University Budget Conversations - February 21, 2019

Fees and Differential Tuition



There is a variety of other charges students or users of university programs may incur in addition to tuition. These "fees" cover a variety of circumstances, are established in different ways, and are generally returned to the charging unit (sometimes less a fee for overhead costs) to cover the costs of the program or service the charge supports. The principal categories are discussed below.

Required Student Fees

There are fees that are paid by all students enrolled at a particular campus. The fees charged vary for Corvallis, Cascades, and Ecampus. Broadly, there are two categories of required student fees:

- <u>Student incidental fees</u>: These fees are set through a process managed by the student governments at
 Corvallis and Cascades. Each student government has a student fee committee that reviews and recommends
 fees for specific student services or activities. The student governments approves these and forwards them to
 President Ray for approval, after which they are approved by the Board of Trustees. Examples include fees for
 the Memorial Union and Recreational Sports. Student incidental fees are not included in the legislative
 requirement that tuition and fee increases above 5% be approved by the Higher Education Coordinating
 Commission.
- <u>Mandatory student fees</u>: These fees are reviewed and recommended by the University Budget Committee in parallel with the process for recommending tuition rates. Mandatory student fees include fees for Student Health Services, Counseling and Psychological Services, a building fee, and the one-time matriculation fee. These fees are included in the 5% threshold for tuition and fee increases.

Differential Tuition

The actual cost of delivery of academic programs varies significantly. However, for most programs undergraduate and graduate tuition is the same and programs are budgeted differently to address the different costs of delivery. In some cases, however, the cost of delivery, the demand for a program, or the services specific to the degree are such that an additional tuition charge is appropriate. This is so the students receiving the particular benefit contribute to part of the additional cost. The additional charge is called *differential tuition* and it may be appropriate when:

- The costs for delivering the program (as documented by national norms) are significantly higher than for other majors at OSU.
- The program has national norms that require accreditation, specialized services, limited course sizes, or additional support activities that increase the value of the program to students and that may create additional costs appropriately shared by students.
- There are external markets that define nationally recognized cost and value for certain degrees or credentials.
 This most often would apply to degrees or certificates in graduate or professionally certified fields.
- The OSU program provides an educational opportunity that significantly enhances a student's experience (as
 in the Honors College) or the program provides access to facilities or educational experiences unusual for
 programs in similar disciplines nationally.

Proposals for differential tuition are reviewed by the University Budget Committee as part of the tuition setting process and are approved by the Board of Trustees. Undergraduate differential tuition exists in engineering, business, and forestry. Graduate programs often have tuition that is higher than "base" graduate tuition because of the costs of delivery and national norms. Pharmacy, Veterinary Medicine and the MBA all have higher tuition rates, which are a version of differential tuition. The differential tuition charges, less a contribution to the institutional aid pool, is passed back to the unit charging the differential so the revenue supports the specific program for which the charge was established.

Course Fees

In addition to tuition, some courses charge a fee specific to the course. These course fees are approved by the Course Fee Committee (appointed by the Provost) and are allowed based on specific criteria:

- Field trips off campus that are part of the instructional program. Costs may include transportation and admissions charges. Costs for food, lodging, and incidentals, which are usually considered personal expenses, may only be included in the fee if these costs are incurred directly as part of the trip and if provision as a group results in a substantial reduction in cost to the student or provides necessary logistical or safety efficiencies.
- Services or activities provided by a third-party or a self-support unit at the university as part of instruction. Examples include ski lift tickets, admission to plays, or charges for laboratory analyses by service centers or private providers. In some cases, this can include charges for spaces or facilities not managed by the offering unit (rental of a field for example).
- Private lessons, modeling, or professional services provided by staff not normally part of the academic unit.
- Materials for projects that yield a tangible product retained by the student or equipment retained by the student, if that equipment has value outside of the specific course activities (for example, a specific(?) model of camera required for a photography course).
- Specialized consumable materials or services for laboratory sections in lower-division service courses¹ (usually those with more than 50% of enrollments from non-majors). Examples of such materials or services include gloves, pipettes, reagents, Petri dishes, lab coat cleaning service, glassware, molecular biology kits, human cadavers, preserved or live material.

Course fees are returned to the program that offers the particular course and must be expended in support of that course. In most cases, course fees are not used to support instructional salaries or benefits. Currently, the course fee committee review process is under revision. Course fees do not require approval by the Board of Trustees. Course fees are published in the OSU Fee Book and are also found in the University's Catalog and Schedule of Classes under the fees column.

Internal and External Fee Book

OSU provides a wide variety of goods and services to individuals, groups, or external agencies for fees. The sale of goods or services is appropriate only when those services or goods are directly and substantially related to the mission of the university for teaching, research, and public service. There are two categories, external and internal fees.

External Fees are charges for goods and services provided by OSU to businesses, organizations, and individuals outside of the university. These fees are subject to an annual public hearing process. Charges for such goods and services are determined by taking into account their full cost, including university overhead costs when applicable, as well as the prices of such items in the marketplace.

Internal Fees are charged by one part of OSU to another part of OSU (or another Oregon public university) with the expectation of recovering the full cost of providing goods and services, unless otherwise subsidized by the unit. This includes goods and/or services provided to grants and/or contracts. Supplies or additional expenses mentioned in the description of an internal fee is charged at the actual cost to OSU for obtaining the product or service.

New or revised fees are approved by a fee committee based on documentation of the costs of the service or good to be provided. They are posted to the OSU Fee Book https://fees.oregonstate.edu/Public/FeeCriteria.aspx. Internal and external fees are not approved by the Board of Trustees.

¹ While there are upper-division courses that are primarily service courses, the UBC recommends that those be weighted by disciplinary cost in the budget model, so the higher cost is recognized. Lower-division courses are not weighted by discipline, to discourage cross-college "poaching" so course fees may be appropriate in limited circumstances.