in Goals 1 and 2 above. The committee began formal meetings on July 14th and convened its last meeting on August 25th. Activities of the committee, including minutes, can be found at http://www.uwyo.edu/president/budget_planning/rec/. The committee continued to develop specific fee proposals through September via email and telephone conversation, finally culminating their activities with this report.

III.2 Principles and Justification

Initial meetings focused on defining a coherent and common approach with which to address the construction and justification of any program fee proposal put forward to the university community. The result was a document “**Guiding Principles, Policies for Justification and Expenses Allowed,**” outlining the important principles such a proposal would embody. This document is found in the Appendix. Seven principles outlined in the document were determined to be essential to any program proposed:

- (1) Access: Fees should not be prohibitive to major or program choice of the student to encourage a diverse workforce.
- (2) Transparency: Students should be able to quickly and simply discern what fees are charged, when they can expect them, what they are for, and the benefits they receive from

¹⁵ Committee members included Robert Godby – Economics and Finance (Chair), Mary Burman – Nursing (vice-chair), Anne Alexander – Academic Affairs, Michael Pishko - Engineering, Susan Frye – Outreach and FCAC liaison, Reed Scull - Outreach, Ricki Klages - Art, Greg Brown - Botany, Gerry Andrews – Veterinary Science, John Mittelstaedt – Management and Marketing, Denise Gable – Nursing, Suzanne Young – Education.

them. New program fees shall, where possible, replace existing fees to avoid unnecessary complexity and to ensure true costs of programs are clear.

- (3) Benefit Basis: Program support fees should have clear benefits to the students paying them
- (4) Cost Basis: Program support fees should be based on the actual cost of providing specific benefits to students paying the fees
- (5) Accountability: Financial control and accountability should be built into the fee structure. On a regular basis, programs should share the sources and uses of their fees and directly map intentions with results.
- (6) Efficiency: Programs should ensure that curriculum and co-curriculum experiences are delivered in a cost-efficient manner. In addition, administration of fees should not be unnecessarily complex.
- (7) Impact and Flexibility: Programs should monitor impacts to their enrollments and student success measures. They should respond to noticeable changes in the external market factors and in student behavior induced by programs fees.

In accordance with Principles (1) and (4), a fundamental consideration was also that any fee levels defined should be market competitive. The analysis in Table 2 was performed in part to address this requirement.

An important and philosophical question to address was “why program fees?” While a general tuition or mandatory fee increase might have also been possible, in the view of the Committee, the program fee approach provided the fairest means to maintain academic standards while striving to ensure student success and career-readiness by allocating program costs through a “user-pay” principle. Program fees allow charges to be levied on the basis of cost of delivery, student demand, and the private degree value for students they provide upon graduation, and they also allow students to choose to avoid such costs if they wish to in pursuit of a university education. Program fees also allow greater transparency and can allow greater accountability than a single tuition/fee increase, as revenues must be used by the programs they are intended for. Outcomes can be assessed to determine the effectiveness of particular fee initiatives, and can if necessary be withdrawn if the imposition of fees fails to achieve the goals for which they were intended.

An additional benefit of instituting comprehensive program fees is transparency with respect to the cost of attendance for students. Current student fees for courses and programs are defined in the University of Wyoming Fee Book FY2017 in Section IV: Program and Special Course Fees, pp. 27-36. In this section there are eleven separate undergraduate fees, at least 86 courses listed with separate fees, and over 40 specific or miscellaneous fees for course or program activities certifications or other charges.¹⁶ These make a student’s calculation of the cost of attendance at UW very difficult. Instituting a single program fee allows the streamlining of existing fees and the ability to clearly define the costs of a specific educational program. The proposed fees outlined here will replace most of the existing fees in Section IV of the Fee Book with a simpler and

¹⁶ These fees may be due to more courses than the 86 listed, as additional fees may occur for specific programs or classes.

comprehensive framework that allows students and administrators to better understand the true student cost of attendance at UW.

Finally, program fees must benefit the students the revenues come from. For this reason fees collected must be used both to improve student services, or student instruction and program requirements. They cannot be used to supplement research, faculty salaries or other activities within a unit.

III.3 Design Considerations and Incentives

To ensure that the cost of education was clear, and that the use of fees was also apparent to students, and to again impose fairness on all students taking classes provided by a particular program, it was determined by the committee that the simplest means of fee assessment was a common fee by course subject code. For example, in this proposal all students taking classes with an ART code will pay the same amount per credit-hour to support the instruction provided by that program. This also allows the provision of a program to be seen holistically and to allow the cost of instruction to be covered on the basis of the average cost per credit-hour served.

Alternative means of fee assessment were also considered, but ultimately rejected. Semester fees assessed on students declaring a major or minor in a program were avoided due to the potentially unconstructive incentives they may create. Specifically, payment of an additional semester fee could incentivize students to avoid declaring they were majoring or minoring in a particular program until the last possible moment. This is sometimes referred to as the “shadow-major problem” and results in higher fees being required by those who do declare their major or minor to support those avoiding the program costs but benefiting from the program’s services. Alternately, specific and differential individual course fees were also considered. Some may argue that assessing fees by the cost of specific classes is fairer, as some courses in specific programs are less costly than others. The committee determined, however, that a program should be viewed holistically and fees charged accordingly. For example, in sciences, general disciplinary knowledge may be taught by lecture, utilizing the efficiencies and economies of scale such a format offers, but practical use of scientific methodologies may also require the use of expensive laboratory instruction. An effective science program may require both types of instruction to be used and encouraged, however, the assessment of varying costs for different types of classes could cause students to avoid enrolling in higher cost types of instruction when possible. Such an outcome would undermine the effectiveness of such a science program. For this reason the holistic approach of regarding all courses in a program as equally important was applied and it was considered consistent with this principle that a common credit hour charge be used across all courses in a program regardless of year, type of instruction or other consideration. Such a fee-basis also allows for better program management as it can reduce the volatility of program revenues used to support instruction.

Concerns have been raised in the committee regarding the potential for more expensive programs to experience enrollment declines if students avoid higher cost programs for lower-cost ones. While the threat of such problems is real, experience at other institutions is mixed with respect to the sensitivity of student program selections on the basis of cost after differential tuition is

instituted (see for example Stange, 2013). Overall, such impacts are not anticipated to be substantial. The experience at other institutions with respect to differential program costs has been driven by two student responses – choices to attend other lower-cost programs on the same campus, or to attend programs at alternative lower-cost institutions. Due to Wyoming’s already lowest in-class tuition costs outlined in Section II, however, and the fact that the proposed fees here do not alter that advantage, the second effect is likely ruled out. With respect to the first effect, it has been recognized that students are often unaware or less concerned with differences in course costs when enrolling in classes due. This may be because they often don’t pay attention to credit hour costs, or because they often finance school attendance with future earnings through debt. Both effects complicate any attempt to determine how price elastic students at Wyoming may be to the imposition of a program fee system, and we expect that, as found in many institutions, student enrollments will not be greatly affected by the imposition of differential tuition. The committee also noted that differential program fees may serve to refocus a program’s attention on recruiting and instructional quality to ensure that, at least in higher cost programs, students are attracted to take their classes. Again, this accountability to enrollments and instructional quality is an incentive that could reinforce high-quality teaching across the campus after program fees are introduced and an additional potential benefit of using a program-fee system.

It should also be noted that while not every program may institute program fees, it is not the case that programs outside of those that institute fees will not benefit. In an environment of flat or declining budgets, high cost programs that include costs other than facility and faculty, such as consumable materials that are prone to inflation will require increased budgets if quality of these programs is to be maintained. Such funds will come out of the total instructional budget pool at the institution or within a college, and leave less for other programs. Instituting a program fee system to cover such additional costs not only helps the program instituting the fee, but also protects those without such fees whose budgets may otherwise decline as other program costs rise over time.

III.4 Proposed Fees

The program fees proposed here are outlined in Tables 3 and 4. There are two types of program fees – college-wide program fees instituted across all course codes offered within a College (Table 3), and discipline-specific program fees assessed for particular programs (Table 4). Discipline-specific program fees are charged in addition to associated college fees shown in Table 3. *These fees are to be charged on undergraduate courses only (course numbers below 5000).* College-wide fees will support technology, accreditation, assessment costs, and will provide funds for increased student services. They will also be used to create a seat guarantee for all students to ensure capacity to offer required classes, by opening new sections as needed in high-demand course areas when necessary. Fees charged are the same for in-state or out-of-state students.

Table 3: College-Wide Fees Proposed

College/School	Credit-hour Fee Proposed
Agriculture and Natural Resources	\$10
Arts and Science	\$10
Business	\$45
Education	\$45
Engineering and Applied Science	\$69
Haub School of Environment and Natural Resources	\$48
Health Science	\$12

Table 4: Specific Program Fees Charged Additional to College fees)

Programs	Fee	Course Codes
Science and Quantitative Programs (Sci-Q)		
Tier 1	\$10	ANTH, GEOG, MATH, PSYC, STAT
Tier 2	\$20	GEOL
Tier 3	\$45	ASTR, BOT, CHEM, LIFE, PHYS, ZOO
Visual and Performing Arts (VPA)	\$45	ART, MUSC, THEA
Agriculture Studio/Science		
Tier A	\$10	AGEC
Tier B	\$15	AECL, ANSC, ENTO, ESM, FCSC, FDSC, MICR, MOLB, PATB, PLNT, REWM, RNEW, SOIL
Health Sciences Programs		
Communications Disorders	\$30	SPPA
Kinesiology And Health	\$25	HLED, KIN
Nursing	\$30	NURS
WIND minor	\$10	WIND

III.5 Justification

Arts & Science and Agriculture Program Fees:

College-wide fees: Within the colleges of Arts & Science and Agriculture and Natural Resources two fees are levied. Across all students in any class offered by these colleges, a \$10/credit-hour fee is charged to expand and improve student advising and career-preparation. These fees are shown in Table 3. The funds would allow the hiring of at least 8 new advisors (5 in A&S, 3, Agriculture) and support the creation of a central advising center to serve all students within these colleges, used for professional and career preparation and placement efforts, and to support expanded international experience programs and internships. These fees replace existing program fees for technology currently assessed in each of the Colleges to support and maintain instructional equipment, software and technical support. Both colleges would also implement “seat-guarantees” to ensure that in the event that existing sections fill in classes with high demand (typically classes with USP designations) and that are necessary for students’ programs of study, such as in math or sciences, new sections would be opened to avoid causing students to delay taking such classes until a following semester. Revenues from each of these fees would be collected and administered by Dean’s offices in the Colleges of Arts and Science, Agriculture and Natural Resources, and each would administer their use.

Specific Program fees: Because of the wide variety of programs offered in these two colleges, additional fees are proposed for these two colleges and they are listed in Table 4. These fees would be charged in addition to the college-wide fees noted above and cover specific instructional costs in the higher cost areas offered in these Colleges. The revenues collected will flow to the specific departments generating the fees, which are assessed by course discipline code, to be used for instructional support of undergraduates.

Sci-Q fees: Sci-Q (Science-Quantitative) academic units in the College of Arts & Science provide the foundational training for all UW undergraduates in the basic natural and physical sciences, and in the quantitative sciences. As such, they provide the foundational education for all students in a STEM major, including those interested in careers in STEM (Science, Technology, Engineering and Math) area education, and have a direct major impact on UW students in the Colleges of Engineering & Applied Science, Agriculture & Natural Resources, Health Sciences, and the hundreds of undergraduate majors in the Sci-Q departments. These would be charged on all courses in eleven different departments identified using National Science Foundation (NSF) STEM definitional criteria. Because the instruction cost differs in these programs, three tiers of cost were determined appropriate and charged on all course codes shown in Table 4.

- *Tier 1:* These fees, assessed at an additional \$10/credit-hour (\$20/credit-hour including the college-wide A&S fee), would be charged on all course codes offered in Mathematics (MATH), Statistics (STAT), Anthropology (ANTH), Geography (GEOG) and Psychology (PSYC). These disciplines have higher technology and some science-based classes that generate additional instruction cost to maintain and operate. Fees from the MATH and STAT programs will be used to support the Math Assistance Center.

- *Tier 2:* This \$20/credit-hour fee (\$30/credit-hour including the college-wide A&S fee) would be assessed on course codes in Geology (GEOL). The higher fee is required to support field science study in this area.
- *Tier 3:* This \$45/credit-hour fee (\$55/credit-hour including the college-wide A&S fee) would be assessed on all undergraduate credit-hours generated in the Botany (BOT), Chemistry (CHEM), Life Sciences (LIFE), Physics (PHYS), and Zoology & Physiology (ZOO). These fees are charged specifically for the added instructional costs incurred by the use of laboratory facilities and instrumentation in these programs, and costs of expendable supplies used in laboratory instruction.

All Sci-Q fees were considered both on the basis of cost to provide adequate instruction in the affected fields, and on the basis of market competitiveness. Table 2 provides data on existing program fees at the twenty near-peer and aspirational institutions identified as most similar to Wyoming. While not all institutions charge fees in the areas we propose, those that do include a \$15 to \$51 Arts & Science credit-hour fee, and in the sciences specifically, fees range from \$30 to \$68/credit-hour based on published 2016-17 data. The fees proposed here at UW are similar, and would range from \$20 to \$55 including both the college fee and the Sci-Q fee, depending upon the degree program considered.

Visual and Performing Arts (VPA) Fees: In addition to the science and quantitative areas, visual, fine and performing arts are also areas that create additional instructional costs. The proposed \$45/credit-hour VPA fees (\$55/credit-hour including the college-wide A&S fee) would affect three departments: Art, Music and Theatre&Dance, and support specialized classroom instruction requiring specific and costly technology and materials. The specifically affected course codes are shown in Table 4. Examples of cost areas justifying these fees include Art's six equipment-intensive studios in Printmaking, Ceramics, Sculpture (which has 5 separate equipment studios), Metalsmithing, Photography and Graphic Design, and 4 studio areas in Foundations (2-D and 3-D), Painting, and Drawing. Music provides specialized rehearsals spaces, practice rooms, teaching studios, classrooms, technology support, musical instruments, equipment, and performance spaces for all students majoring and minoring in Music. It also provides applied lessons in every instrument necessary to create all large ensembles common to the music curriculum. Theatre & Dance provides specialized classroom, technology support, equipment production based materials and performance spaces for all students majoring and minoring in Theatre & Dance. This includes dance and acting studios, musical theatre rehearsal space, scene shop, costume shop, lighting lab and 3 performance areas. Each department would collect the VPA fees generated by all undergraduate courses to specifically offset these program costs.

Review of current program costs determined the proposed fee of \$45/credit-hour was appropriate to support instruction in VPA areas at UW. While the proposed fee appears slightly higher than the average fee of \$39.43 charged at near-peer institutions in Table 2, those charges do not include specific course and material fees typically charged elsewhere on a course basis in these programs. On this basis the proposed VPA fees were determined to be market competitive. The proposed fees would replace all current VPA fees published in Section 4 of the 2017 Fee Book, with the exception of private music lessons fees which are still required to cover these costs of instruction.

College of Agriculture and Applied Science Studio and Science Fees: These fees are similar to the Sci-Q fees previously described, but are proposed to support the differential costs of instruction experienced in the Agricultural and Applied Science areas. They would be charged on all affected course codes shown in Table 4, in addition to the \$10/credit-hour fee assessed on all undergraduate classes offered in the College of Agriculture and Applied Science. These fees were split into two tiers reflecting program costs:

- *Tier A:* This fee of \$10/credit-hour was assigned to cover additional technology and instruction support costs incurred in the Department of Agricultural and Applied Economics.
- *Tier B:* This \$15/credit-hour fee would be charged on the thirteen primarily field science course-codes identified in Table 4. Because of the nature of these classes, they were determined to have higher instructional costs due to additional use of laboratory space and therefore justified higher costs than those in Tier A.

As shown in Table 2, the proposed range of fees (from \$20 to \$25/credit-hour including the college and program fees) affecting students in this college is lower than those found elsewhere at near-peer and aspirational schools, which range from \$45 to \$51/credit-hour currently when they are charged.

Health Science Program Fees

Proposed fees affecting college of Health Science students are structured similarly to the fees charged in the Arts & Science and Agriculture colleges, consisting of two specific fees: a college-wide program fee charged to all students in the college to support expanded advising, career and placement services; and specific program fees affecting students in identified programs with higher costs. All students in this college would pay a required \$12/credit-hour fee to cover college-wide technology and equipment needs, student advising, inter-professional and international experiences, and student professional liability insurance costs. As can be seen from Table 2, most of UW's peer and aspirational institutions charge some type of additional fee for health sciences. With the University of Wyoming's relatively low cost per credit hour, even a modest increase in a per credit hour fee for the College of Health Sciences, however, will still maintain a good cost advantage over these institutions.

In addition to the college-wide fee proposed, four higher-cost undergraduate programs in the College of Health Sciences were identified as justifying an additional per-credit-hour charge as described below.

Nursing and Communication Disorders: In addition to the \$12/credit-hour fee, students taking NURS and SPPA-coded classes would also be charged a per-credit hour fee of \$30 (total charges: \$42/credit-hour). This would replace existing fees in the program currently charged. Nursing programs nationally are found to commonly assess such a fee, but the proposed fees at UW are significantly lower than those elsewhere. At the peer and aspirational schools shown in Table 2, the near-peer average credit-hour charge is \$79/credit-hour, while among all schools shown in Table 2 the average is \$91/credit-hour. Nursing fees would only be charged for undergraduate *on-campus courses*. While less common, speech and communication disorders programs were also

determined to be market competitive, with proposed fees lower than five of six regional programs in area.¹⁷

Kinesiology and Health Program fee: the Department of Kinesiology and Health (DK&H) has two unique undergraduate majors: 1) Kinesiology and Health Promotion (K&H; ~320 majors); and 2) Physical Education Teacher Education (PHET; ~80 majors). Additionally, DK&H offers two university-wide service courses and three professional endorsement programs that collectively serve other departments and colleges within UW and meet the needs of teachers, coaches, and health educators across the state and nation. Across all undergraduate courses in this department, a \$25/credit-hour fee (in addition to the \$12/credit-hour college-wide fee) is proposed. This fee was also determined to be market competitive and lower than peer and aspirational schools in the region with fees in these course areas. Again, fees would be used to support instructional needs including lab and facility costs, endorsement and certification costs where appropriate.

WIND (Wyoming INstitute for Disabilities) Minor: The proposal requests a \$10/credit-hour fee. Disability Studies is a groundbreaking field that profoundly enhances student understanding of disability as a complex personal, familial, social and cultural phenomenon. The University of Wyoming is one of only twenty-one colleges or universities in the United States with an undergraduate program in disability studies, and has had nearly seventy graduates since 2008. The curriculum, focused on the socio-cultural dimensions of disability in relation to education, employment, health access, service provision, and community support, greatly increases student knowledge about disability; further, the practicum experience of building relationships with people with disabilities provides students with experiences that shape their professional goals and personal values. With no direct comparators in the region, assessment of tuition levels in similar programs indicated Wyoming was significantly lower cost than any other school considered, and therefore the \$10/credit-hour fee determined appropriate to cover additional costs of instructional capacity in this area, while still allowing UW to offer high value for students.

Business, Education, Engineering and Haub School Program Fees:

The fees assessed in Table 3 for these programs combine expansion and enhancement of student support services, and instruction costs needed within the programs each college or school provides. In these colleges and schools, the instruction and advising portions of the proposed fees were combined to create one fee per college, and students in these colleges would have this single fee assessed on each credit-hour of coursework taken. These fees will also be used to enhance advising, placement and student skills services, and would facilitate the creation and maintenance of communications and math assistance centers. In the case of the Haub School a significant portion of students take the school's programs as a double-major or minor. The fees generated on these courses will aid advising for students taking ENR programs to ensure double-majors and minors are properly advised given the added complexity and coordination needs such programs create.

¹⁷ The exception is Montana State where proposed fees are approximately \$250 higher at UW over 30 credit hours using 2016-17 published rates.

Business Program Fee: The proposed fee to be charged on all business classes would be \$45/credit-hour. Fees assessed will serve two purposes. The first, 50% of the fees collected would expand and support a college-wide effort to maintain and improve advising, placement and student success initiatives. Specifically, funds would be used to support the College's Academic Advising Center, which provides fulltime professional advising for on-campus and online students, whether pre-business, majors or minors. The cost of staffing an office for 1,200 undergraduate students is approximately \$240,000 a year. In addition to this center, the Peter M. and Paula Green Johnson Career Center (JCC) would be supported. The JCC provides internship and career services to COB students, and plays a vital role in recruiting employers and connecting those employers with highly talented graduates. The generous gift by Peter and Paula Johnson covers a good portion of the cost of the JCC, but it has grown beyond initial expectations and now needs more than \$100,000 in funds annually, exceeding the expendables generated by the Johnson endowment. Additionally, to create a competitive advantage over peer institutions, funds would be used to support a communications studio. Such a center was opened 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. The cost of this program at full strength is \$150,000, annually, however, due to budget cuts, in Summer 2016 the center had to be closed. The proposed fee would allow resources to reopen this service. Proposed fees would also replace an existing technology fee, and support necessary accreditation and assessment costs.

The second purpose of the fee, accounting for the remaining 50% of fees collected, would be to support instruction in the various undergraduate degree programs in the College of Business: Accounting, Economics, Finance, Management and Marketing. 50% of the course fees collected by course code would be used by these departments to maintain and enhance instruction, including data-base support, which currently costs over \$250,000 per year, specialized software, and additional instructional support.

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 program fee. All but two schools in Table 2 assess a program fee or course fee for business classes, and among those that charge a fee per credit-hour, the average fee based on published 2016 rates is \$49, with a range from \$26 to \$137.¹⁸ For this reason the proposed fee of \$45/credit-hour was determined market competitive.

Education Program Fee: In November 2014, the UW Board of Trustees passed a resolution enacting the Trustees' Education Initiative (TEI), which is designed to "elevate the college to the status of a pre-eminent college in professional educator preparation." The Daniels Fund has supported the TEI with a \$5 million, five-year grant that requires 2:1 matching funds in years 3 through 5. In keeping with the spirit of the Trustees' resolution, with the goal of sustaining the work that will be taking place over the next few years, an increase in program fees in undergraduate

¹⁸ This \$137/credit-hour fee at Utah State rises to \$157 for the 2017-18 academic year.

educator preparation is proposed. This fee would be assessed at \$45/credit-hour across all undergraduate courses in the Education College.

Proposed fees will enhance and expand the College's advising and professional preparation of its students. Because many students in education transfer from community colleges, this effort will also emphasize smooth transfer experiences to increase retention of students who often face challenges adjusting to studying at the collegiate level. Fees will also support for enhanced instruction in technological pedagogy, and clinical practice including support for travel to provide students experiences with diverse children in urban and rural communities that are different from those nearby. Fees will also allow enhanced assessment and accreditation efforts.

The fee proposed is market competitive. Considering the fees shown in Table 2, the proposed fee are somewhat higher than the average of \$35/credit-hour charged at two near-peer and two aspirational schools, but given the low cost of tuition at Wyoming previously described, the total cost of tuition including the proposed fee at UW would still be significantly less than at competitor schools. Further, costs were determined to be justified on the basis of ensuring the continuation of initiatives underway, and to ensure expanded student success in the College.

Engineering Program Fee: In 2012, Governor Matt Mead and the Wyoming State Legislature called for a rise in prominence for UW's College of Engineering and Applied Science (CEAS) as a means for supporting and diversifying the state's economy. The resulting "Tier 1 Engineering Initiative" provided a much-needed increase in the level of fiscal support for the College. Consistent with more recent declining state support, the need to maintain the high standards demanded by the CEAS accrediting body (ABET), and the need to provide student services at a level consistent with the goals of the Tier 1 Engineering Initiative, a \$69/credit-hour fee is proposed. The fee proposed would be charged on all undergraduate course credit-hours in the college.

The new fees to students enrolled in CEAS courses are designed to support discipline-specific instructional laboratories, discipline-specific computer labs and software, a portion of the CEAS machine shop services, and an enrichment fee whose distribution is guided by a committee of students towards various activities in support of the UG educational mission. To support Tier 1 goals, the new fee provides support for a number of badly-needed staff positions, including (5) professional advisors, computer system administrators, staff engineers to support laboratory maintenance and senior design instruction, communications instructors, and an internship/career placement professional. These staffing requirements are entirely consistent with the structure at more prestigious engineering institutions, a group which UW's College of Engineering and Applied Sciences aspires to join.

Throughout higher education in the U.S., engineering programs are typically the highest cost university programs offered in undergraduate education. For this reason the proposed fee is the highest among those described in Tables 3 and 4. The fee is, however, equal to the average of the schools charging credit-hour fees in Table 2 (\$68 at published rates for 2016-17) and this average does not include those charging semester fees, that based on a 15-credit hour load would average over \$80/credit-hour. It is notable that even with the proposed increase, tuition and fees to UW's

CEAS students will still be substantially lower than those at all of the nation's top-10 programs or our aspirational target institutions.

Haub School Program Fee: The Haub School provides a unique curriculum and educational experience in interdisciplinary environment and natural resource (ENR) education. The School's programs are currently offered as concurrent or double-majors, and minors, taken while students also study in other degree areas. The proposed fee would first increase the available advising facilities necessary to support such majors and minors to ensure that the complex scheduling to accommodate double-majors and minors does not result in additional time to graduation or undermine program retention. The proposed fees would also cover the added instruction cost associated with many courses in the curriculum that offer high levels of experiential learning, including field trip support and travel.

An additional challenge of the interdisciplinary nature of the program is faculty development and support, as many of the courses rely on other programs providing cross-listed classes. Additionally, a significant portion of several class curricula requires individualized projects and group-work in the field and communities that requires special support. Currently, such costs are covered by endowment funds where they can be identified, but continuing funding is an on-going challenge. The proposed fee of \$48/credit-hour would also support such efforts. Based on an assessment of the School's current program costs, and given the unique nature of the School on a cost basis the committee determined the proposed fee was reasonable and justifiable.

New Mandatory Fees: In addition to the new program fees described, an increase in new mandatory fees is also proposed to support additional student services and instructional support. This would be charged as a new "*Learning and Technology Commons*" support fee, and would cost an additional \$53/semester. This fee would support new technology costs imposed by the opening of the Enzi-STEM Building, expanded advising and training in the Center for Advising and Career Services (CACS), expanded services in the STEP and ECTL centers, and expanded educational programming in the Libraries and the Art Museum. Charged to all students at UW, the proposed fee would increase the total mandatory fees for full-time students from \$667.31 to \$720.31 per semester. The increased mandatory fees, however, would still leave UW at only 85% of the average mandatory fee level of our peer-schools shown in Table 2.

New Outreach Fees: Two new fees are also proposed in the International Programs Office (IPO) to both support international instruction and exchange programs, and to support the English Language Center. While these are not program fees, the inclusion of these fees in the proposal will allow IPO to better charge for services to exchange students and legal advice for faculty and students requiring visa and immigration information. These proposed fees are included in the Appendix.

Table 5: Anticipated Revenues from Proposed Fees

Academic Units and College Summary Revenues and Expense Estimates	Estimated Total Revenue, Annual, Based SCH generation AY15- 16	Estimated NEW expenditures not supported by current flows	NEW programmatic expenditures NOT supported by other flows	<u>Net new revenue</u>
<u>New Mandatory Fees (per full time student per year)</u>				
Learning/Technology Commons Fee, Additional Support for STEP Center for Advising, Planning and Exploratory Studies, ECTL, Writing Center, Library Learning Commons, Art Museum student experiential learning, and Enzi technology commons	\$1,060,000	\$450,000	Learning and Tech commons expansion	\$610,000
<u>A&S College (per SCH fees on course codes outlined in previous tabs)</u>				
College-wide fee	\$1,633,400			
Sci-Q courses	\$1,932,775			
Visual and Perf. Arts courses	\$510,053			
Total A&S	\$4,076,228	\$837,500	5 additional professional advisors + expanded instructional flex	\$3,238,728
<u>A&NR College</u>				
College-wide fee	\$414,527			
AgA courses	\$23,810			
AgB courses	\$586,075			
BAS Organizational Leadership	\$6,450			
Total A&NR	\$1,030,862	\$402,500	3 additional professional advisors + expanded instructional flex	\$628,362
<u>Business College</u>				
All courses in COB	\$1,196,820			
Total, COB	\$1,196,820	\$594,000	Additional advisors and instructional flex	\$602,820

Education College

All courses in Education College	\$567,720			
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Total, Education College

\$567,720

\$363,350

recruiting,
advising,
clinical
support

\$204,370

EAS College

All courses in EAS	\$1,828,604			
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Total, EAS

\$1,828,604

\$597,500

Additional
advising and
instructional
flex,
Tier 1 support

\$1,231,104

Haub School

ENR, ESS courses	\$85,440			
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Total, Haub School

\$85,440

\$30,000

Additional
advising, field
course
support

\$55,440

Health Sciences College

Health Sciences Fee	\$245,244			
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Communications Disorders	\$57,930			
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Nursing	\$214,740			
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Kinesiology and Health	\$178,400			
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Wyoming Institute for Disability	\$35,303			
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Total, Health Sciences

\$731,617

\$300,000

Additional
advising and
instruction,
experiential
learning
support

\$431,617

Outreach

International Programs	\$182,250	\$15,225		\$167,025
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English Language Center	\$100,000			
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Total, Outreach	\$282,250	\$15,225		\$267,025
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**Total New Revenue, Academic
Colleges and Programs**

\$10,859,539

\$3,590,075

\$7,269,464

Less fees replaced by new fees

\$1,400,000

Total Net New Revenue

\$5,869,464

III.6 Anticipated Revenue and Student Impact

Anticipated revenues from the fees proposed in Tables 3 and 4 are shown in Table 5. The total revenue generated from these fees is estimated to produce almost \$10.9 million in fees collected from students. This estimate was derived using total 2015-16 academic year credit hours as an estimate of potential credit hours generated in AY2017-18 when the fees would come into effect. Netting the current \$1.4 million in current fees that would be estimated to be collected (again, assuming values based on AY 2015-16 data), this leaves an estimated \$9.5 million in net new revenue. Revenue required to meet the costs of proposed new expenditures to support expanded student services totals \$3.6 million, leaving approximately \$5.9 million in net new revenues for instruction and additional student support by program. The specific revenue break-down by fee is shown in Table 5, and includes \$1.1 million derived from the increase in mandatory fees.

Table 6: Impacts of Proposed fees on Student Costs by Selected Major

Course of Study	Previous cost (in-state)	New Cost with Proposed fees (in-state)	% Change	Credit Hours
English	\$20,570	\$21,842	6.2%	120
Communications	\$20,570	\$22,152	7.6%	120
Pol. Science	\$20,818	\$22,510	8.1%	122
Art	\$21,648	\$24,706	14.1%	121
Music	\$21,770	\$25,402	16.6%	120
Geography	\$20,818	\$22,630	8.7%	122
Math	\$20,818	\$22,850	9.8%	122
Geology	\$20,870	\$25,402	21.7%	120
Chemistry	\$20,818	\$24,345	16.9%	122
Agricultural Business	\$20,570	\$23,847	15.9%	120
Molecular Biology	\$20,570	\$23,882	16.1%	120
Education (Sec. Ed- Biology)	\$21,178	\$26,085	23.1%	122
Education (Sec. Ed- English)	\$20,930	\$24,147	15.4%	120
Speech, Language and Hearing	\$20,737	\$24,510	18.2%	121
Kinesiology & Health	\$20,613	\$24,598	19.3%	120
Economics	\$20,570	\$24,122	17.2%	120
Accounting	\$20,570	\$24,977	21.1%	120
Chemical Engineering	\$22,126	\$27,712	25.2%	127

Using current total tuition and mandatory fee collections estimated on UW’s main campus across full-time resident students, and netting out Outreach tuition paid, the estimated \$9.5 million in new fees collected is estimated to represent an average 14.6% increase in fees over current collections. Given that fee impact by student is determined by the course of study, ranges of impact estimated were between 6.2% increased attendance costs in Arts programs that do not have new program-specific fees such as English, to a 25.2% increase for students in Engineering.

Table 6 describes the impacts on students in more detail. These estimates take the proposed fees in Tables 3 and 4, and compute the change in cost of attendance using the recommended curricula for the majors shown.¹⁹ As can be seen, the impact depends on the course of study a student selects. Average increase in costs for the programs shown in the table is 15.6% or \$3,302.²⁰ As previously noted, the average increase in tuition and fees paid by students net of existing fees would be 14.6% higher after the proposed fees were implemented using credit hour reports from academic year 2015-16. This would result in an average increase in attendance per year to \$5793 over the \$5055 level, or \$394 per semester.

Figure 7: Comparison of Proposed UW Student Costs for One Year of Attendance with Peers

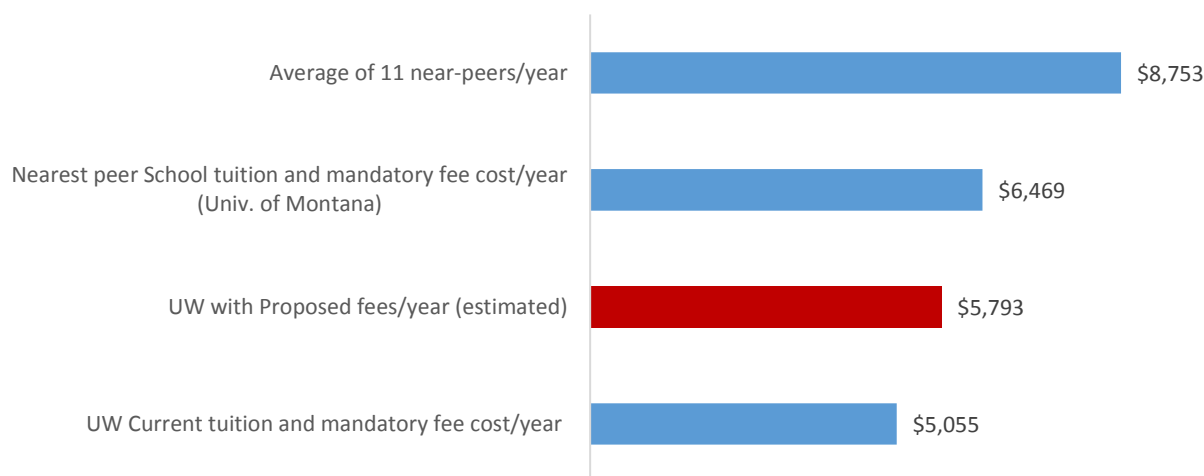


Figure 7 summarizes how this change would affect the comparison in average tuition and fees at UW to tuition and fees for in-state students at UW’s peers and the next most-affordable peer institution (which also happens to be the second most-affordable flagship institution in the United States after UW). The University of Montana’s mandatory fee and tuition cost for 120 credit hours using AY 2016-17 rates is \$6469 per year, or 12% more than what UW’s would be if the proposed

¹⁹ Recommended course of study for all majors can be found at <http://www.uwyo.edu/acadaffairs/degree-plans/uw-4-year-plans/education/index.html>.

²⁰ For out-of-state students, the changes are smaller because of the higher base-tuition they pay. Non-resident tuition is \$496/credit-hour, versus the \$124/credit-hour rate in-state students pay. Both pay the same mandatory fees thus the basic cost of tuition and fees for non-resident students based on a 30 credit-hour academic year, is approximately 320% more than in-state students’. Non-resident increases for the programs shown in Table 6 range from 2.0% (English) to 8.1% (Chemical Engineering).

fees were implemented.²¹ Comparing UW to the average tuition and mandatory fee cost of \$8753 per year at the 11 near-peer institutions shown in Table 1, UW's cost of \$5793 would be 51% lower than these schools after proposed fees were implemented.²²

Using data presented in Section II, based on in-state tuition rates *UW's total fees and tuition would still be 58% lower than the average of the eleven near-peer schools described in Table 2. Overall, UW's cost of attendance would still be (i) the lowest among all peer-schools, (ii) the lowest across all flagship universities, and (iii) lowest among all doctoral institutions in the country.*

III.7 Perspective

To put the proposed fee increase into context, consider the value of a university degree over having none, as shown in Table 7. These are the monthly values based on the average increase in income a student with a university degree will earn by subject area over a 40-year working career (480 months) as estimated in a recent article (Kim, Tamborini and Sakamoto, 2015). As the Table demonstrates, the value of a degree depends on the field of study, consistent with the previous discussion of why program fees were chosen to address UW's current revenue challenges. These are *monthly* differences, implying the average increase in the cost of tuition at UW from the fees proposed would require just over two months of the average lifetime wage premium a UW degree could be worth. Clearly, when education is put in the perspective of a lifetime investment, the increase in cost is minor compared with the expected return. Further, no other doctoral institution offers tuition at a lower rate than Wyoming for in-state students.

Table 7: Monthly Salary difference over High School Degree for Various Degree Area (2016 dollars)

Field	Men	Women	Combined
Business	\$2,009	\$1,640	\$1,824
STEM	\$3,120	\$2,479	\$2,799
Health Science	\$1,696	\$1,812	\$1,754
Social Science	\$1,186	\$863	\$1,024
Education	\$320	\$701	\$511
Liberal Arts	\$1,056	\$640	\$848
Average	\$1,565	\$1,356	\$1,460

Source: Kim, Tamborini and Sakamoto (2015)

²¹ This does not include the impact of program fees at the University of Montana, which would increase the difference still further. Lacking enrollment information in those programs the exact difference cannot be determined.

²² Again, the average cost of the near-peer schools does not include the cost of additional program fees or class fees present at all these institutions.

Considering the payoff for a UW degree relative to peers, Wyoming's value is very high. Using federal College Scorecard data, UW's average salary for graduates is \$46,100, while the average of the near-peers is \$41,055 in 2015.²³ Again, comparing the average increase in the cost of education to go to the University of Wyoming if the proposed fees are implemented to the value of a UW degree over the average earnings at peer institutions, the increased cost is low. Proposed fees would cost students less than one year of UW's annual wage premium over peer schools.

One might also wonder how the increased costs could affect student debt at UW. Currently, using College Scorecard data, only 36% of UW students graduate with federal debt. Among these students, the average debt load in 2015 was \$18,750. Assuming the 14.6% increase in costs this would imply that, for those with college debt the increase in debt would rise by \$2,736. This is an increase of \$28 per month in payments using College Scorecard's current estimated monthly payment of \$192 per month for UW students with loans.

Overall, assuming the average debt payment increased at the same rate as estimated student costs, the average federal loan payment of \$220 per month if proposed fees were implemented would be only 15% of the average monthly wage premium for a university degree shown in Table 7. Clearly the increase in debt is also insignificant compared with the increase in salary an average UW undergraduate degree creates. While an increase in the cost of approximately attendance of between \$1300 to \$5600 using the costs shown in Table 6 may seem significant to some, to put the real cost in context requires comparison to the lifetime value of the degree earned, not the incremental increase in cost. On that basis the fee increases proposed are modest. Such a conclusion is not changed if the cost of debt is considered, or comparison to other schools costs.

IV. Implementation

The proposed fee program would begin in the 2017-18 academic year, and first charges would begin based on credit hour enrollment in the Fall 2017 semester. To ensure maximum value for students, it would be presumed that Colleges implement new services for students as soon as possible, preferably at the start of the same semester. This would be expected despite the fact that the first revenues from the proposed fee program would not be available until later that same semester. Optimally, the institution would find a means to bridge expenditures through the Fall semester to ensure that students begin to see the benefits of the new fees immediately upon their implementation.

If the proposed presented here is approved, it is presumed that rules governing fee use would be prepared and formally adopted by the institution. These should follow best practices at other institutions. Such procedures and practices may include the following recommendations:

- Prior to the first program fees being implemented it would be presumed that affected units have proposed and developed a detailed business plan, to be reviewed by the Office of Academic Affairs describing how the newly collected fees are intended to be spent. Until such a business plan was approved, program fees would not be allowed not be collected. Such plans should also include detailed descriptions of reserve fund planning, if applicable,

²³ See College Scorecard <https://collegescorecard.ed.gov/>.

to guide the level of reserve acceptable and to ensure that unused revenues do not accumulate beyond set limits.

- Business plans should, where possible, include goals, timelines and well-defined and measurable benchmarks of performance and success to ensure accountability.
- To ensure transparency and accountability, at the end of the academic year, all units collecting fees would be required to submit an annual report describing how fees had been spent. This report would include a complete financial report.
- A report summary would also be required to be posted on the unit's website to ensure students were aware of how the new fees had benefited them.
- Academic Affairs would oversee review of these reports to ensure adequate accountability was maintained and that suitable progress was being made in meeting program goals.
- At the time of annual reviews of fee levels, consideration of fee levels could also occur to determine if an inflation adjustment were warranted. Application to increase fees would be made to Academic Affairs and fully justified using previous reporting and additional justification as necessary. .
- While annual reviews are meant to determine if adequate progress is being maintained to justify continuation of program fees, the committee also recommends that every three years fee levels be reviewed to determine if fees are still justified and if they have achieved the purposes that justified the fees initially. Those fees that can no longer be justified, or that have a history of limited success with respect to achieving the primary goals of the fees should be recommended for termination.
- As noted previously in the document – we presume fees for a particular are levied on course codes within that program. College fees in Arts & Science, Agriculture and Natural Resources and Health Sciences are levied in addition to the program fees in these colleges. For example, the Sci-Q fee is levied in addition to the College fee of \$10/credit hour in A&S.
- Fees are only levied on undergraduate courses (course numbers below 5000). Nursing fees are not levied on online courses (Section numbers below 40).
- Program fees are returned to the department in which they are generated. College fees in Business are returned 50% to the College and 50% to the Department offering the course that generated the fees. Other Colleges will be required to formalize such arrangements within the fee business plans.
- In the case of cross-listed courses that may have potentially two different possible fees based on course-code, the highest fee will apply. For example ECON 1010/AGEC 1010 would charge the \$45/credit hour fee charged in the business college despite the fact that in the AGECE program the course would cost \$20. Fees in cross-listed courses will be returned to the department providing the class unless other arrangements are made between affected departments.

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Appendix

Guiding Principles, Policies for Justification and Expenses Allowed,

Original proposals for fee changes submitters:

International Programs Office Proposed fees,

Additional Mandatory Fees Proposed.

Justifications for fee increases in Engineering.

Justifications for fee increases in Business.

Justifications for fee increases in Health Sciences.

Justifications for fee increases in Visual and Performing Arts.

Justifications for fee increases in ENR/Haub School.

Justifications for fee increases in Education.

Justifications for fee increases in Agriculture.

Justifications for fee increases in Arts and Sciences.

Comment on Wyoming Constitutional Tuition Requirement

Guiding Principles, Policies for Justification and Expenses Allowed

The **guiding principles** we think should underpin and are paramount in program and academic support fees and their administration include:

- (1) Access: Fees should not be prohibitive to major or program choice of the student to encourage a diverse workforce.
- (2) Transparency: Students should be able to quickly and simply discern what fees are charged, when they can expect them, what they are for, and the benefits they receive from them. New program fees shall, where possible, replace existing fees to avoid unnecessary complexity and to ensure true costs of programs are clear.
- (3) Benefit Basis: Program support fees should have clear benefits to the students paying them.
- (4) Cost Basis: Program support fees should be based on the actual cost of providing specific benefits to students paying the fees
- (5) Accountability: Financial control and accountability should be built into the fee structure. On a regular basis, programs should share the sources and uses of their fees and directly map ex ante intentions with ex post results.
- (6) Efficiency: Programs should ensure that curriculum and co-curriculum experiences are delivered in a cost-efficient manner. In addition, administration of fees should not be unnecessarily complex.
- (7) Impact and Flexibility: Programs should monitor impacts to their enrollments and student success measures. They should respond to noticeable changes in the external market factors and in student behavior induced by programs fees.

Policies that support these fees must be crafted to uphold those principles.

Justification of fees: As outlined above, both the actual cost and benefit of programming to students in the program should be the principled basis for program fees. Justifications must be explicit and based on reasonable forecasts of costs and benefits. All justifications must include an impact analysis of a proposed fee on students, including multiple fees a student may incur and how the stacking of fees might affect behavior.

Benefits of fees: Some potential benefits that fees can be used to support include

- Instructional capacity/seat guarantees;
- Instructional material and equipment costs for the program;
- Support for the program's students' experiential learning, including internships, field experiences, study abroad, and apprenticeships;
- Support for the program's students' professional advising; student success services;
- A source of funds for rapid response to cover additional program expenses or additional needs brought forward jointly by students and faculty.

Expenses justified: Expenses that may be justified by program fees include

- Instructional equipment, supplies, and materials purchases;
- Student success support, such as staff, faculty, or graduate assistant funding that supports the program's academic advising, tutoring, supplemental instruction, and career advising.
- Salary enhancement to maintain faculty.
- Flexible instructional funding (including lab supervision, part-time instructors, student workers for the program's courses), or salary paid to support staff providing direct support to the program or graduate and undergraduate teaching assistants for the program.
- Travel and other reasonable costs for students in the program, including field trips, professional development, clinical placements or experiential learning purposes.
- Professional examinations and preparation.
- Assessment and accreditation costs.

Market Basis: Fees will be justified by comparison to relevant market and comparator institutions. Further, fee basis may also consider market salary for graduates of specific programs and other aspects of program demand.

Assessment of fees: Approach should be consistent across programs. For transparency and simplicity, credit hour fees following course codes at all levels, lower- and upper-division, should be the method of assessment. **Definition of "Program":** Program fees may be applied by college, area (for example STEM areas), or discipline. For example, a Sci/Q (Science and Quantitative) fee on specific courses, or credit hour fee on all course codes within a college will be considered.

Implementation and transition: A proposal for replacement of existing program fees, and possible adjustment of the Mandatory Student Fee, will be formulated by the end of August 2016. Existing entrepreneurial and differential tuition schemes should be left in place; the main goal of this proposal is to amalgamate and replace many existing "Program and Special Course Fees" listed in Section IV of the current Fee Book. Fees may be assessed across all students initially, or phased in by cohort. Fees may also be initially phased in at a discounted rate and rise over time to reduce impacts. Merits and disadvantages of such considerations will be considered. The Mandatory Student Fee may also be adjusted, along with certain aspects of Outreach fees.

Existing program fees for experiences away from the UW campus – regardless of location and length of program – should be consolidated into a manageable, transparent, simple group of field experience fees.

Computer fees, challenge exams, and internships / clinical fees should, to the extent possible, be placed into program fees for the college or streamlined and simplified.