



Examining Mandatory Fee Models at Public Universities

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II. EXECUTIVE SUMMARY

Project Challenge:

Leadership at a member institution approached the Council with the following questions:

- *What mandatory fees do institutions charge their students?*
- *What is the general fee structure, and how are fees allocated?*
- *Toward what offices or groups are student fees allocated? To what extent do university offices rely on student fees?*
- *What is the process for adding student fees or changing fee amounts at institutions? What are the criteria, and who is involved in the process?*
- *What changes have occurred recently in student fees?*

Project Sources:

- Education Advisory Board's internal and online (www.educationadvisoryboard.com) research libraries
- *The Chronicle of Higher Education* (<http://chronicle.com>)
- National Center for Education Statistics [NCES] (<http://nces.ed.gov/>)
- Council for the Advancement of Standards in Higher Education, CAS Professional Standards for Higher Education (6th Edition)

Research Parameters:

Per the requesting member's guidelines, the Council targeted its outreach to public AAU member institutions.

A Guide to Institutions Profiled in this Brief			
Institution	Location	Enrollment (Total / Undergraduate)	Classification
University A	South Rural Fringe	48,000 / 38,400	Public Research University (very high research activity)
University B	Midwest Small City	29,100 / 20,800	Public Research University (very high research activity)
University C	Midwest Midsize City	41,000 / 26,000	Public Research University (very high research activity)
University D	Midwest Large City	51,100 / 32,600	Public Research University (very high research activity)
University E	Southeast Large Suburb	28,600 / 17,900	Public Research University (very high research activity)

Source: National Center for Education Statistics

II. EXECUTIVE SUMMARY

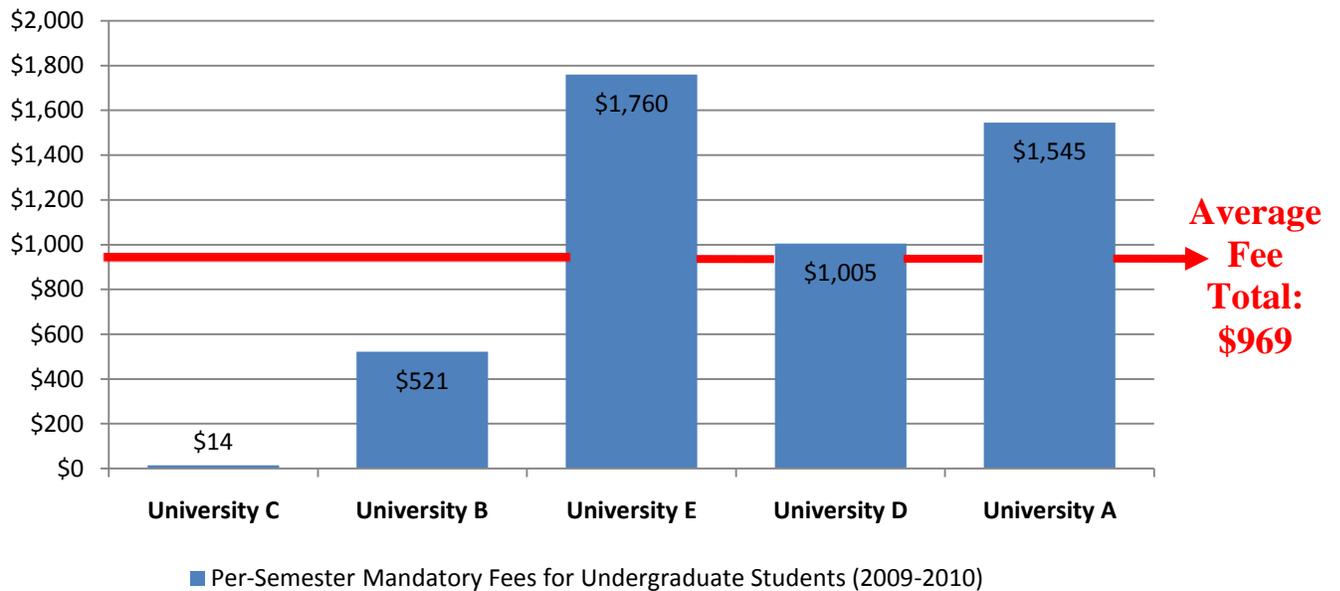
Key Observations:

- ❖ **All contact institutions identify the intended recipients of specific portions of fee revenue in advance, though the categories used to distinguish among fees differ.** Occasionally, institutions charge student government organizations or student committees with allocating funds from a single fee category to a number of offices and organizations, but this process is conducted in advance with administrative input and approval.
- ❖ **Contact institutions universally charge a mandatory student fee for student groups and activities.** In some cases, portions of this fee are also allocated to university offices or student affairs functions. The majority of institutions also articulate discrete fees for transportation services, student health and legal services, university technology, athletic and recreational services, and student unions.
- ❖ **Though models differ, only one contact institution completely funds student affairs offices (including staff positions and programming) with mandatory fees.** Meanwhile, one institution funds offices exclusively through the general budget process, and the plurality of institutions use fees to augment office budgets and support particular projects.
- ❖ **Every contact institution requires student consultation and approval for new fees and fee increases.** However, contacts describe widely variant processes for obtaining student input; some institutions establish university-wide student fee committees, while others only have committees for certain fees, relying on more informal consultation for the remaining charges. In some cases, state law limits the number of fees a university can charge, while in others, fees can be added or removed from one year to the next based solely on student approval.
- ❖ **Contacts note that the vast majority of fee increases or requests are approved without significant revision.** Across different levels of approval (i.e., student fee committees, university executives, and board of regents), contacts report that decision-makers generally recognize the need for fee increases, and only occasionally are requests revised or rejected. However, contacts acknowledge that in recent years, all parties to the process (including fee requesters) have moderated the pace of fee growth in response to the recent economic downturn.

III. OVERVIEW OF UNIVERSITY FEE STRUCTURES

The chart below and the table on the following page provide summary information on the mandatory student fees at contact institutions. Institutions range from funding relatively few offices with minimal fees (as at University C) to supporting all student affairs offices through student fees (as at University A). As noted below, the actual amount charged in fees varies widely across institutions.

Comparing Overall Fees at Contact Institutions



III. OVERVIEW OF UNIVERSITY FEE STRUCTURES

Fewer offices funded
 ↓
 More offices funded

Institution	Fees	Offices or Groups Supported	Source of Student Input	Notes
University C	3	<ul style="list-style-type: none"> • Student Government and Activities • Student Legal Services Office 	Student Government Assembly	The university has intentionally limited mandatory fees, aiming to make tuition a nearly comprehensive measure of the cost of attending the university. University offices are supported through the university budget, not student fees.
University B	8	<ul style="list-style-type: none"> • Technology in academic units • Student Government and Activities • Student Union • Career Services • Student Health • Facilities Department for Building Maintenance 	Student Fee Committee; informal student consultation	Requests to increase the Student Activities Fee are reviewed by a formal committee of students and administrators. Other fee requests are conducted by university staff with less institutionalized student input. University office budgets are only partially supported by fee revenue.
University E	4	<ul style="list-style-type: none"> • Technology in academic units • Student Government and Activities • Student Union • Student Health Services • University Safety Department • Child Care Services • Renewable Energy Expenses 	Student Fee Advisory Subcommittee	The Student Fee Advisory Subcommittee, comprising both students and administrators, reviews and approves all four fee categories. With the exception of health services, all university office budgets are only partially supported by fee revenue.
University D	5	<ul style="list-style-type: none"> • Student Government and Activities • Student Union • Student Health • University Transportation • University Stadium • Student Legal Services • Student Culture Centers • Facilities Department for Building Maintenance 	Student Services Fee Committee	As at University B, the Student Services Fee Committee at University D only oversees a single fee, for student activities and projects in student support offices. The university also articulates separate fees to support certain university functions, such as transportation or the stadium. Though many offices receive large amounts of funding, university office budgets are only partially supported by fee revenue.
University A	15	<ul style="list-style-type: none"> • Student Government and Activities • Student Health Center • ID card office • All student affairs operational units • Transportation • Software Licensing 	Student Fee Review Committee; Student Services Fee Advisory Board	The Student Services Fee Advisory Board oversees the student services fee, which applies to certain student affairs offices and student organizations. Remaining fees are overseen by the Student Fee Review Committee, which includes student representatives. Student affairs offices are funded almost completely by fee revenue.

IV. COMMON FEE TYPES AT CONTACT INSTITUTIONS

Although the specific names of fees, their amounts, and the offices they support differ across institutions, there are a number of broad fee types that are common at all institutions. Some of the most common are discussed below.

Student Support Offices

Three contact institutions use fees to partially or completely fund offices engaged in student support (e.g., study abroad offices, counseling centers, community centers). Each of these institutions is examined below.

University E

University E charges a Student Activities Fee, which is disbursed to a small number of student support offices. Eligible offices include the child care services office, campus security office, and union and recreational offices. Contacts report that each of these units is responsible for additional fundraising and is also eligible for funds from the general university budget; fee revenue largely provides supplemental support for these offices, particularly to support projects identified in the fee request.

University D

A Student Service Fee is used to raise funds for specific projects in some eligible student support offices. Offices that rely on support from fees include the child care center, student cultural centers, and the learning abroad center. These offices make detailed proposals to obtain funds, explaining the expected use of fee revenue and explaining the budgetary context of the request. The process for setting student fees is discussed in section five of this report. Offices either charge students additional fees for service or rely on university budget support for additional funds.

University A

The Student Service Fee, as well as several specifically allocated fees, fund the vast majority of student support offices at University A. The university also articulates distinct fees for advising services, bursar services, ID card services, and the career center. The student service fee is also distributed to a wide range of departments, including the student counseling center, child care services, the student financial aid office, study abroad and multicultural offices, and the office of the Vice President of Student Affairs. Contacts report that these fees provide the majority of the budget for many of the offices they support. Offices are permitted to define budgets and raise money independently but do not receive additional funding directly from the university general budget.

IV. COMMON FEE TYPES AT CONTACT INSTITUTIONS

Student Activities

Every contact institution charges a mandatory student fee for supporting student groups and activities on campus. At **University C** and **University B**, these fees are allocated directly by the student governing organization and are submitted to university administrators for approval only. The remaining three institutions introduce greater administrative input into this process by creating an activities fee committee that operates independently of student government. Organizational structures for student input are described in greater detail on page 10.

Irrespective of the decision-making process, contacts universally describe the student activities fee as uncontroversial, noting that the preferences of the student government are generally the deciding factor in the allocation process.

Miscellaneous Other Services

A number of additional services or offices are funded by fees at all or nearly all contact institutions:

Health Services	Nearly every institution charges a distinct fee that mostly or completely supports the student health center. At University D , the health center is supported through an allocation of the general student services fee, and University C considers the health services allotment part of general tuition. Functionally, however, every institution sets aside a specific allocation for health services.
Student Legal Services	As with health services, every institution allocates fee revenue for an office of student legal services. These offices are generally supported by fees alone; even University C , which has strictly limited the number of fees charged outside of tuition, has instituted a fee to support its six-person legal services office.
Athletics and Campus Recreation	Most institutions have instituted some form of fee to support recreational programs. Indeed, several states and university systems have specifically identified this as an acceptable fee category. The athletics fee, sometimes described as a stadium fee, is usually used to cover free student attendance of sporting events, rather than supporting a large portion of the broader athletic budget.
Student Union	Every institution except University C charges a student union fee or makes a student union allocation from fee revenue.
Technology	Also titled a “computer fee,” this fee category is typically divided between college-specific education technology needs and university-wide IT support. As a result, institutions often combine separate fee requests from each college and the university tech services office to produce one comprehensive technology fee. No institution publishes detailed information about the recipients and allocation of this fee.
Energy or Environment	Only two institutions report charging a fee to address energy costs or environmental concerns; contacts at both institutions note that these fees are relatively new and were adopted in response to growing demand. At University E , the student fee advisory committee has allocated a portion of the student activities fee to renewable energy, while University A has adopted two distinct energy and environment fees.

V. ELEMENTS OF THE FEE APPROVAL PROCESS

Common Steps in Setting and Allocating Student Fees



1. System-Wide or State Legal Requirements

At many contact institutions, state legislatures or university systems have established rules governing the fee process. These parameters set the fee categories a university may charge and establish the process by which students must be consulted. Though details vary, these rules are generally similar in substance; the majority of institutions articulate fee categories to include an umbrella category, which can be allocated to a range of offices but which must be set and allocated with student approval. The legal requirements governing fee-setting at two contact institutions are highlighted below.

University A	
State institutions may only charge fees in the following categories:	
<ul style="list-style-type: none">• Health Center• International Education• Student Recreational Center• Student Center Complex• Student Service Fee (provides funding for student groups and student affairs offices)• Environmental Fee• Incidental Fees (uncategorized but permitted with student approval), including Advising Services, Career Center, and Energy Fee	
All fees must be considered and approved by the Student Fee Review Committee, comprising the following individuals:	
<ul style="list-style-type: none">❖ University Director of Budgets❖ Associate Vice President for Business Affairs❖ Executive Director, Student Affairs❖ Graduate Student Council President❖ Scholastic Representative	<ul style="list-style-type: none">❖ Assistant Provost❖ Associate Vice President for Student Affairs❖ Student Body President❖ Speaker of the Student Senate

V. ELEMENTS OF THE FEE APPROVAL PROCESS

University E

The University E System has restricted fees into four categories:

- Education and Technology Fee (education technology and university-wide tech services)
- Health Services Fee
- Athletic Fee (covers student attendance of athletic events)
- Student Activities Fee (distributed to a number of student organizations and university offices)

All fees must be approved by the Student Fee Advisory Subcommittee:

- | | |
|---|---|
| ❖ Vice Chancellor, Finance and Administration | ❖ Graduate Student Body President and Treasurer |
| ❖ Student Body President and Treasurer | ❖ Executive Vice Chancellor & Provost |
| ❖ Financial Aid Officer | ❖ Faculty Council Chair |

2. Collecting Fee Requests from University and Student Organizations

All contact institutions have established a process for soliciting requests for new or modified fees from eligible student groups and university offices in anticipation of setting fees for the coming academic year. At most institutions, this process takes place during the fall of the year before fees will go into effect. Using enrollment predictions, eligible entities extrapolate their fee need for the coming year and present this information to the fee committee for review. Contacts note that these requests are rigorous, generally requiring detailed budget information and specific justifications for the request.

Sample Fee Request Requirements:

- Calculation of desired fee per 15 credit hours
- Budgetary information (e.g., expected non-fee revenue, planned expenses, etc.)
- Intended use of fee funds (e.g., new hires, additional programming, etc.)
- Qualitative information on alignment of departmental/unit objectives with university-wide goals
- Live presentation of request to student fee committees

V. ELEMENTS OF THE FEE APPROVAL PROCESS

3. Student Consultation and Approval

Contacts uniformly report that students have considerable power in setting mandatory fees. In many cases, institutions are legally required to ensure that students are consulted and approve fee increases.

“The Student recommendation carries nearly 99% of the weight when it comes to student fees.”

– Roundtable Interview

The structure for student consultation varies across institutions, as does the scope of student approval power. Institutions tend to differ most in whether a student-only group is given the power to approve fee requests and in whether they allow students to oversee all fees or simply the student activities/student services fees. The table below illustrates student approval structures at contact institutions.

Institution	Student Input Structures	Composition	Fees Reviewed
University C	<i>Michigan Student Assembly</i>	<ul style="list-style-type: none"> • Student government leaders 	<ul style="list-style-type: none"> • Student Assembly Fee • Legal Services Fee
University B	<i>Student Fee Committee</i>	<ul style="list-style-type: none"> • Five student government leaders or designees • Five administrators 	<ul style="list-style-type: none"> • Student Activities Fee
	<i>[informal student consultation]</i>	<ul style="list-style-type: none"> • Students selected by departments responsible for particular fees 	<ul style="list-style-type: none"> • Computer Fee • Student Union Fee • Transportation Fee • Building Fee • Student Health Service Fee
University E	<i>Student Fee Advisory Subcommittee</i>	<ul style="list-style-type: none"> • Four student government leaders • Six faculty members and administrators 	<ul style="list-style-type: none"> • Education and Technology Fee • Health Services Fee • Athletic Fee • Student Activities Fee
University D	<i>Student Fees Committee</i>	<ul style="list-style-type: none"> • 20 student leaders 	<ul style="list-style-type: none"> • Student Services Fee
	<i>[informal student consultation]</i>	<ul style="list-style-type: none"> • Students selected by departments responsible for particular fees 	<ul style="list-style-type: none"> • All remaining fees
University A	<i>Student Service Fee Advisory Board</i>	<ul style="list-style-type: none"> • Five students appointed by Student Senate • Five students appointed by the university president 	<ul style="list-style-type: none"> • Student Service Fee • Student Health Services Fee • Student Center Complex Fee • Recreational Sports Fee
	<i>Student Fee Review Committee</i>	<ul style="list-style-type: none"> • Four student government leaders • Five administrators 	<ul style="list-style-type: none"> • All mandatory fees (including those listed above)

Patterns in Student Review:

Across institutions, contacts note that students are typically willing to support fee increases when there is demonstrated need. No institution describes frequent or contentious disagreements between students and university personnel. Indeed, **University E** which requires its Student Fee Advisory Subcommittee to achieve consensus on a fee before it may be approved, has reached consensus on all fees for the past 15 years. However, contacts there and at other institutions acknowledge that this is partially due to offices censoring themselves (i.e., preemptively curtailing fee requests in anticipation of student rejection) in difficult economic years.

Contacts at some institutions, particularly those where student affairs offices depend heavily on fee revenues, note that it can be challenging to educate and train students who are typically only involved in the process for a single year. Nonetheless, contacts report that students are often excited and involved in the process and take fee requests seriously.

V. ELEMENTS OF THE FEE APPROVAL PROCESS

4. University Administrative Approval

After student boards have considered and approved fee requests, fees are submitted to relevant university administrators for approval. This typically involves a review by administrators at the vice president level, with final approval from the university president. Contacts note that while this step is an important opportunity to resolve any persistent issues (e.g., appeals by student affairs offices of a student fee committee decision), it is more often used to prepare for the president's presentation to the university governing organization.

5. Board of Regents or Trustees

The final point of approval for setting mandatory fees at every contact institution is the university's governing organization (i.e., Board of Regents, Governors, or Trustees). In some cases, such as **University E**, this stage of the process is actually two steps: the university's Board of Trustees first reviews fee requests, then passes requests to the system-wide Board of Governors for review and approval.

Contacts generally agree that these bodies have become more engaged in the fee articulation process over time, particularly as concerns grow over the rising cost of education. However, contacts report that these bodies rarely reject fees, and most requests submitted to university presidents or fee committees are for additional information or explanation of particular fee requests, rather than for substantive changes to fees.

VI. PROCESSES FOR ADDING NEW MANDATORY FEES

Three contact institutions report significant restrictions from law or historical precedent when creating new student fees. At **University E**, for instance, the system-wide Board of Governors has explicitly identified the four fee categories that the university can charge. Although additional student groups or university offices can apply for funding through the Student Activities Fee, these rules largely inhibit the addition of significant new fees. **University C**, meanwhile, has made an institutional commitment to limiting mandatory fees, and obtains almost all necessary revenue increases through general tuition.

Two institutions, highlighted below, have more open policies governing the creation of additional fees.

University B

Contacts describe an informal discussion process when new fees are initially considered. Once university administrators or student government leaders determine there is a demonstrated need for a new service or project (e.g., recreation center replacement, environmental programs, etc.), relevant university staff begin discussions with student government representatives. When consensus has been reached, the proposed fee or project is included in the package of fee increases submitted to the Board of Regents. Contacts note that while this process ensures that students are prepared to accept and additional fee, the Board of Regents has recently discouraged new fees in order to slow cost growth.

University A

As at University E, University A is subject to limitations on the number of allowable fee categories. However, because the law creates a category of “incidental fees,” the university has added fees as needed, including an energy fee. The state legislature also occasionally establishes new fee categories in response to demonstrated or expressed need, such as the recently created environment fee. Contacts note that fees proposed under the incidental fee category are considered for approval by the student fee review committee, which also reviews requests for fee increases. Again, contacts note that there has been little interest in articulating any new fees given current economic conditions.

PROFESSIONAL SERVICES NOTE

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