

BOARD OF REGENTS
BRIEFING PAPER
Differential Program Fees

BACKGROUND & POLICY CONTEXT OF ISSUE:

During its April 2010 special meeting, the Board of Regents adopted a policy authorizing institutions to implement differential program fees as recommended by the Tuition and Fees Committee. The policy requires the Chancellor to develop policies and procedures related to the administration of differential program fees, including but not limited to guidelines for the expenditure of revenue generated from such fees.

The attached proposal includes policies concerning the permissible use of revenue generated from differential program fees and procedures regarding proposals for such fees, outlining specifically what information must be provided to support a differential program fee for a high cost and/or high demand program.

SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Amend Title 4, Chapter 10, to include a new Section 17 regarding the use of revenue generated from differential program fees; and amend Procedures and Guidelines, Chapter 7 to include a new Section 6 concerning the information that must be provided to the Board when proposing a differential fee. (See the attached Policy Proposal.)

IMPETUS (WHY NOW?):

These policies and procedures are brought forward at the request of the Board made in April 2010 when the differential program policy was initially adopted.

BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

The proposed policies and procedures:

- Define the specific areas where revenue generated from differential program fees may be expended for the benefit of the academic program, including the manner in which such funds shall be administrated;
- Indicate that revenue generated from differential program fees will be retained by the institution;
- Define the information that institutions must provide in requesting approval for a differential program fee to ensure there this is consistency across the system when such requests are brought forward for consideration; and
- Clarify for the purpose of administration that a differential program fee may be in the form of a per credit or per course fee.

POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

None

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

None

COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
- Amends Current Board Policy: *Title 4, Chapter 10, new Section 17*
- Amends Current Procedures & Guidelines Manual: *Chapter 7, new Section 6*
- Other: _____
- Fiscal Impact: Yes No _____

Explain: *Approved differential program fees will generate revenue for the program for which that are associated.*

DIFFERENTIAL PROGRAM FEES

Following is the original policy authorization for differential program fees as passed by the Board of Regents at its April 2010 special meeting.

Title 4, Chapter 17

Section 21. Differential Program Fees

1. NSHE institutions may bring forward annually for Board approval differential program fees to be retained by the institution that would be assessed in addition to registration fees. Each institution must establish procedures to ensure that student input is appropriately sought that must include a review of existing special course fees in the process of developing a differential program fee.
2. Upon the establishment of a differential program fee, all existing special course fees associated with the same program shall be eliminated, except those that are designated to cover the cost of consumables associated with a specific course.
3. Differential program fees shall be limited to high cost and/or high demand programs only, and such requests must be accompanied by documentation justifying the higher cost for students.
4. Except for clinical and applied health programs, differential program fees shall be limited to upper-division programs only.
5. Differential program fees shall be brought forward to the Board for consideration upon consultation with all institutions offering the program.
6. The Chancellor shall establish procedures for the administration of differential program fees, including but not limited to guidelines for the expenditure of revenue generated from such fees.

POLICY PROPOSAL
TITLE 4, CHAPTER 10, *new* SECTION 16
Differential Program Fees

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 16. Use of Differential Program Fees

- 1. Funds generated from a differential program fee shall be deposited into a Differential Program Fee Account that is maintained separately for each program.*
- 2. Funds generated from a differential program fee will not be included in the state supporting operating budget and will be retained by the institution.*
- 3. Funds generated from a differential program fee shall be expended on goods and services directly related to the program with which the fee is associated, including, but not limited to salaries and wages, operating, equipment and library materials that directly benefit the program. Appropriate levels of state support for the program shall continue.*
- 4. At least 15 percent of the differential program fee at the universities and state college and 10 percent of the differential program fee at the community college must be allocated for need-based financial aid for students enrolled in the program for which there is an approved differential program fee.*
- 5. Expending funds generated by the differential program fee for purposes other than those described in subsections 3 and 4 shall require approval by the Board of Regents.*
- 6. In the fall of each odd-numbered year, each institution with approved differential fees will submit a detailed written report to the Chancellor's Office regarding the actual expenditure of differential program fees with an explanation of how the fees have been used for the benefit of the academic program for which the differential fee was established.*

RENUMBER SECTIONS 16 THROUGH 31 AS SECTIONS 17 THROUGH 32.

PROPOSED REVISIONS – P&G MANUAL
CHAPTER 7, new SECTION 8
Differential Program Fee Proposals

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 8. Differential Program Fee Proposals

- 1. All proposals for differential program fees must include the following information when submitted to the Board for consideration:***
 - a. Indicate how student involvement was obtained and how any concerns raised by students were addressed.***
 - b. Identify all existing special course fees associated with the program, indicating those that will be eliminated. In accordance with Board policy, at the upper-division (300-400 level) only special course fees for consumables may be continued and continuing special course fees must identify the consumables covered by the fee. An institution may include the cost of consumables in the differential program fee. Special courses fees for lower division (100-200 level) course work may continue.***
 - c. For high demand programs, indicate program demand by including program enrollments for the preceding five years and total number of students wait-listed or denied admission in the program during the preceding five years.***
 - d. For high cost programs, indicate total annual program costs as a function of total revenues and expenditures for the preceding five years.***
 - e. Indicate estimated revenue generated from the proposed program fee based on projected enrollments and how such funds will be expended in support of the program.***
- 2. Differential program fees must be in the form of a per credit or per course fee and shall not be tied by proportion or multiplier to any existing fee, including but not limited to, the registration fee.***
- 3. Except for clinical and applied health programs, differential program fees shall be limited to upper-division (300-400 level) courses only. Differential program fees may be applied at the lower division (100-200 level) for clinical and applied health programs only.***
- 4. Any increase in a differential program fee must be brought to the Board for approval in accordance with the provisions of this section. Such fees shall not be established in any manner where they automatically increase without Board approval. Any proposed or adjusted differential program fee shall be presented to the Board for approval at the last Board meeting of each calendar year.***

RENUMBER SECTIONS 8 THROUGH 17 AS SECTIONS 9 THROUGH 18.