

May 29-30, 2003

ITEM 119-115-R0503 Task Force

FRIDAY, MARCH 24, 2000

The Full Board reconvened at 8:45

OLD BUSINESS

Item c. [Task Force on Fees](#) Report ACTION ITEM

*Laurie Neils reported on the final document prepared by the Task Force on Student Fees. Between 1988 and 1998 course fees increased from \$400,000 to \$1.8 million dollars to cover expenditures, while state funding rose only 10% during that time. Some changes in fee structure include elimination of instructional materials fees and incidental fees, and adding appropriate laboratory fees. Tuition will be increased to cover the loss of funding from incorporated fees, and a biennial internal audit of course fees will be conducted and forwarded to the Commissioner. The Task Force recommended implementation of the policy in 2002 and Commissioner Crofts recommended delaying the first full audit for at least one year, and preferably two. The Campuses will be required to bring recommendations forward for replacement of lost course fees by the November 2000 meeting.*



Following extensive discussion, Regent Thompson MOVED for APPROVAL of the Recommendations of the Task Force on Student Fees



The MOTION PASSED unanimously.

## **MONTANA UNIVERSITY SYSTEM REGENTS TASK FORCE ON STUDENT FEES**

The members of the Regents Task Force on Student Fees include:

Alex Capdeville, UM Helena COT  
 Jeremy Fritz, Board of Regents  
 Jessica Kobos, MAS  
 Karl Ulrich, Western Montana College UM  
 Laurie Neils, CHE  
 Lee Peters, MSU Billings  
 Marlene McMillan, Montana Tech UM  
 Roger Barber, MSU Northern  
 Rosi Keller, UM-Missoula  
 Tom Stump, MSU Bozeman

### **PURPOSE FOR CHANGING THE STATUS QUO:**

- ◆ Truth in Advertising (letting students know up-front how much it will cost them to attend each campus);
- ◆ Clarity and simplicity of tuition and fee payment;
- ◆ Showing the costs of instruction where they belong – in the current unrestricted operating fund;
- ◆ Better Regental control and accountability for fees charged to students;
- ◆ Better definition of what tuition and state support cover and what is separately assessed as course fees.

### **CAUSES FOR THE PROLIFERATION OF COURSE FEES:**

**(Chart 1)**

- ◆ The campuses and their instructional departments desire to provide a quality educational experience for students;
- ◆ The level of state support- only a 10% increase over a ten-year period;  
**(Chart 2, Chart 3)**
- ◆ An increase in the operating expenses of instructional departments without an increase in budget; **(Chart 4)**
- ◆ The desire for a flexible funding source for operating expenses, which would continue from year-to-year.

**TUITION AND MANDATORY FEES SHOULD INCLUDE:**

- ◆ Faculty salaries (including teaching assistants);
- ◆ All expenditures related to providing instruction, including guest speakers, tutors, and related travel and operating expenses;
- ◆ Equipment (including but not limited to computers, scientific equipment, furniture);
- ◆ Repair and maintenance of equipment;
- ◆ Software including desk top applications (but excluding software students purchase individually and retain);
- ◆ General, nonspecialized supplies (including but not limited to paper, pencils, markers);
- ◆ General, nonspecialized operating expenses (including but not limited to printing of class syllabi and tests).

**COURSE/LABORATORY FEES MAY INCLUDE:**

- ◆ Specialized activities or equipment fees, where payment is made to entities generally conducting these types of businesses (such as downhill skiing, bowling, etc.);
- ◆ Field trips;
- ◆ Pass-through fees (such as Red Cross Certifications, Nursing Liability Insurance);
- ◆ Laboratory consumables, excluding computer supplies and paper products;
- ◆ Materials used by students to create a product that becomes the students' property after use in a specific course.

**PROGRAM FEES:**

- ◆ Two-year programs may assess the equivalent of course fees as "Program Fees" that are assessed on all students enrolled in a given program.

**REVIEW/AUDIT PROCESS:**

- ◆ A biennial internal audit of course fees, program fees, and mandatory student fees will be conducted by each University and forwarded to the Commissioner of Higher Education and the Board of Regents;
- ◆ Each campus will establish a review structure, including representatives from student government and instructional programs, to review new or changed course fees. This review will be forwarded to the CEO of each campus.

## RECOMMENDATIONS FROM TASK FORCE

1. Change the name of “incidental fee” to “tuition.” This change is important from the aspect of “truth in advertising.”
2. Course fees will be limited to the specific types defined above.
3. Establish the review/audit procedure identified above.
4. Increase tuition revenue to replace lost course fee revenues as a result of the new definitions. These tuition revenues should be earmarked for the operating budget base of the instructional departments impacted by the lost course fee revenues.
5. Collapse the campus bill statements to students to reflect:
  - a) Total tuition;
  - b) Total mandatory fees;
  - c) Itemized other fees.Although the Regents expressed the desire to see mandatory tuition and fees collapsed into one amount, many of the mandatory fees have been pledged to bond indentures so must be separately maintained. Many mandatory fees also have specific use and policies that govern the assessment and use. The Task Force recommends the current matrix remain in place for the Inventory of Fees.
6. Change format of annual Inventory and Validation of Fees:
  - a) Maintain tuition and mandatory fee matrices;
  - b) Categorize and group “Miscellaneous Fees” so that all the course fees are listed and other similar purposed fees are listed proximately;
  - c) Post schedules to the Regents Home Page on the Web.
7. Campuses must make a good faith effort to communicate their course fees to students. Examples include:
  - a) Identifying course fees on the Course Schedules;
  - b) Identifying an average amount students should expect to pay for course fees, by program, in the Campus Catalogs;
  - c) Posting information related to course fees on the Campus Financial Aid Home Pages.
8. Expand the Computer Fee and Equipment Fee Policies to allow expenditures for operations and maintenance. Increase the Computer or Equipment Fees to replace lost revenues from course fees where appropriate.

## IMPLEMENTATION RECOMMENDATION

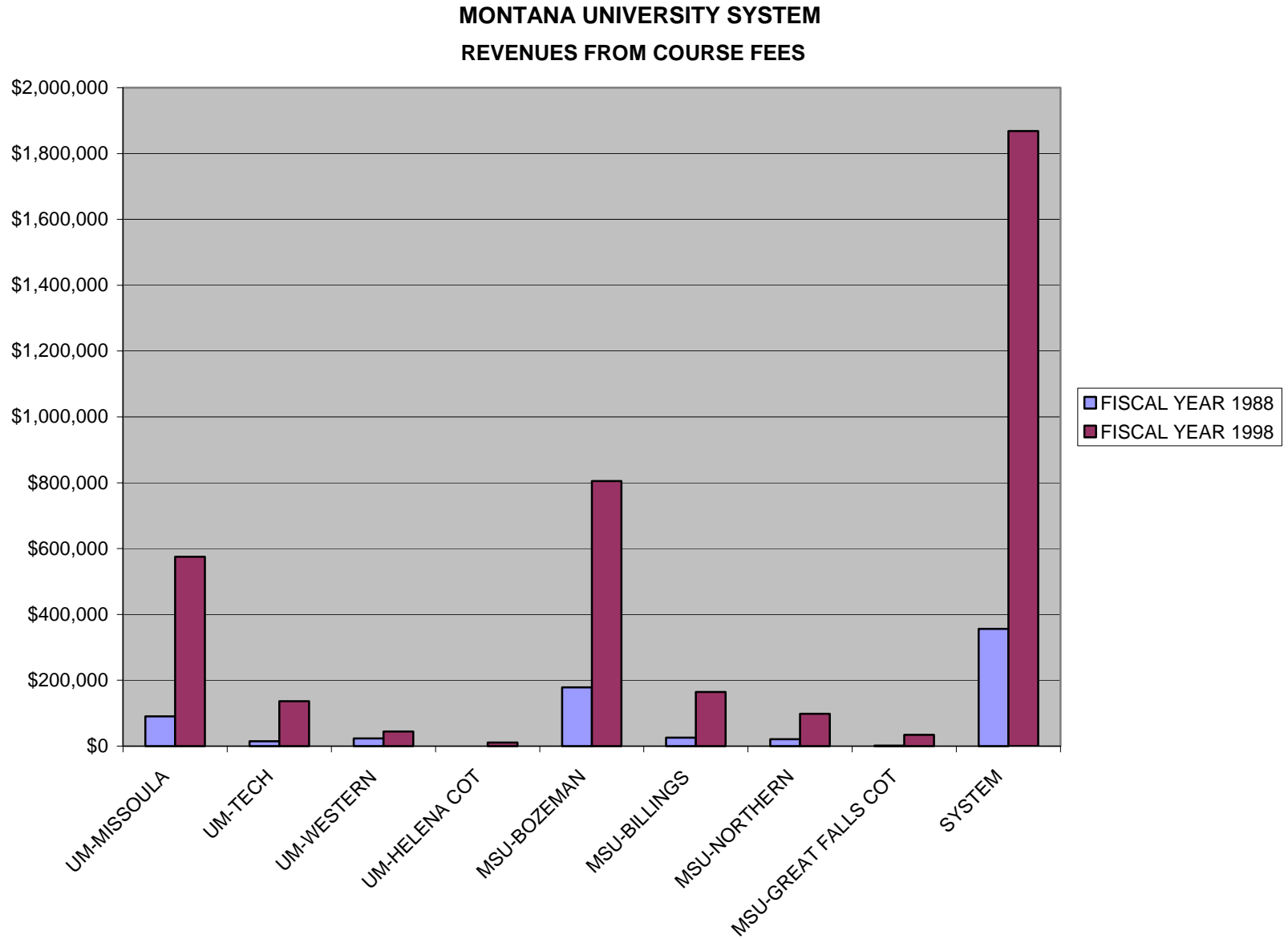
Implement changes effective Academic Year 2002.

Put a moratorium in effect for Academic Year 2001 on new course fees or increases in the dollar amount of course fees, unless they meet the definitions contained in this report.

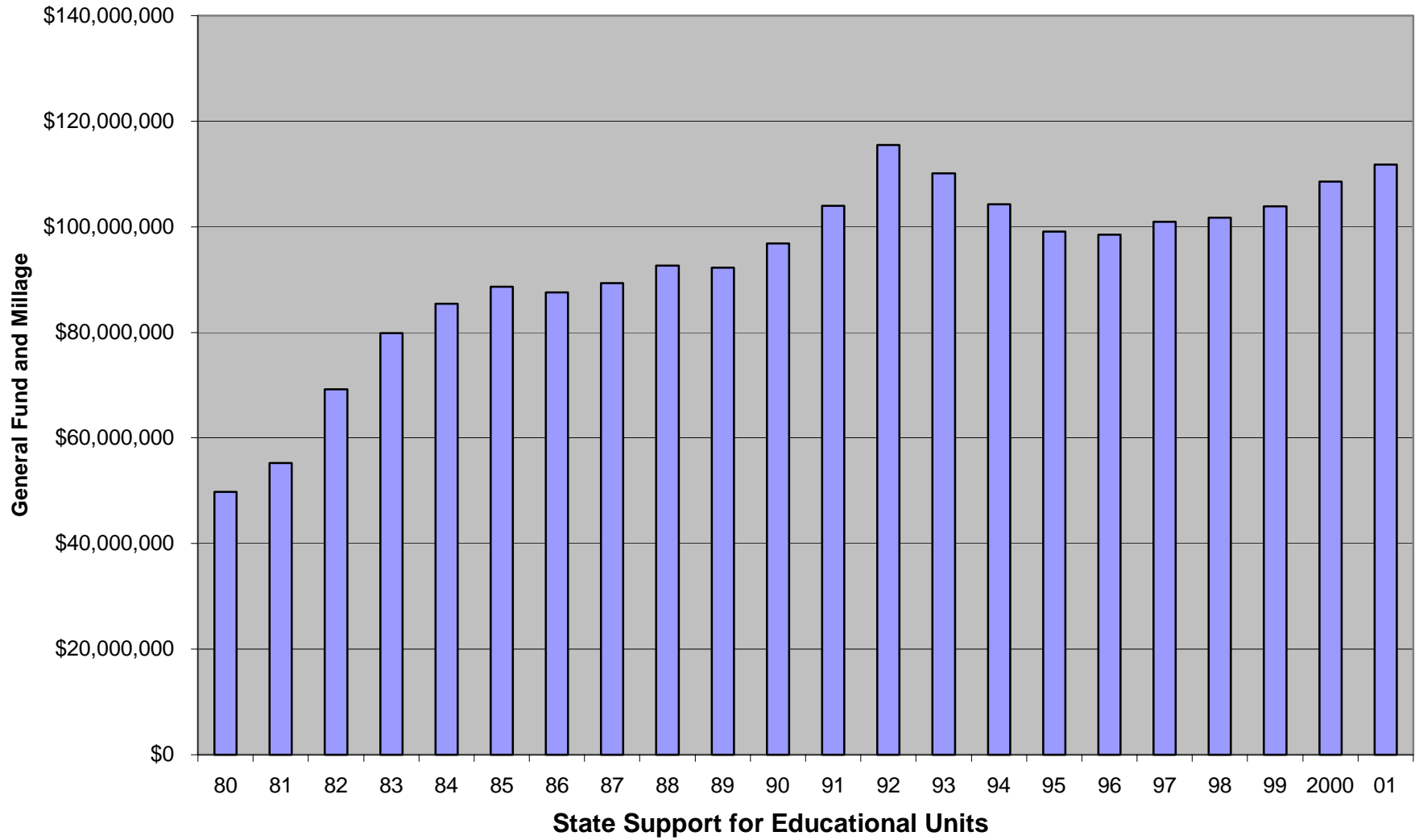
The reasons for the Academic Year 2002 implementation are:

- ◆ The campuses will have sufficient time and therefore be better able to analyze how the course fees currently assessed and the revenue currently generated will be impacted by the changes in definition. By November 2000, the campuses will bring their preliminary plans to the Board for FY2002 course fees, tuition increases, and other mandatory fee increases resulting from their analysis;
- ◆ Allow the time necessary to make the programmatic changes to revise course fees and changes to the bill statements. The people who will have to make these changes are currently overwhelmed with the Banner implementation;
- ◆ Provide the campuses the time needed to plan for and implement the Task Force recommendations.

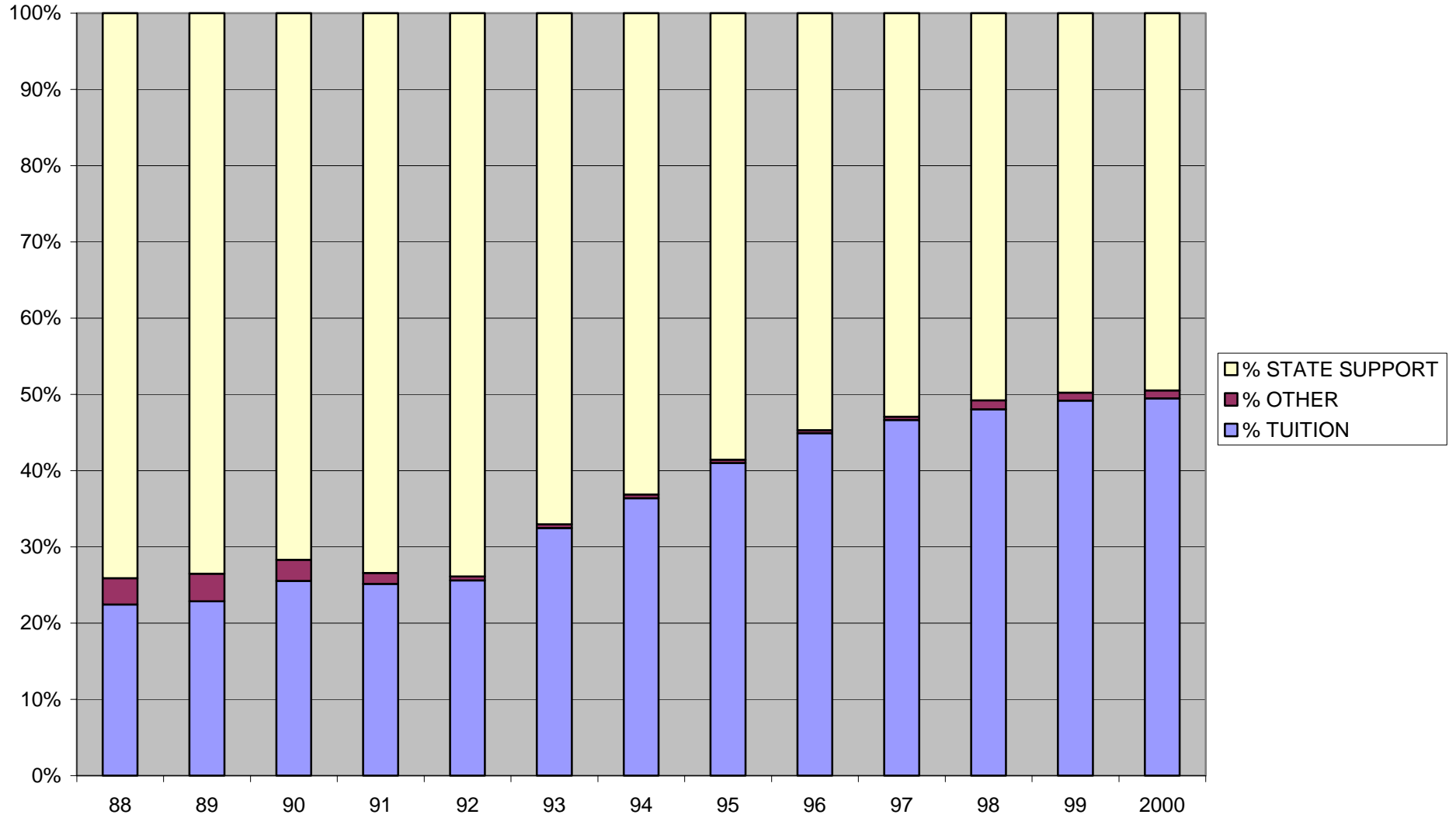
Chart 1



### Montana University System



**MONTANA UNIVERSITY SYSTEM-EDUCATIONAL UNITS ONLY**  
**HISTORICAL FUNDING OF CURRENT UNRESTRICTED FUNDS**





### MONTANA UNIVERSITY SYSTEM EXPENDITURES PER STUDENT - CPI ADJUSTED

