

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session With

B. Finance, Audit and Facilities Committee

Background Information on Various Academic Fees

INFORMATION:

This information item has been prepared in response to a request from the Board of Regents for the administration to summarize the legal and policy context that governs fees charged to UW students other than tuition, as well as to provide some information on how much revenue is collected on an annual basis from such fees.

Attachment

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January 2010

This information item has been prepared in response to a request from the Board of Regents for the administration to summarize the legal and policy context that governs fees other than tuition that are charged to UW students, as well as to provide some information on how much revenue is collected on an annual basis from such fees. At the start, it is important to distinguish between two broad categories of fees and charges that the university imposes on students (and others). First, there are fees that directly relate to the core academic program at the UW and to the provision of core academic services. Second, there are numerous rates and charges that the university assesses in its proprietary capacity in connection with the sale of a broad range of goods and services. The legal context for these two categories of fees and charges differs significantly.

Fees that relate to the academic program at the UW include tuition, services and activities fees, technology fees, course fees, orientation fees, application fees, fees for credit courses and/or degree programs offered through UW Educational Outreach, etc. Proprietary charges for the sale of goods and services include the rates charged for various patient services provided at UW Medical Center, rates charged by Housing and Food Services for the sale of food at retail food service establishments, rates charged by Transportation Services for parking on the UW campus, etc. This discussion focuses on the first category of fees and charges— fees that relate directly to the academic program at the UW.

Legal/Policy Context Surrounding University of Washington Fee Setting

The legal/policy context surrounding establishing and modifying academic fees at the UW is complicated. Various layers of the legal and policy framework that governs this area are discussed below.

General Fee Setting Authority Granted to the Board of Regents

State law gives the UW Board of Regents broad authority to set various fees that are necessary to run the university with two important (and related) exceptions. The first exception is that the legislature has reserved for itself the authority to set tuition rates for undergraduate resident students. The second exception stems from the fact that any fee that would apply to all students is within the statutory definition of tuition **unless** it is within one of the specific categories of charges that is expressly excluded from that definition (such as the services and activity fee and the technology fee) by the same statute. As a practical matter, this means that any fee imposed on all students has to be explicitly approved by the legislature – as the legislature has done with enabling language that describes how both services and activity fees and technology fees that can be charged to all students can be established.

Initiatives/Legal Rulings/Legislative Actions Limiting UW Fee Setting Authority

Over the last seventeen years, there have been a number of initiatives, legal rulings and legislative actions that have either limited or clarified the UW's fee setting authority. These items are listed in chronological order below:

Initiative 601. Initiative 601 was passed by the voters of the state in November 1993. While people are most familiar with the provisions of I-601 that limit the growth in the state General Fund budget, I-601 also placed restrictions on the amount that various fees charged by state agencies could be increased on an annual basis. I-601 limited the annual percentage increase in certain fees to no more than a fiscal growth factor based on a combination of inflation and population growth. A 2/2/94 Attorney General Opinion outlined which fees were covered by I-601 provisions. Generally, "proprietary charges" - such as the rates charged for food, sporting events and parking - are not subject to the initiative's limitations. The fee increase limitations imposed by I-601 were superseded by Initiative 960 (which is discussed below).

The Energy Fee Lawsuit. As part of the approval of the UW budget for Fiscal Year 2002, the UW Board of Regents approved the implementation of a temporary "energy fee." This action was taken during the time period when the west coast energy crisis was causing extraordinary increases in energy costs. The energy fee was \$3/credit/quarter for the UW Seattle campus and \$1/credit/quarter for the UW Bothell and UW Tacoma campuses. The energy fee was approved at a special meeting of the Board of Regents on 8/15/2001.

Jasmin Weaver, who had been the president of ASUW for the previous academic year, immediately filed a lawsuit on behalf of all students claiming that the university could not legally implement the energy fee. The argument made was that with the combination of raising undergraduate resident tuition by the maximum allowed by the legislature and implementing the energy fee, the UW was exceeding the legislatively specified limit on how much undergraduate resident tuition could be increased. On 11/9/2001, the King County Superior Court issued a summary judgment that prevented implementation of the energy fee. The most relevant part of this summary judgment says:

The Court has concluded as a matter of law that this special fee, against which plaintiff has filed this action, is to be charged to "all students registering" at the University of Washington in the manner contemplated by RCW 28B.15.031 because it is to apply to all students without any exception other than is already applied to off-campus and other special courses and programs exempted from the definition of "operating fees" by operation of RCW 28B.15.031. As a result, the challenged fee fits within the definition of "operating fees" under RCW

28.B.031. In turn, operating fees are themselves explicitly included within the definition of “tuition fees” set forth in RCW 28B.15.020(2).

Under RCW 28B.15.020 and 28B.15.031, defendant does not, by the mere expediency of affixing a new label of “special fee” to it, have the legal authority to exempt an energy fee or surcharge from the limits imposed by the State Legislature on the amount of tuition which may be charged to students registering at the state’s colleges and universities.

Engrossed Substitute Senate Bill (ESSB) 5448. On May 12, 2003, the state legislature passed ESSB 5448 which gave the UW Board of Regents the authority to set tuition for all categories of students except for undergraduate resident students; this authority was granted for the 2003-04 academic year through the 2008-09 academic year.

Initiative 960. Initiative 960 was passed by the voters of the state in November 2007. The provision of I-960 relevant to this discussion is that it requires legislative approval for the implementation of any new fee or an increase to any existing fee. During the 2008 legislative session, the governor and legislature implemented a two step process for higher education institutions to comply with I-960 requirements. First, as part of their budget submissions to OFM and the legislature, higher education institutions must submit proposed percentage increase limits for various categories of fees. Second, language authorizing the Board of Regents to increase various categories of fees is included in the operating budget bill; this language authorizes the Board of Regents to increase fees by amounts that the Board determines to be “reasonable and necessary.” The Board or Regents approves the general fee increase limits proposed by the UW as part of its approval of the university’s state budget request; these fee increase limits are also approved by the Board of Regents as part of its approval of the UW’s annual budget. The categories of fees and charges covered by I-960 are the same as those covered by I-601.

Substitute Senate Bill (SSB) 5734. In the 2009 legislative session, the state legislature passed SSB 5734 which extended the authority previously granted to the UW Board of Regents to set tuition for all categories of students except for undergraduate resident students; this authority was granted for the 2009-10 academic year through the 2012-13 academic year.

UW Policy Context for Fee Setting

Both the establishment of new academic fees and increases to existing fees are governed by two things. First, the Board of Regents has reserved the authority to approve certain fees; these include: tuition rates for the state-subsidized academic program; services and activities fees; technology fees; Summer Quarter tuition; residence hall and family housing rates; and other fees intended to cover instructional costs (with “instructional costs” in this context defined as faculty or teaching assistant time). Essentially all other fee approvals are delegated to the

president, who has then delegated fee approvals to both the provost, to deans and to vice presidents.

There is an official UW Administrative Policy Statement (APS 33.1 – User Fee Approval Policy) that specifies both who has the authority to approve certain fees and what costs can be recovered with various fees. In general, the president approves “university wide” fees, and a number of specific fees are enumerated. The Provost approves any course fee greater than \$50/quarter and various “instructional related fees” not tied to specific courses (such as fees to cover immunizations for various health sciences students who perform clinical work in hospitals as part of their education). Deans are authorized to approve course fees of less than \$50/quarter.

In response to concerns voiced by ASUW, in 2004 and 2005 the university went through an extensive process to revise and update the User Fee Approval Policy. A group with representatives from ASUW, the Faculty Senate Committee on Planning and Budgeting, and the Office of Planning and Budgeting worked to clarify a number of elements of the policy; the policy currently in place represents the outcome of that process.

How Common are Course and Other Instructional Fees and How Much Revenue Do They Produce?

Table 1 provides information on how much revenue was generated by course and other instructional fees by college by department for FY 2007, FY 2008 and FY 2009. All of the revenue generated by these fees goes directly to the college/department charging the fee. Table 2 provides a few examples of the course fee amounts associated with selected courses.

There are 861 recorded course fees billed through Student Fiscal Services; just over 7% of courses have course fees associated with them. The dollar amount of course fees ranges from \$3 to \$701. In FY 2009, the average course fee was \$45. The total revenue from course fees billed through Student Fiscal Services from all campuses for FY 2009 was \$2,394,976. There are a few instances where a course or other instructional fee is charged to students, but is not charged through Student Fiscal Services as part of the student’s quarterly billing of tuition and fees.

For comparison, in FY 2009 the Services and Activities Fee charged to students generated \$11,640,000 in revenue, the Technology Fee charged to students generated \$4,291,000 and the IMA Bond Fee charged to UW Seattle students generated \$3,124,000. Budgeted tuition operating fee revenue for FY 2009 was \$295,500,000.

What are Examples of Other Academic Fees Charged to Either Students or Applicants for Admission?

There are a number of other academic fees that are charged to either students or to individuals that are applying for admission to the UW where the revenue generated by the fees is collected centrally and is then allocated back to the campus unit providing the service the fee is paying for as part of the Core Education budget allocations to those units. Examples of such fees include: the undergraduate application fee; the graduate application fee; and the transcript fee.

For context, the undergraduate application fee is currently \$60 for US students and \$75 for international students, the graduate application fee is currently \$65 and the transcript fee is currently \$9. All three of these fees were increased by the Board of Regents as part of their action approving the UW's Fiscal Year 2010 budget. In FY 2009, the undergraduate application fee collection totaled approximately \$1.2 million, the graduate application fee collection totaled approximately \$1.1 million, and the transcript fee collection totaled approximately \$175,000.

The primary instance where there are large "other academic fees" that are charged to students outside of the regular billing of tuition and fees is in the School of Dentistry. Consistent with how things are done in other dentistry schools, in addition to tuition students pay large fees for dental kits that provide most of the materials needed for basic clinical training: dental instruments; model teeth; gold and other materials used for fillings, etc. The current fees for these dental kits are: \$5,424 for first year dental students; \$4,996 for second year dental students; \$1,890 for third year dental students; and \$250 for fourth year dental students.

How Similar is What the UW Does in the Academic Fee Realm to What Similar Institutions Do?

Detailed information on the frequency and size of course and other academic fees at peer institutions is generally not readily available on the web sites of those institutions. Based on general discussions with staff at a number of peer institutions, we are confident in saying that the number and amount of course and other academic fees at the UW is similar to that of peer institutions. Course fees are common at most institutions for courses in the sciences and engineering that have laboratory sections associated with them, and for courses that have field placements as part of required training. Office of Planning and Budgeting staff are working with a few other peer institutions to see if more detailed information on course and other academic fees at those institutions can be obtained.

It is important to note that the tuition and fee comparisons with peer institutions that are provided to the Board of Regents each year as part of the annual approval of the UW's budget only include tuition plus fees charged to all students (e.g., the equivalents at the other institutions to the services and activity fee and the technology fee at the UW).

Table 1
University of Washington
Academic Course Fee Revenue for Academic Years 2006-07 through 2008-09
by College/School and Department

College/School and Department	2006-07	2007-08	2008-09
Office of the Provost			
Army	2,750	5,325	6,700
Subtotal	2,750	5,325	6,700
College of Built Environments			
Architecture	87,227	98,927	103,147
Construction Managemnt	35,494	36,684	32,329
Landscape Architecture	26,350	24,000	22,000
Urban Design & Planning	29,890	32,850	22,630
Subtotal	178,961	192,461	180,106
College of Arts & Sciences			
Art	198,498	198,824	270,331
Dance	31,242	30,688	33,082
Drama	920	1,410	2,150
Music	158,179	168,214	177,325
Comp Lit	6,600	8,085	8,700
Classics			3,030
Romance Languages			3,235
Astronomy	15,250	15,570	15,510
Chemistry	397,100	394,350	405,050
Earth & Space Sciences	65,985	65,786	77,130
Physics	173,060	190,020	192,610
Psychology	5,310	5,560	5,490
Speech & Hearing Sciences	24,570	21,965	23,195
Biology	191,635	205,695	205,575
Anthropology	5,137	5,688	6,310
International Studies	90		40
History			1,110
Subtotal	1,273,576	1,311,855	1,429,873
College of Education			
Department Of Education	54,064	53,208	46,264
Subtotal	54,064	53,208	46,264

Table 1, Academic Course Fees continued from previous page

College/School and Department	2006-07	2007-08	2008-09
College of Engineering			
Dean Engineering	8,750	8,825	9,050
Aeronautics And Astronomy	3,850	3,810	3,115
Chemical Engineering	10	20	20
Civil & Environmental Engineering	22,410	20,175	23,510
Electrical Engineering	104,150	99,120	96,115
Computer Science & Engineering	11,600	11,900	11,700
Mechanical Engineering	21,875	21,540	27,570
Material Science & Engineering	375	375	375
Subtotal	173,020	165,765	171,455
College of Ocean & Fishery Sciences			
School of Aquatic & Fishery Science	9,850	11,400	15,450
School Of Oceanography	3,850	2,450	9,690
Program On The Environment	1,985	1,560	1,730
Subtotal	15,685	15,410	26,870
College of the Environment			
Forest Resources	49,769	71,050	76,393
Subtotal	49,769	71,050	76,393
The Information School			
The Information School	2,385	1,665	2,700
Subtotal	2,385	1,665	2,700
School Of Social Work			
School Of Social Work	35,870	33,030	31,660
Subtotal	35,870	33,030	31,660
School of Dentistry			
Endodontics			1,100
Orthodontics			1,375
Restorative Dentistry			29,700
Subtotal			32,175
School of Medicine			
Department Of Medicine	52,270	50,825	49,845
Rehabilitation Medicine	43,125	44,840	47,613
Biochemistry			2,650
Subtotal	95,395	95,665	100,108
School of Nursing			
Dean Nursing	10,615	8,410	33,760
Subtotal	10,615	8,410	33,760

Table 1, Academic Course Fees continued from previous page

College/School and Department	2006-07	2007-08	2008-09
School of Pharmacy			
Pharmaceutics	3,440	3,440	3,440
Pharmacy-Dean'S Office	61,080	59,660	67,170
Subtotal	64,520	63,100	70,610
Bothell Campus			
Bothell-Software Sys	8,010	6,840	9,392
Bothell Education	36,239	40,362	56,125
Bothell Interdisciplinary A & S	11,291	13,836	19,897
Bothell Nursing	3,080	3,745	5,215
Subtotal	58,620	64,783	90,629
Tacoma Campus			
Tacoma Education	27,776	26,656	40,992
Tacoma Interdisc A & S	22,165	40,697	46,872
Tacoma Urban Studies	2,100	2,275	1,725
Tacoma Nursing	4,824	5,832	6,084
Subtotal	56,865	75,460	95,673
TOTAL ALL COURSE FEES	2,072,095	2,157,187	2,394,976

Table 2
 University of Washington
Example of Academic Course Fees
 data from Academic Year 2008-09

Course Number	Course Name	College	Graduate/ Undergraduate	Quarterly Course Fee Amount
120	Introduction to Chemistry	Coll Arts & Sciences	Undergraduate	50
119	Introduction to Biology	Coll Arts & Sciences	Undergraduate	25
300	Applied Music	Coll Arts & Sciences	Undergraduate	120
190	Introduction to Drawing	Coll Arts & Sciences	Undergraduate	15
501	Clinical Nursing	School Of Nursing	Graduate	60
351	Hardware/Software Interface	College of Engineering	Undergraduate	50
502	Advanced Practicum in Classroom Teaching	College Of Education	Graduate	200