

BOARD OF REGENTS BRIEFING PAPER

1. AGENDA ITEM TITLE: Differential Program Fee Request for the 2020-21 Academic Year,
University of Nevada, Reno College of Business

MEETING DATE: March 5-6, 2020

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

At the April 2010 Special Meeting, the Board adopted provisions authorizing institutions to establish differential program fees under certain circumstances. The policy authorization provides that programs that can be justified as high cost and/or high demand may be considered for Differential Program Fees. (BoR Handbook, Title 4, Chapter 17, Section 27).

NEW DIFFERENTIAL PROPOSALS for University of Nevada, Reno College of Business: Proposal to implement a \$35.00 per credit fee for all ACC, BUS, ECON, ENT, GAM, FIN, IS, MGT, MKT and SCM 300-400 level courses starting Fall 2020. And an increase to \$85.00 per credit for all ACC, BUS, ECON, ENT, GAM, FIN, IS, MGT, MKT and SCM 300-400 level courses starting Fall 2023. See attachments for further information

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

University of Nevada, Reno President Marc Johnson requests Board of Regents' approval of the proposed differential fees for the College of Business as presented by Dean Greg Mosier.

4. IMPETUS (WHY NOW?):

University of Nevada, Reno College of Business: The fee will make the College of Business more competitive in the environment that business colleges operate. That environment includes three main components: 1) High-quality, skill-focused curriculum, adapting and responding to markets and the needs of industry; 2) Professional skills, primarily gained through extracurricular and other activities out of the classroom, including advising and career development; and 3) Modern facilities that acclimate students to the professional environments in which they will be employed.

5. CHECK THE NSHE STRATEGIC PLAN GOAL THAT IS SUPPORTED BY THIS REQUEST:

- ☐ Access (Increase participation in post-secondary education)
- ☒ Success (Increase student success)
- ☐ Close the Achievement Gap (Close the achievement gap among underserved student populations)
- ☒ Workforce (Collaboratively address the challenges of the workforce and industry education needs of Nevada)
- ☒ Research (Co-develop solutions to the critical issues facing 21st century Nevada and raise the overall research profile)
- ☐ Not Applicable to NSHE Strategic Plan Goals

INDICATE HOW THE PROPOSAL SUPPORTS THE SPECIFIC STRATEGIC PLAN GOAL

Proposal supports NSHE's workforce goal by meeting the needs of qualified individuals in their respective fields.

6. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

University of Nevada, Reno College of Business Proposed Annual Expenditures:

- Pursuant to Board policy (Title 4, Chapter 10, Section 16), 15% of revenues generated will be set aside for financial aid to undergraduate students. UNR plans to use some of the funds to aid qualifying students in their desire to participate in international program offerings.
- In Fall 2020 to Spring 2023, \$5 of the \$35/credit fee will go toward costs associated with the planning of the new business building scheduled to open in Fall 2023.

- College of Business program enhancements include advanced technology (such as Bloomberg terminals for financial trading), international program expansions and scholarships.
- Career and Student Service enhancements include additional administrative support in career and academic advising, external professional development opportunities for students and faculty, experiential and service learning opportunities relevant to specific disciplines.
- Permanent (tenure and non-tenure) positions as well as additional temporary (LOA/GA) and are needed to meet increasing enrollment and course demand.
- Starting in Fall 2023, the differential fee will be increased to \$85/credit. \$55 of this fee will go toward debt related to the construction costs of the new building and \$30 of this fee will go toward program, career and student service enhancements.

7. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- Fee increases can make it more difficult for students to meet financial obligations.
- Students may delay completing their degree programs.

8. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Do not provide additional equipment and faculty to accommodate the high demands of the programs as described above.

9. RECOMMENDATION FROM THE CHANCELLOR'S OFFICE:

10. COMPLIANCE WITH BOARD POLICY:

X Consistent With Current Board Policy: Title # 4 Chapter # 17 Section # 27

☐ Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____

X Amends Current Procedures & Guidelines Manual: Chapter # 7 Section # 11

☐ Other: _____

X Fiscal Impact: Yes X No _____

Explain: Differential Fees represent extraordinary costs associated with specific programs. Differential Fee supported budgets that meet the reporting threshold of \$250,000 will be reported in the Self-Supporting Budget report.

**NEVADA SYSTEM OF HIGHER EDUCATION
PROCEDURES AND GUIDELINES MANUAL**

CHAPTER 7

FEES AND TUITION

Section 11. Differential Program Fees

Program	Course Prefix	Course Level	Amount	Effective Date
University of Nevada Las Vegas				
Architecture	AAD, AAE, ABS, AAL, LAND, AAI, AAP	300-400	\$156.75/credit	Spring 2012
Architecture	AAE, AAD	500-700	\$239.50/credit	Spring 2012
Business	MBA, FIN, MKT, MGT	500-700	\$100.00/credit	Spring 2012
Educational Policy & Leadership	EPL	600-700	\$175.00/credit	Spring 2017
Engineering	CEE, CEM, CPE, CS, EE, EGG, ME	300-400	\$40.00/credit	Fall 2014
Engineering	CEE, CEM, CS, ECG, ME	600-700	\$20.00/credit	Fall 2014
Executive Leadership	EDA	700 and above	\$200.00/credit	Fall 2019
Executive MBA	EMBA	700	\$236/credit	Fall 2015
Executive MHA	EMHA	700	\$400/credit	Summer 2016
Graphic Design and Media	GRC	300-400	\$156.75/credit	Fall 2014
Couple & Family Therapy	CFT	700 and above	\$177.50/credit	Fall 2015
Nursing	NURS	300-400	\$156.75/credit	Spring 2012
Nursing	NURS	500-700	\$239.50/credit	Spring 2012
Occupational Therapy	OTD	700 and above	\$300.00/credit	Fall 2019
Physical Therapy	DPT	500-700	\$239.50/credit	Spring 2012
Public Policy	DPP	700	\$300.00/credit	Fall 2018
Quantitative Finance	FINQ	700 and above	\$375.00/credit	Fall 2019
Social Work	SW	700	\$125.00/credit	Fall 2012
Urban Leadership	ULD	700	\$150.00/credit	Fall 2012
University of Nevada, Reno				
Business	ACC, BUS, ECON, ENT, GAM, FIN, IS, MGT, MKT, SCM	300-400	\$35.00/credit \$85.00/credit	Fall 2020 Fall 2023
Business	ACC, BADM, BUS, ENT, GAM, FIN, IS, MGT, MKT	600-700	\$100.00/credit	Fall 2011
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE, MET	300-400	\$85.00/credit	Fall 2013
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE, MET	600-700	\$100.00/credit	Fall 2013

Nursing	NURS	300-400**	\$156.75/credit	Spring 2014
Nursing	NURS	500-700***	\$239.50/credit	Spring 2014
College of Southern Nevada				
Nursing	NURS*****	100-200	\$60.00/credit	Fall 2018
<u>Program</u>	<u>Course Prefix</u>	<u>Course Level</u>	<u>Amount</u>	<u>Effective Date</u>
Nevada State College				
Nursing	NURS	ALL NURS courses	\$141.75/credit	Fall 2015
Great Basin College				
Nursing	NURS*****	100-200	\$120.00/credit	Fall 2019
Radiology	RAD*****	100-200	\$70.00/credit	Fall 2019
Truckee Meadows Community College				
Dental Hygiene	DH	100-200	\$88.25/credit	Fall 2016
Nursing	NURS****	100-200	\$60.00/credit	Fall 2014
Western Nevada College				
Nursing	NURS*****	100-200	\$90.00/credit	Fall 2018

**Does not include NURS 300, which is a required pre-requisite course for the nursing program. Does not include NURS 430, which is an elective course not required in any of the nursing programs.

***Does not include NURS 630, which is an elective course not required in any of the nursing programs.

****All NURS courses excluding NURS 130 (CNA) and NURS 140 (Medical Terminology).

*****All NURS courses excluding NURS 130 (Certified Nursing Assistant). The effective date of Fall 2018 is for newly admitted students. Students enrolled prior to Fall 2018 will be allowed to complete their program under the previous fee structure.

*****All NURS courses excluding NURS 130 (CNA), NURS 285 & NURS 290 (Selected Topics in Nursing) and NURS 300 and higher courses (Bachelor's Degree Program Courses). Students enrolled prior to Fall 2019 will be allowed to complete their program under the previous fee structure.

*****Does not include RAD 101 which is a required pre-requisite course for the radiology program. Students enrolled prior to Fall 2019 will be allowed to complete their program under the previous fee structure.

*****Does not include NURS 130/NURS 134 (Certified Nursing Assistant course), NURS 240/NURS 242 (RN Refresher), NURS 285 (Special Topics), and Practical Nursing courses (PN).

(Added 12/10; A. 4/11, 12/11, 11/12, 6/13, 12/13, 3/14, 12/14, 3/15, 12/15, 3/16, 12/16, 12/17, 6/18, 11/18)

Date: October 14, 2019

To: Kevin Carman, Provost

From: Greg Mosier, Dean, College of Business

Subject: Differential Fee Request for Upper-Division Undergraduate Business Courses

1. Introduction

The College of Business at the University of Nevada, Reno was founded in 1956, providing instruction in accounting, economics, business law, and office administration. As the College grew in enrollments, it added programs, such as an MBA in 1965, a PhD in Economics in 2010, and a new PhD in Business Administration with a focus in Management in 2019. The College currently provides ten undergraduate degree programs, seven master's degree programs, and two doctoral programs. As of Fall 2019, over 3600 students were enrolled in these degree programs. The College has been continuously accredited by the AACSB since 1961, and was re-accredited in mid-2019. A summary of the College's current strategic plan provides:

Vision: To be a premier business school that produces research and graduates that enable economic vitality and inspire positive change in Nevada and the world.

Mission: The College of Business inspires, engages, and educates innovative change-makers through excellence in research, teaching, and outreach. We drive economic vitality and improve quality of life in our communities.

Strategic Initiatives: Discover, Learn, Engage and Innovate.

2. Differential Fee Proposal

The College of Business (COB) at the University of Nevada, Reno (UNR) proposes a differential fee to be assessed on upper-division, undergraduate business courses (300-400 level). These fees will apply to upper-division undergraduate courses offered in accounting (ACC), business (BUS), economics (ECON), entrepreneurship (ENT), gaming management (GAM), finance (FIN), information systems (IS), management (MGT), marketing (MKT), and supply chain management (SCM), and will include any future programs that offer upper-division business courses.

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The fee will make the College of Business more competitive in the environment that business colleges operate. That environment includes three main components:

1. High-quality, skill-focused curriculum, adapting and responding to markets and the needs of industry
2. Professional skills, primarily gained through extracurricular and other activities out of the classroom, including advising and career development
3. Modern facilities that acclimate students to the professional environments in which they will be employed

The proposed differential fee addresses each of these critical components for business student education. Funds raised by these fees will directly enhance students' business education. Moreover, UNR's College of Business will advance along its trajectory to be a premier 21st century business school operating within an R1 university.

A. Enhancing College of Business programs.

As modern business education continues to evolve, it is critical that business schools make improvements to technology, curriculum, advising resources and career development resources. A differential fee of \$30/credit hour for upper – division business courses, beginning in academic year 2020-2021, will provide resources to significantly enhance our programs.

Enrollment in the College of Business's undergraduate programs is up by 26 percent from 2014 (2,682 Fall 2014; 3,379 Fall 2019). It is difficult for university funding to keep pace with the enrollment growth we have experienced in the College of Business. As such, our student-faculty and student-advisor ratios are higher than other colleges at the University of Nevada, Reno. The additional program funds we receive from differential tuition will be used to add additional instructional resources (Component 1, above), for recruiting and retention efforts within our Student Success Center, for enhancing career support activities within the Career & Corporate Outreach Center, and to provide extracurricular development opportunities for students, for example providing scholarships to our Nevada Global Business programs (Component 2, above).

B. Supporting construction of a new business building.

To support Component 3 (above), we are proposing a graduated differential fee for upper–division business classes of \$5/credit hour for AYs 2020-2023 to support planning and construction design activities and \$55/credit hour beginning in AY 2023-2024 when the building is slated to open to support ongoing capital debt associated with the building.

1. Current space.

The Ansari Business Building opened in 1982 and is a 6-story building, with classrooms occupying most of the first and second floors. The third and fourth floors and part of the fifth floor house COB faculty and programs. The fifth and sixth floors are occupied by faculty and staff of the College of Liberal Arts. All told, the College of Business currently has access to approximately 80,000 square feet of total space, which includes:

- 1 large auditorium (205 person capacity) not dedicated but part of general university inventory
- 13 classrooms – not dedicated but part of general university inventory
- 1 student lounge
- 1 food retailer
- 4 open computer labs
- Faculty offices and reception areas for six disciplines/areas or four departments and the Dean's Office
- 3 Conference rooms
- 2 shared Graduate Research Assistant spaces
- Small Business Development Center
- Student Outreach and Career Services Center
- Student Success Advising Center
- University Center for Economic Development
- Ozmen Center for Entrepreneurship

The COB currently has 121 full-time workers, including 77 academic faculty (with four current vacant positions to be filled this year) and 44 administrative and classified staff. In addition, we have 41 graduate assistants and approximately 50 temporary instructors across all departments, as well as student workers who typically work 10-20 hours per week. In the past five years, the COB has undertaken several iterations of maximizing the use of our 31,000 net usable square feet of assignable space. This process included constructing new offices in formerly common spaces, reconfiguring larger offices to hold two or more professional workers, and moving graduate assistants and temporary instructional staff to additional space in the National Judicial College building across campus. We are out of space. Moreover, the space we currently occupy was built with 1980s teaching pedagogy in mind in the university classroom inventory. That is reflected in the classroom and office spaces available, and the lack of specific spaces for collaboration and team projects that are central to modern business education.

2. The proposed building

Consider the description offered for the new business building being constructed at Florida State University:

Legacy Hall, the new building for the College of Business, is a showcase facility – one that provides more instructional space, fosters connections and collaboration, and integrates learning with the latest technologies. The result is a transformational educational experience. <https://business.fsu.edu/>

The result is a transformational educational experience. Learning opportunities are significantly enhanced when space aligns with instructional practice. Modern business school buildings reflect the work environment for which we are preparing students. Advanced technology labs, team meeting space, classrooms specifically designed for using the case-method of teaching: these are the hallmarks of a 21st century B-school. These facilities signal

to local business and industry leaders that the business school is relevant and ready to meet the needs of industry and to contribute to economic development in the region. The proposed business building is a gateway to the university, bridging downtown business to the academic enterprise.

A comparable example investment in infrastructure for business education is the College of Business and Economics at Boise State University, a college that mirrors our College of Business in size. Both have roughly the same number of students and faculty, and both are in up-and-coming college towns with newly developed gateway districts to make the university more accessible to the local community. When Boise State designed their 132,000 square foot building, opened in 2012, they offered the following statement to capture the synergy between appropriate space and pedagogy:

The physical environment of study and work affects the performance and quality of life for individuals and groups and makes a profound difference in the results.

This statement captures the motivation and philosophy behind the need for a new University of Nevada, Reno business building to enhance the educational programming and value delivered to our students.

The proposed business building is necessary to support our enrollment and faculty growth. The building is designed around specific business student needs with a number of the specialized features and all the add-on features that will be used almost exclusively by upper-division business students. These specialized features include:

- Large, common, multi-use space to be used for studying, networking events, career fairs, and receptions.
- Advanced computing and financial trading labs
- Case Study classrooms
- Small team meeting spaces
- Business school textbook library
- Interview clothing closet

3. Funding the project.

The anticipated \$116.5m construction of a new business building requires funding from various sources, including an estimated \$45 million in philanthropic gifts, \$34.5 million in general campus capital improvement registration fees and \$37 million in revenues generated from differential fees on upper-division business courses.

3. Peer & Aspirant Comparisons

Business school programs derive from a professional school model like medicine, law, and engineering. This model results in integration of the disciplines to allow students in all programs to have an understanding of the diverse skill sets required in making business decisions, while honing their skills and gaining specific technical expertise in the discipline chosen as their major.

In benchmarking against other business schools in the west, the University of Nevada, Reno College of Business is inexpensive and student fees are well below the average. The following table shows tuition & fees by term and by year, as well as the 4-year cost for differential fees and total cost (tuition + fees + differential fees) for each school. The shaded rows in the table show the UNR College of Business as it currently stands and with the additional cost of differential fees for upper-division business classes. For benchmarking purposes, Table 1 also shows that 10 of the 18 additional universities charge differential tuition and three charge course fees for business classes, reflecting differential charges for students at 72 percent of these comparison schools.

Table 1: Mountain West and Peer Institutions: Tuition & Fees, and Differential BUS Fees

	Fall 2019	15-Hour Tuition	Term Fees	Term Tuition + Fees	Annual Tuition + Fees	BUS Diff Fee 4-year Cost	Total 4-year, 120 CH Cost	Diff Fee
MW	University of Wyoming	\$2,085	\$706	\$2,791	\$5,582	\$3,120	\$25,448	Yes
MW	Fresno State University	2,871	414	3,285	6,570		26,280	No
MW	San Diego State University	2,871	884	3,755	7,510		30,040	No
	New Mexico State University	3,148	757	3,905	7,810		31,240	No
MW	San Jose State University	2,871	1,055	3,926	7,852		31,408	No
MW	University of New Mexico	2,793	985	3,778	7,556	1,200	31,424	Yes
MW	University of Nevada, Reno (current)	3,495	522	4,017	8,034		32,136	
MW	Boise State University	4,034		4,034	8,068		32,272	Course
MW	University of Nevada, Las Vegas	3,495	591	4,086	8,172		32,688	No
	Montana State University	2,827	836	3,663	7,326	3,780	33,084	Yes
	University of Idaho	4,152		4,152	8,304		33,216	Course
MW	University of Nevada, Reno (proposed @\$35/CH, 2021-2023)	3,495	522	4,017	8,034	2,100	34,236	
MW	University of Nevada, Reno (proposed @\$85/CH, to begin 2023)	3,495	522	4,017	8,034	5,100	37,236	
MW	Utah State University	3,275	556	3,831	7,662	9,780	40,428	Yes
	Washington State University	5,255	665	5,920	11,840		47,360	Course
	Oregon State University*	3,280	623	3,903	11,709	3,780	50,616	Yes
MW	University of Hawaii, Manoa	5,652	441	6,093	12,186	2,000	50,744	Yes
	University of Utah	4,127	624	4,751	9,502	14,640	52,648	Yes
	University of Oregon*	3,480	760	4,240	12,720	3,600	54,480	Yes
	University of Arizona	5,495	695	6,190	12,380	5,000	54,520	Yes
MW	Colorado State University	4,713	1,237	5,950	11,900	8,550	56,150	Yes

Table Note: Data from publicly available university websites, based on 15-hour enrollment per term and published fees. Data current for Fall 2019 semester. * Denotes schools that operate on a quarter system, with annual rates figured based on three quarters. All other university rates based on two semesters.

In sum, we are proposing an initial differential fee of \$35 that increases to \$85 per upper-division College of Business credit hour. This additional funding will enhance the quality of business education in Nevada through enriched programming and new facilities. As we note in section 5, College of Business undergraduate degrees are high-demand programs. The College of Business's ongoing needs cannot be met by the current budget structure, and therefore, require additional funds to grow our programs and to provide value-added opportunities for our students.

4. Student Involvement

The College of Business created several opportunities to engage students and seek input into the proposed differential fee. In the beginning of the Fall 2019 semester, student leaders from various business clubs and organizations, including the Business Student Council and ASUN Business Senators, were informed of the proposed fee and solicited for feedback. Several meetings were held with student representatives and college/campus administrators to solicit input. Two open forum meetings were also held in which all current business students were invited to attend. The feedback received was varied but interpreted as over-all supportive of this proposal. A summary of the process as well as student concerns/comments/recommendations is provided in Appendix A.

5. High Demand Undergraduate Program

The College of Business has experienced sustained growth over the most recent 5-year period. As illustrated in Tables 2 and 3, Undergraduate Student Enrollment has increased by 26% and Student Credit Hours in upper-division business classes has increased by 31% from 2014-15 to 2018-19. During the same timeframe, overall University SCH increased by 19%.

Table 2: College of Business Undergraduate by Headcount, AY 2015-2019

Program	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019
Pre-Business Administration	1,332	1,441	1,472	1,434	1,494	1,614
Accounting and Info Systems	37	42	40	28	26	21
Accounting	241	233	230	259	223	224
Economics BA	36	45	40	32	29	34
Econ BS	134	118	130	134	107	96
Finance BS	199	242	251	317	324	321
General Business	38	44	64	88	111	130
Information Systems	141	149	151	170	179	172
International Business	89	69	65	60	65	89
Management - General	247	273	308	332	308	305
Marketing BS	188	233	266	299	357	373
Undergraduate Total	2,682	2,889	3,017	3,153	3,223	3,379
Annual Growth Rate		8%	4%	5%	2%	5%

**Table 3: College of Business Undergraduate Upper-Division Student Credit Hours (SCH),
AY 2015-2019**

Course Prefix	2014 Fall	2015 Spring	2015 Fall	2016 Spring	2016 Fall	2017 Spring	2017 Fall	2018 Spring	2018 Fall	2019 Spring	2019 Fall	2020 Spring
ACC	1,741	1,756	1,540	1,760	1,737	1,956	1,926	1,892	1,815	1,631	1,570	
BUS	105	138	162	129	175	147	159	280	130	225	204	
ECON	2,930	2,208	2,737	2,175	3,010	2,304	3,075	2,320	3,148	2,382	3,060	
ENT	249	366	222	387	345	372	360	465	387	444	426	
FIN	1,569	1,917	2,190	2,268	2,211	2,511	2,277	2,466	2,523	2,685	2,691	
GAM	33		33		39		24	33		42		
IS	1,911	1,981	2,247	2,244	2,286	2,322	2,322	2,367	2,458	2,208	2,370	
MGT	4,226	4,458	4,362	5,013	4,759	5,469	5,863	6,456	5,825	6,054	5,706	
MKT	1,175	1,145	1,223	1,222	1,542	1,887	1,683	1,877	1,991	2,376	2,292	
SCM	633	648	1,149	942	1,035	954	981	879	1,011	882	813	
COB Total	14,572	14,617	15,865	16,140	17,139	17,922	18,670	19,035	19,288	18,929	19,132	
AY Total		29,189		32,005		35,061		37,705		38,217		
Annual Growth Rate				9.65%		9.55%		7.54%		1.36%		

Note: Data from UNR Power BI.

6. Projected Revenues

Using the data in Table 3, there is an average of 17,444 upper-division student credit hours for fall semesters 2014 to 2019 and an average of 17,348 upper-division student credit hours for spring semesters 2014 to 2018. This results in an average of 33,490 upper-division student credit hours for fall and spring over the last five academic years.

1. Charging the initial differential fee of \$35 per credit for upper-division undergraduate courses taken by students in business beginning in Fall 2020 will increase the cost of the program by \$2,100 from \$32,136 to \$34,236.
2. Charging the increased differential fee of \$85 per credit for upper-division undergraduate courses taken by students in business beginning Fall 2023 will increase the cost of the program by \$5,100 from \$32,136 to \$37,236.

These calculations are based on an average of 60 credit hours of upper-division courses required to complete a bachelor's degree in business.

All business degrees require 60 upper-division credits. With a differential fee of \$35 per credit for upper-division undergraduate level courses in accounting (ACC), business (BUS), economics (ECON), entrepreneurship (ENT), gaming management (GAM), finance (FIN), information

systems (IS), management (MGT), marketing (MKT) and supply chain management (SCM), this will generate estimated annualized revenue as follows:

\$35/Credit Fee Implemented in AY 2020-2021

$(\$35/\text{credit}) \times (17,444 \text{ SCH}) = \$610,552$ per fall semester

$(\$35/\text{credit}) \times (17,348 \text{ SCH}) = \$607,176$ per spring semester

Estimated Annualized Revenue: \$1,217,728

\$85/Credit Fee Implemented in AY 2023-2024

$(\$85/\text{credit}) \times (17,444 \text{ SCH}) = \$1,482,768$ per fall semester

$(\$85/\text{credit}) \times (17,348 \text{ SCH}) = \$1,474,571$ per spring semester

Estimated Annualized Revenue: \$2,957,339

7. Projected Expenditures

The estimated annual revenue of \$1,217,728 from the \$35/credit proposed differential fee for upper-division undergraduate courses will be used to cover costs associated with the planning of the new business building as well as instructional and operational expenditures needed to enhance and grow our business programs. The proposed expenditures are shown in Table 4.

Table 4: Projected Expenditures from \$35/credit Differential Fee for Undergraduate Upper Division Courses in the College of Business, University of Nevada, Reno

Financial Aid to Undergraduate Students ^a	\$182,659
Planning for New Business Building ^b	\$170,482
Program Enhancements ^c	\$864,587
Career and Student Services Enhancements ^d	
Instructional Support ^e	
Total	\$1,217,728

The estimated annual revenue of \$2,957,339 from the \$85/credit proposed differential fee for upper-division undergraduate courses will be used to cover costs associated with the construction of the new business building as well as instructional and operational

expenditures needed to enhance and grow our business programs. The proposed expenditures are shown in Table 5.

Table 5: Projected Expenditures from \$85/credit Differential Fee for Undergraduate Upper Division Courses in the College of Business, University of Nevada, Reno

Financial Aid to Undergraduate Students ^a	\$443,601
Program Enhancements ^c	\$591,468
Career and Student Services Enhancements ^d	
Instructional Support ^e	
New Building Construction - Debt Fee ^f	\$1,922,270
Total	\$2,957,339

Notes:

- a. Pursuant to Board policy (Title 4, Chapter 10, Section 16), 15% of revenues generated will be set aside for financial aid to undergraduate students. We plan to use some these funds to aid qualifying students in their desire to participate in international program offerings).
- b. In Fall 2020 to Spring 2023, \$5 of the \$35/credit fee will go toward costs associated with the planning of the new business building scheduled to open in Fall 2023.
- c. College of Business program enhancements include advanced technology (such as Bloomberg terminals for financial trading), international program expansions and scholarships.
- d. Career and Student Service enhancements include additional administrative support in career and academic advising, external professional development opportunities for students and faculty, experiential and service learning opportunities relevant to specific disciplines.
- e. Permanent (tenure and non-tenure) positions as well as additional temporary (LOA/GA) and are needed to meet increasing enrollment and course demand.
- f. Starting in Fall 2023, the differential fee will be increased to \$85/credit. \$55 of this fee will go toward debt related to the construction costs of the new building and \$30 of this fee will go toward program, career and student service enhancements.

Appendix A: Student Club Leadership Input

At the start of the school year, Dean Mosier invited a group of students to study the new business building proposal and make recommendations about its funding. The group of undersigned students worked diligently discussing a potential differential fee of \$80 per credit hour (\$30 for operations charged Fall 2020, \$50 for building debt charged once the building opens).

Process: The group was composed of the Business Student Council, members of ASUN clubs affiliated with the College of Business, and the elected ASUN Senators. Approximately 50 students were invited to participate in this process. This group evaluated the proposals, met with the VP of Finance, Vic Redding, President Marc Johnson, and Dean Greg Mosier to sharpen recommendations and sift through a rapidly changing project in several meetings.

Students generally resented becoming the funding source for a new business building, which serves the entire University. The recommendation reflects their understanding of the current and future funding environment of higher education buildings in the State of Nevada and at UNR. While they may disagree with the philosophy of a significant tax on business students, they understand the practicality of the decision. Students appreciated meeting with Vic Redding, Jasmine Stanley and Greg Mosier as part of this process. Please note that the below recommendation has been agreed upon by a majority of the student representatives, but there was not unanimous consent.

Student Recommendation: We have concerns that the building is undersized to serve College programming and student needs both at opening and for the life of the bonds. Scheduling priority should be given to upper division business classes in the new building that are subject to differential fees. We propose the following additions:

- 4 Additional Breakout/Study Rooms sized for 8 people for a total of 10 breakout rooms (assume 200 SF for the larger rooms (4 X 200 SF) = 800 SF)
- 1 Additional Room @750 SF to operate textbook library and business attire library
- 1 Additional Case Study Classroom @2080 SF for a total of 4 Case Rooms (2,080 SF)
- 2 Additional Flat Classrooms @1650 SF for a total of 6 Class Rooms (3,300 SF)
- No reduction of common space, lobby space and study areas currently at 4970 SF
- Agree to pay up to an additional \$5 per credit hour for the additional space bringing the maximum per credit hour fee to \$85

Process Moving Forward: We request the following if this project moves forward:

- A student representative of our choosing designated for every meeting of the building process. Given the time before opening, this role will have multiple students participating.
- When the differential fee is proposed to the Board of Regents, we request up to three representatives be present in the meeting. If travel is required, this will be at the College's expense.

- Annual accounting of the \$55 differential fee (building) and \$4 per credit hour fee on all students be provided to the Business Student Council from the University so they may disseminate to all COB Clubs and Students.
- Annual accounting of the \$30 differential fee (operations) provided to the Business Student Council from the College on how the revenue was spent to impact the student experience.

This recommendation has been made and approved by the students in attendance on October 10, 2019.

Appendix B: Student Information Sessions

Session Dates and Times

- Session on October 2, 2019 from 4p-5:30p
- Session on October 14, 2019 from 5:30p-7p
- E-mail notifications sent to students 9/27, 10/1, 10/4, & 10/14 (see attached)

Student Information Session Evaluation Forms Results

Ranks from 1 (strongly disagree) thru 5 (strongly agree)

Question 1: I feel better informed about the construction and funding of the new business building.

Answer: 4.5

Question 2: My questions were answered.

Answer: 4.1

Question 3: I understand the process for asking future questions.

Answer: 3.5

Question 4: The differential fee is an unfair burden on business students.

Answer: 4.0

Question 5: A new building will make a difference in the quality of business.

Answer: 3.2

Question 6: I favor a portion of the differential fee going to College operations to hire additional instructional resources.

Answer: 4.0

Question 7: If a majority of the differential fee is not charged until the building opens in 2023, I support the proposal to use differential monies.

Answer: 3.67

Student Questions and Comments from Info Sessions

- Give an example of a campus building that is 120,000sf?
- How many levels will the building be?
- With the differential fee, the \$35 is only being applied to upper division classes per credit hour? Why just the upper division?
- Are they planning on putting more parking down at that end?
- We would start paying the \$35 right away, \$30 would go to faculty right? New classes would become available with these funds, how soon would that happen?
- How does this affect students with prepaid tuition? Only reason they come here is for prepaid tuition.
- Comment- 15% of fee goes back to scholarships and financial aid.
- If we are building other buildings, somehow student outreach needs to be better. Feels like it needs to be better communicated with students about their tuition might be going up. We have diverse students and with that come diverse incomes. They might not be able to afford to come here.
- Has there been any planning on pack transit? Especially students with disabilities.
- Becoming a graduate student, now rolling out 4+1...is this fee completely separate from graduate students?
- Has construction begun yet?
- Along with the \$30 fee going towards faculty, faculty for all levels of business or just upper? Seeing where the extra money is going, visiting next year, this is what we collected and this is what we added due to that. Hard to see that value right now. Seeing that within a year would help.
- The rest of campus will be using it less than other classes.....that doesn't seem to be good enough answer, we are funding \$32 mil from all UNR students....no guarantee that we can have the classrooms.
- Went and talked to current professors and she said President Johnson hasn't even asked the state for state funds. He did ask for funds for another building after ours?
- How many upper division classes are required? Is it 30 credits?
- Why not spread it across Freshman-Senior? Should be spread out to other departments who use our building.
- \$55 fee bonded for 30 years that students decide today. In 30 years they can decide it can be increased. Probably everyone involved will be gone by the time it opens. Other schools fees not disclosed on their websites, this could be why. Seems like a dodgy way to get more money from students and pass it off
- Agrees that we should do \$30 fee for the programming because we need more faculty
- I'm not clear on what my tuition goes to now?
- When will building be finished?
- Issue with fact it's just business students paying this fee, unless we get priority, it doesn't make sense.
- Why the rush? Is that because we want to beat UNLV?
- Big part of students are in liberal arts and have bigger pot of money than our students. Why do they not get a new building?

- 45,000 college students here in the state, what percentage do you expect to lose?
- Bigger picture about the \$4 fee, but 2 buildings blew up during the summer that cost the university \$23 million per year to house students at Circus Circus. Is that also coming down the line with a new fee to re-build? There's something else coming down the line.
- Have you talked to the faculty about what they think about this? The professors' have the most interaction with students. They will be teaching down there and have the most interaction.
- Does the policy ask for a vote?
- Needing more information coming to students.
- 65 student council members & students representing clubs- I'm in a club and org, a lot of students that the fee impact aren't involved because they are working to pay for their school. He does not think the student representing them have the same financial pressure.
- Gets close to 200 emails a week.....doesn't read a lot coming from COB. Kind of a chance thing he read the e-mail for this.
- Construction costs fluctuate and right now is high.
- State will no longer be funding buildings anymore?

Written student comments from Evaluation forms

1. Having the business students cover the cost of the building but still have no priority for upper division business to occur in the new building really makes me personally disagree with the differential fee.
2. A formal vote from students would be the most justified course of action.
3. Differential fee should be spread into lower-division business courses as well as somewhat into other students' tuition.
4. The idea of a current differential fee is misguided.
5. I do not believe business differential fees should be decided by December. Differential fees to pay for building sets a precedent for the state to stop funding future campus needs.
6. I need to see the value of charging \$35/per credit hour. Maybe a smaller fee from 2020-2023, then increase after building opening.

Appendix C: E-mail Comments Received (3)

- (1) Please accept this letter as my substitute during this afternoon's meeting, unfortunately, I will be in class.

After the last meeting, I was left with a couple of assumptions and impressions.

- ☐ The college is in favor of removing existing governance to build a new business building, even if the students do not agree.
- ☐ Gathering student input was more of a way of saying, this is happening, and this is how it is being paid for, what consolation prize would this small sample of students like to see in the new building?

It is my opinion that this differential fee and their reasons sets a dangerous precedent for all university students in all of Nevada.

If the university must rely on breaking/changing governance to go forward with a plan, then perhaps the plan needs to be reviewed.

- ☐ A new building does not guarantee employment after graduation, but the university is hoping the building will attract attention for UNR.
- ☐ More than just business students will benefit from and utilize a new building.
- ☐ Not using differential fees to pay for capital projects must have reasons behind it like, to protect the students and the university from leadership trying to build a legacy out of brick.

My apologies for any wrong assumptions, I am not in favor of the current plan, and I admit to viewing the details in a negative light.

Should the University move forward with another capital project, 300-400 level students should not be expected to carry one-third of the burden. If the budget cannot afford more than \$4 per credit from all students, then perhaps it cannot afford to build another building at this time.

- (2) It is with an alarming concern that I am addressing you. The absurdity of the thought of making a new building, of which cost will be bared by students goes beyond description. Students are struggling as is right now; let alone, the future student body.

The University of Nevada should be able to find enough funding from government grants, if allowed to make adjustments towards building more other than scholarship compensations.

I believe in your good will, and genuine intent to make Nevada's education quality better. Matter of fact, it does not lie in building more. It should be geared towards getting the best faculty possible, fostering future PHD holders, and proving that as students, we can do better than a lot of other colleges.

The mere idea of having costs bared per credit hours is ABSURD!

Why has this been considered in the place?

What is the staff that goes after fundraises and charitable foundations doing anyways? Watching this happen?

Why is the student body let know about this last?

As a student, do you feel good about this? Just because you will be done before that happens to you?

There is nothing fancy about a new building. MARS system in the IGT library is long forgotten about. In fact, I do not think that most students know about it or even use.

If the University does not gear up and find donors, foundations, and outside charities, it is going to be a disaster. The core of Nevada used to be about mining school. It started spreading itself too thin the minutes it started competing and exploring other fields.

Please, consider my concern and that of other students of Nevada who will not find this subliminal fees surfacing all of a student to be a reason to join the University. This is diluting the University's image and quality of education altogether in my eyes.

From the regional community's perspective, there will be funding if they see the necessity of a new building a sound one. That being said, the case has to be presented to people who care about our northern Nevada community.

Thank you and feel free to read this to an audience

(3) Please stop robbing me of my money

**Appendix D: Email to Students and Information Session Powerpoint -
See Attachments**



The College of Business
University of Nevada, Reno

September 27, 2019

Dear Business Students,

Many of you may be aware of a proposal for our new Business Building. The new building's location will be on the block south of the corner of Center and 9th St. The current funding proposal includes a total differential fee of \$80-85 per credit hour on upper division business classes and is equal to what Engineering students are currently paying. The proposed fee is divided into several stages of implementation that includes \$35 per credit hour starting next year for design of the building (\$5) and programmatic development such as new and additional course offerings (\$30) and then the additional \$50/CH starting fall, 2023 just for the building. This differential fee has been evaluated by a group of business students who have proposed additions and modifications to the potential building that will provide additional value to future students and who have also encouraged sessions like this to allow for more student input. We plan on several sessions to provide you information on the new building and how the proposed differential fees if implemented would work.

The second meeting will be held on Monday, October 14 from 5:30 – 7:00 pm in AB 213.

We look forward to seeing you and having a productive discussion.

President Marc Johnson
University of Nevada, Reno

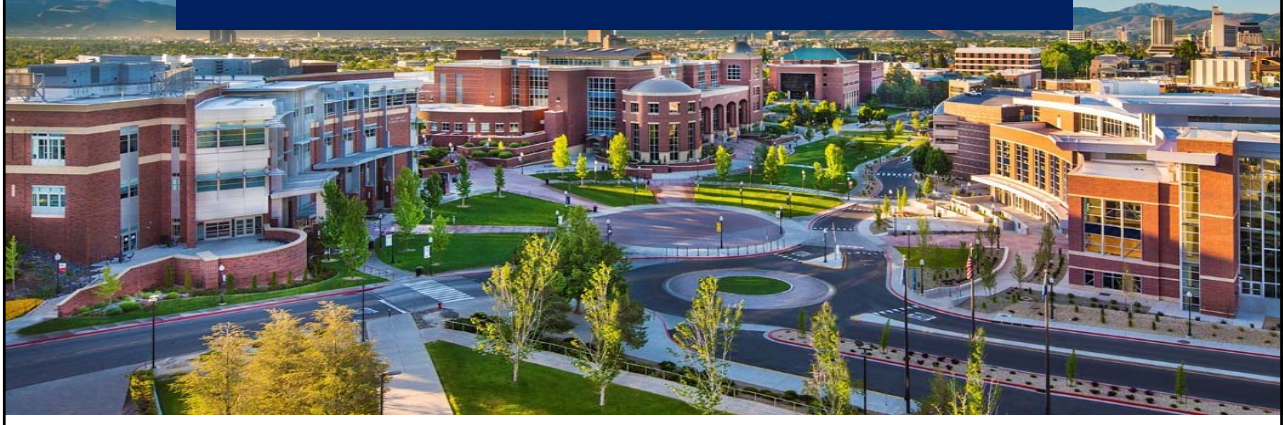
Gregory C. Mosier
Dean, The College of Business
University of Nevada, Reno

Gabrielle Lew, President
Business Student Council
The College of Business
University of Nevada, Reno

Office of the Dean
University of Nevada, Reno/0024
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New Business Building

Project Summary and Student Actions



Where Did This Start

- 2016: Architects completed pre-design of a 94,000 sq. ft. building with a budget of around \$60M that would be located on a site at 9th and Center.
- Project was delayed for a variety of reasons—funding, site acquisition, home relocation, RTC delays.
- Note for comparison: COB occupies approximately 85,000 sq. ft. of the Ansari Business Building.

2016 site



Last 6 Months

- Site moved to Freeway and Center St.
- Construction budget increased to \$88M, with an estimate of \$793/sq ft. to build.
- Meetings with students increased the proposed size to around 122,500 sq. ft.



Building as it stands today...

- 6 flat classrooms, movable desks (55 capacity)
- 4 case classrooms, horseshoe shape (75 capacity)
- 1 large lecture hall (250 capacity)
- 3 computer labs (80, 50, 50 capacity)
- 1 trading lab
- 10 team rooms (6 capacity)



Your Ask

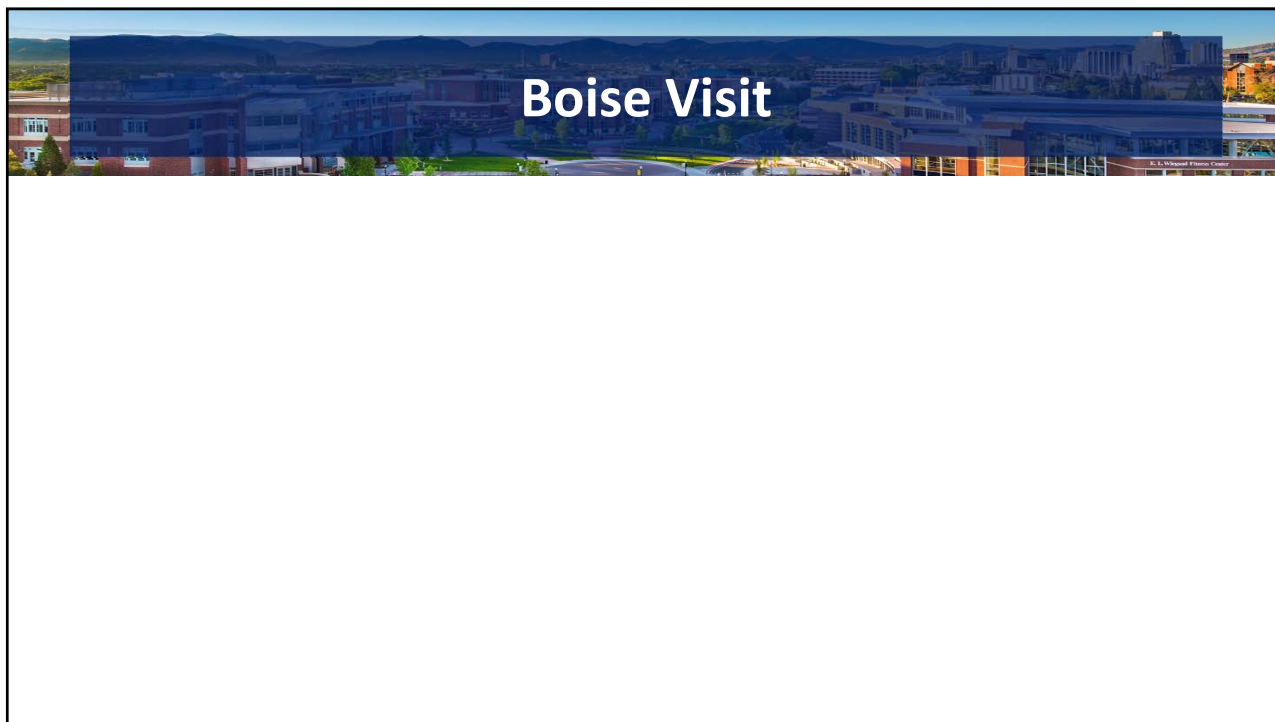
- Differential fee on upper division business classes.
- Engineering students currently pay \$85 per credit fee.
- **Proposal: \$85 per credit differential fee. \$30 goes to COB operations to hire faculty and provide more resources for students. \$55 is bonded for 30 years for the building.**
- All UNR students pay \$4 per credit hour for the building. This will contribute about \$32M to the construction costs
- NSHE Policy, Chapter 7, Section 8: **“Indicate how student involvement was obtained and how any concerns raised by students were addressed.”**

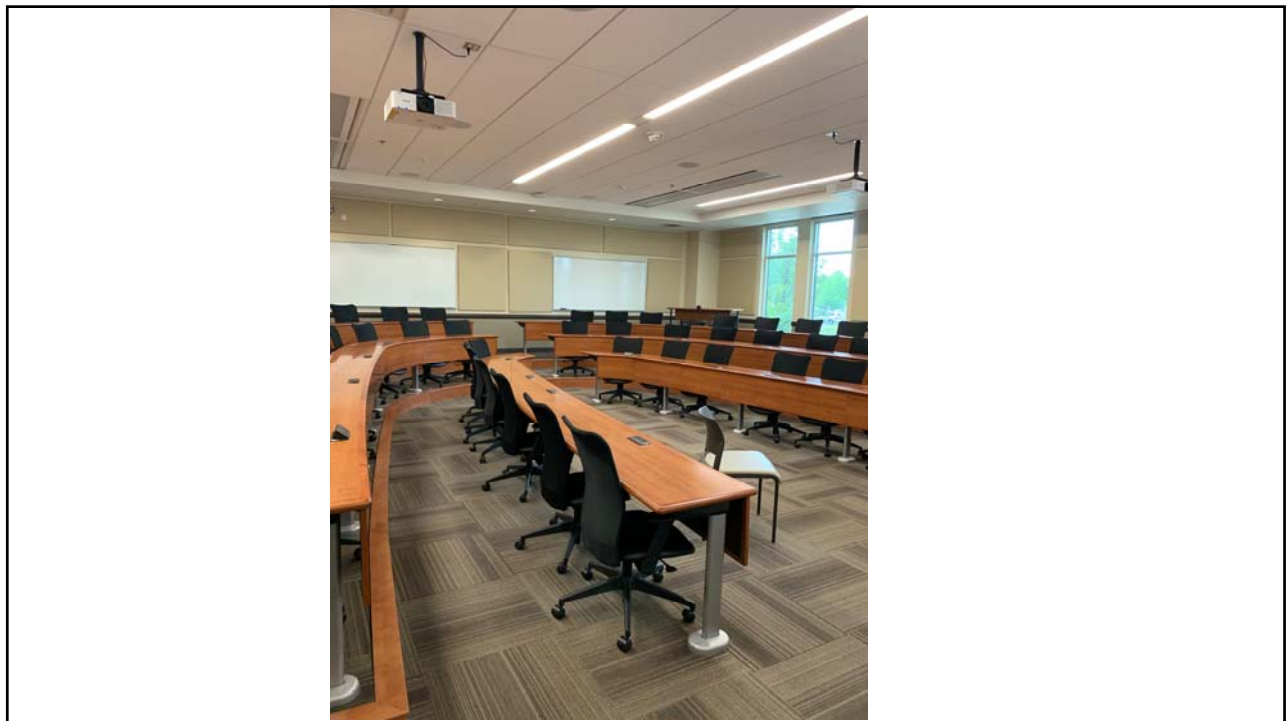
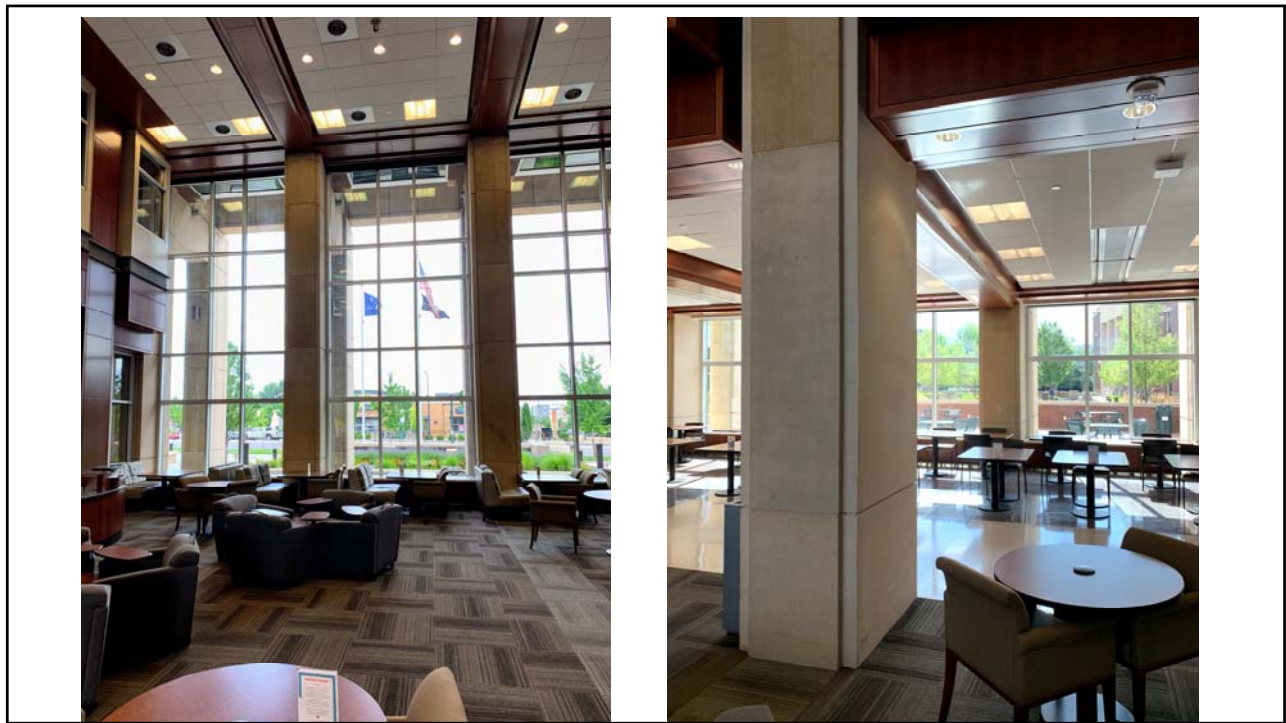
Mountain West and University Peers

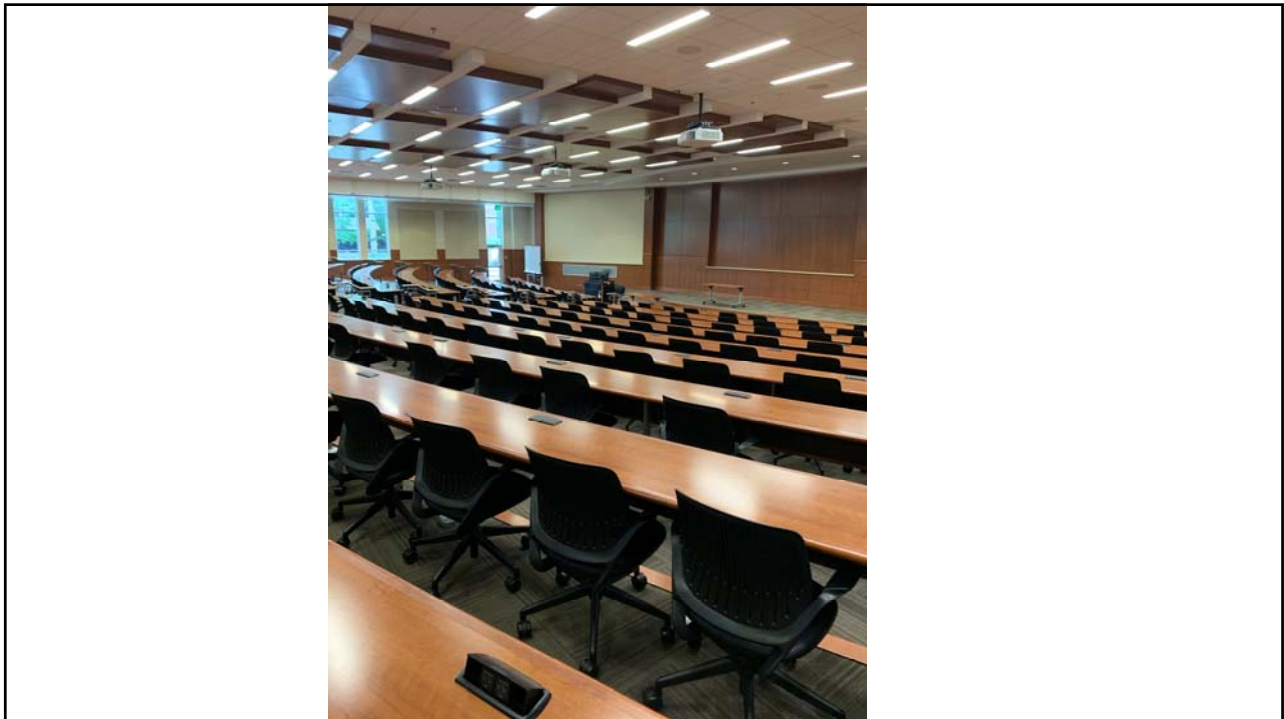
	<u>Total Under</u>	<u>Sq Ft</u>	<u>FT Faculty</u>	<u>sq ft/UG Student</u>
Utah State University (new)	3,174	215,000	87	67.7
University of Oregon (new)	3,236	196,500	81	60.7
University of Utah (new)	2,818	188,000	113	66.7
Colorado State University (new)	2,416	135,000	95	55.9
Boise State University (new)	2,424	132,000	67	54.5
University of Nevada, Reno	3,032	122,500	68	40.4
University of Nevada, Las Vegas	3,461	115,000	77	33.2
Oregon State University	2,624	100,000	87	38.1
California State University, Fresno	2,879	98,524	62	34.2

Tuition and Differential/Program Fees

Fall 2019		
<u>School</u>	<u>Posted Total Per Semester</u>	<u>Differential or Program Fee</u>
University of Wyoming	\$ (2,790.47)	Yes
California State University, Fresno	\$ (3,294.00)	No
Montana State University	\$ (3,662.52)	Yes
San Diego State University	\$ (3,755.00)	No
University of New Mexico	\$ (3,777.90)	Yes
Utah State University	\$ (3,829.47)	Yes
University of Nevada, Reno	\$ (3,846.00)	No
New Mexico State University	\$ (3,904.50)	No
San Jose State University	\$ (3,926.00)	No
Boise State University	\$ (4,034.00)	Yes
University of Nevada, Las Vegas	\$ (4,085.55)	No
University of Idaho	\$ (4,152.00)	Yes
Oregon State University	\$ (4,217.86)	Yes
University of Oregon	\$ (4,240.00)	Yes
University of Utah	\$ (4,750.12)	Yes
University of Arizona	\$ (4,901.50)	Yes
Washington State University	\$ (5,920.00)	Building Fee
Colorado State University	\$ (5,950.00)	Yes
University of Hawaii, Manoa	\$ (6,593.00)	Yes
Average Posted Academic Cost	\$ (4,296.31)	
% without program or differential fees	32%	
% with program or differential fees	68%	







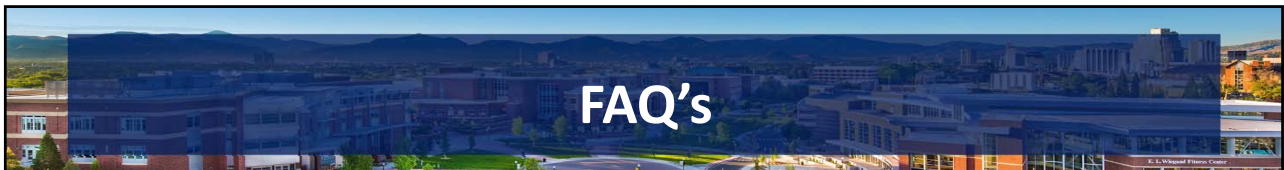


Why do only business students have to pay for resources shared by campus?

- The whole campus is paying the \$4/credit fee and will be using the facility less than Business students. Donors are also contributing to the cost.

Why doesn't Liberal Arts have to pay us for Ansari after we move?

- They are getting an old building and we are getting a modern one.



Accounting for the \$4 fee for all students, what percentage will go towards the business building?

- The entire \$4 will be devoted to debt service for this building with a 30 year revenue back certificate

What is the impact of increasing enrollment beyond projection?

- If more is earned than the original payment obligation, the overage will go to the college to further enhance programs. A shortfall becomes a university obligation.



How will students be able to get to and from class quickly enough?

- The walk should take the average student under eight minutes to get to the center of campus.

Will the fee decrease once the building is paid for?

- the \$55 fee will be eliminated after the 30 year term. \$30 for instructional operations continues.