

**SBHE Student Fees Task Force  
Final Report – May, 2012  
Presented to SBHE by Dr. Kirsten Diederich**

**I. Task Force Members and Meeting Dates**

- Dr. Kirsten Diederich
- Dr. Terry Hjelmstad
- Robert Vallie, Student Member

The task force met on January 13, February 23 and April 9, 2012.

**II. Task Force Charge**

In December 2011, the Task Force was created and charged with the following:

*Work toward the goals outlined below as you conduct your review, analysis and develop recommendations related to fees:*

- *Promote student affordability*
- *Ensure cost information is understandable for parents and students, with comparisons across the System easily achieved*
- *Ensure transparency for parents, students, taxpayers in amounts and use, including appropriate review and approval processed*
- *Recognize and differentiate programs or courses that have unique costs, as necessary*
- *Permit campus flexibility in the allocation of revenues; while ensuring accountability in the use for the direct benefit of students*
- *Ensure consistent definitions, set-up and administration across the NDUS, to the greatest extent possible (not necessarily types of fees and amounts)*
- *Simplified price model, possibly taking into consideration both tuition and fees*

In a March 28, 2012 follow-up letter, SBHE President Grant Shaft stated:

*“In the attached December 1, 2011 memo, I note a committee charge to review fees in effort to achieve several goals (e.g. affordability, transparency, consistency, etc.). I feel these are still appropriate and worthwhile and ask that your committee continue to focus on fees only.*

*Following the conclusion of the work of your committee work in or about June 2012, the SBHE, in consultation with the Chancellor, will need to make a decision regarding a possible second phase, which would possibly take a broader view of the NDUS overall pricing model and strategy, including tuition, fees, residency pricing, etc. This may be appropriate, especially as NDSU, and perhaps other campuses, continue to look at and independently propose different tuition and fee models.”*

On April 9, 2012 the Task Force supported a request from incoming Chancellor Shirvani to delay any further actions on fees, pending his arrival and a more comprehensive review and strategy.

Thus, this report is only intended to outline the issues identified to date that will require attention, and possible action, in the future.

#### **Information reviewed by the Task Force**

In preparation for Task Force discussion, background information was reviewed including the following :

- Current fee information (e.g. policies, fee amounts, state statutes, etc.)
- Process at all NDUS campuses for student input on fees
- New NDSU student government fee review and approval process
- Number of collaborative students
- History of program fee increases
- Student Government Activity and College/University Fee Detail
- On-line vs. on-campus enrollments
- NDUS tuition model history and recent proposals
- Course fee and program fee policies
- Summary of recent DSU audit issues related to fees
- NDUS campus distance delivery pricing

The Task Force was also requested to review and make a recommendation on the proposed NDSU Student Success Tuition Model proposal. The task force completed their review and recommended approval of Phase I of that plan as proposed. The SBHE approved Phase I implementation in April 2012.

#### **III. Summary of March 2012 DSU Performance Audit Findings Related to Fees**

During the course of the task force work, the State Auditor's Office (SAO) issued a special DSU performance audit report. The audit identified some issues related to tuition, fee and waiver practices. Many have systemwide implications. Those audit findings and recommendations related to fees can be summarized as follows:

- Fee revenues should be used only for the purpose for which they are charged (audit rec. 1-2)
- Appropriateness of accumulating reserve balances ( audit rec. 1-2)
- Periodic review of fee amounts and adjustments, as necessary (audit rec. 1-2)
- Ability to transfer fee revenues between activities (audit rec. 1-3)
- Disclosure of specific fee charges to students (audit rec. 1-3)
- Students pay for only services utilized (audit rec. 1-3)
- Consistency (or lack thereof) of fee charges between differing, but similar, groups of students (audit rec. 1-3)
- Fee amounts and budgets be set at the beginning of the year, communicated, and monitored (audit rec.)

#### **IV. Legislative Concerns**

During the 11-13 interim, the legislative Higher Education Committee has spent some committee time reviewing and discussing fee issues. In addition, Rep. Skarphol and Rep. Dosch joined the SBHE Task Force at their meeting on 4/12/12. Some of the issues or concerns identified by state legislatures are noted below.

- Charge student fees for only those services they utilize; conversely, some viewed some fees as a tax, in which you pay whether you utilize service or not
- Lack of consistency in fee descriptions/assessment methodologies across the system
- Number of fees, some want fewer categories, some want more specificity or more detail
- Some suggest blend or merge tuition and fees; others support blending or merging mandatory fees into tuition, but keeping some user specific fees, such as course fees, separate; others support keeping all tuition and fees separate
- Level/time at which program fees are assessed to students varies by program
- Public information about use of fee revenues
- Fee revenues used for the purpose for which they are assessed; however, understand the need for flexibility, but need to be transparent
- Total dollar amount of fees, coupled with other costs
- Difference in fee assessment practices between on-campus vs. on-line, dual credit, etc.
- Accumulating reserve balances; if excess, adjust fee amount
- Need to provide information or tool to allow parents/students to estimate the total cost of a career
- Affordability for ND residents--charge non-residents more, regardless of delivery type

## V. Other System Activities

### 1. *Tuition and Fee Estimator website (<http://fees.ndus.edu/>)*

In response to SB2351 (2011), the NDUS released a new tuition and fee estimator web site in November 2011. This web site allows the public to compare cost of attendance (e.g. tuition, fees, room, board, etc.) between ND's eleven public campuses. Development on the site continues to provide more detailed information.

### 2. *NDUS Committee on Fee Set-up Consistency and Definitions*

An internal NDUS Committee, comprised of campus and CND personnel have been meeting since January to review all tuition and fee setup within CND, the NDUS administrative software system, to ensure consistency, and also to develop common definitions. This will help facilitate more display and reporting consistency in the future. This committee was also recently assigned the task of reviewing the various campus assessment methodologies for the university/college fee and student government fee to move to no more than two distinct and common billing categories systemwide. It is anticipated that this committee will finish their work in June 2012.

## 1.) Task Force Conclusions

In order to align strategies→funding→ accountability→ with state priorities, a comprehensive finance policy, which simultaneously takes into account state funding, tuition and financial aid, is needed. In doing so, the following fundamental principles should be considered.

### 1. *Fundamental Principles:*

- a. Align finance policy with SBHE strategic plan goals
- b. Funding adequacy—Define adequate resources to support capacity and desired educational outcomes: Tuition as one of two primary sources, along with state appropriations, to support the fundamental core capacity of the institution
- c. Affordability—Net Price: Integrated tuition/fee and financial aid perspective (e.g. grants, scholarships, waivers, stipends, etc.); Focus on affordability for ND residents

- d. Consistency—Operational and reporting consistency in non-mission critical components; campus flexibility, where necessary, for mission critical activities
- e. Collaboration—Support and facilitate collaboration and partnerships
- f. Transparency—in process (student input), amounts and uses
- g. Access--Supports the changing student demographic and expectations for course delivery (e.g. on-line, simultaneously enrolled in multiple campuses); promotes access for remote and adult learners
- h. Accountability—Fees assessed on a fee-for-service basis or as a uniform participant “tax”; resident vs. non-resident rates; accumulating balances; review/approval processes

## ***2. Specific Issues:***

Some of the specific issues Identified by the Task Force that potentially require further attention in the future are:

### ***a.) Transparency***

- Regular review and disclosure of all fees, with adequate documentation
- Disclose use of fee revenues
- Bundling charges: possibly merge tuition and mandatory fees and other select fees, but retain other fees on a fee-for-service basis (e.g. course fees); possibly encourage NDSU tuition model approach systemwide merging tuition and program fees
- Fee revenue use limited to purpose for which fees are assessed (potential impact on affordability)
- Appropriate level of fee approvals

### ***b.) Consistency***

- Ensure consistency in fee categories and descriptions across campuses for ease and consistency of reporting (common definitions and set up)
- Possible consistent student advisory committee structure
- Clarify in policy/procedure the general or specific purpose and intended use of fee revenues

### ***c.) Affordability***

- Transparency through external review and/or approval
- Adjust fees to prevent excess reserve accumulation
- Charge higher on-line rates to non-residents, keeping costs lower for ND residents
- Address on-line charges and related charging model differences between on-campus and on-line