

**Student Fee Task Force 2000  
Preliminary Draft Information of the  
Subcommittee on Supplemental Course and User Fees**

**Justification and History**

Supplemental fees are fees charged for certain courses in addition to the standard educational fee. These fees are justified on the basis of a need to cover additional costs of delivering these particular courses. For FY2002, the supplemental fees include the following:

- Instructional Computing Fee
- Allied Health Course Fee, UMC
- Computer Science Fee, UMKC
- Engineering Course Fee
- Studio Arts Fee, BFA, UMSL
- Journalism Course Fee
- Clinical Nursing Fee, MS Level
- Nursing Course Fee, BSN, 4-Year, UMSL
- Applied Music Fee

Below are brief summaries and/or justifications for the institution of these supplemental fees as presented in the University of Missouri Board Documents. Excerpts from these documents are shown in Appendix A.

**Instructional Computing Fee**

It was determined that a pressing need existed within the University of Missouri to enhance academic computing resources available to undergraduate and graduate students. A major investment in academic computing would help better prepare the University's students for the technological world and ensure their competitiveness in the job market. In order to address in part this pressing need for improved academic computing, it was recommended that an instructional computing fee be established and assessed against on-campus credit hours enrolled at each of the four campuses of the University of Missouri effective Summer Session 1990.

**Allied Health Course Fee, UMC**

It was recommended for fiscal year 1999 that an allied health course fee be established at the University of Missouri-Columbia.

**Computer Science Fee, UMKC**

In 1985, the Board of Curators and State of Missouri designated the Computer Science Telecommunications Program at UMKC as an eminence program. Computer Science students needed, therefore, to be able to access local, regional, and global networks and to use and to learn on current hardware and software facilities.

The cost of providing quality academic degree programs in Computer Science, Computer Networking and Telecommunications is significantly higher than most other disciplines because of the need to acquire, maintain, and replace state-of-the-art computing and communication equipment and software technologies in classrooms, laboratories, and in faculty and student offices. Traditional funding arrangements have not kept pace with the accelerating rate of innovation in computers and communications technologies. It was recommended, therefore, for fiscal year 1995, that a course fee be assessed to all students enrolling in Computer Science Telecommunications courses.

### Engineering Course Fee

The fiscal year 1986 Board documents included a recommendation for an increase in the Supplemental fee for Engineering at UMR, to be used to maintain and improve compensation and to address critical deficiencies in funds for equipment. The proposal would bring the fee up to \$20 per credit hour in Engineering courses only; the original amount recommended for the Supplemental fee in 1982, with support of students and alumni, was \$43. UMR alumni and friends had indicated their intent to proportionately increase gifts for student aid.

For fiscal year 1989, it was recommended that the Engineering Course fee, assessed for Engineering courses at the Columbia campus and through the Coordinated Undergraduate Engineering Program at the Kansas City campus, be increased, effective with the Winter 1989 semester. The new rate was to be equal to the rate being assessed by the Rolla campus for engineering courses at UMR.

For fiscal year 1994, it was recommended that an engineering supplemental fee be assessed students who enrolled in courses offered by the two Schools of Engineering, including engineering courses of the UMC-UMKC Coordinated Undergraduate Engineering program and the School of Mines and Metallurgy, with the exception of courses offered by the Department of Geology and Geophysics.

### Studio Arts Fee, BFA, UMSL

It was recommended for fiscal year 1997 that a studio arts course fee be established for enrollment in studio arts courses in the bachelor of fine arts program at UMSL.

### Journalism Course Fee

It was recommended for fiscal year 1991 to initiate a Journalism Course Fee. The income derived from this fee would be utilized entirely for the direct benefit of Journalism students.

### Clinical Nursing Fee, MS Level

It was recommended for fiscal year 1997 that a clinical nursing course fee be established for enrollment in masters level nursing clinical nursing courses on all campuses.

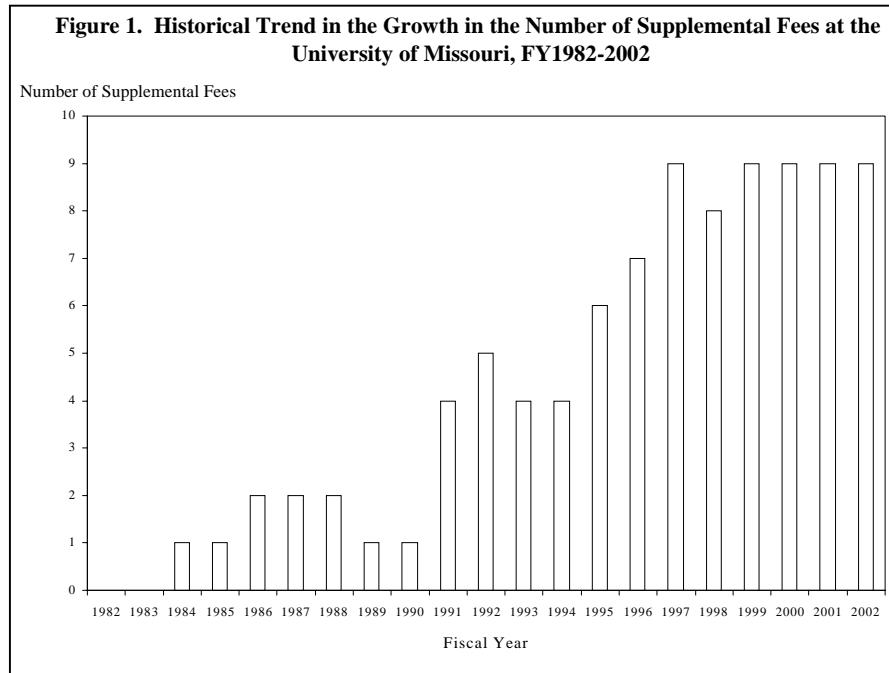
### Nursing Course Fee, BSN, 4-Year, UMSL

It was recommended for fiscal year 1995 that a nursing course fee be established for enrollment in nursing courses by students in the BSN, 4-year program at UMSL.

### Applied Music Fee

It was recommended that effective with the Fall Semester 1991, a fee be implemented for students enrolled in courses requiring applied music instruction at both the Columbia and Kansas City campuses. Regardless of the number of courses enrolled in per semester or summer session, students would be assessed only once. Fee proceeds would be used for repairs to existing musical instruments, to initiate a replacement fund for those instruments that were so badly worn or damaged that they could not be repaired, and to assist with selected music scholarships.

The total number of supplemental fees has increased substantially over the past two decades. In FY1982, there were no supplemental fees at the University. By FY1999, this had increased to nine and has remained at that level for the past several years. Figure 1 shows the growth in supplemental fees at the University.



**Estimate of the Revenue Generated by Supplemental Instructional Fees**

Table 1 provides a summary of the FY2001 budgets (or revised projections) for supplemental fees for the four University of Missouri campuses. The revenue generated by supplemental fees varies by campus, ranging from \$2.4 million at UMKC to \$6.9 million at UMC.

**Table 1. FY2001 Budget or Adjusted FY2001 Projection\* for Supplemental Fees**

	UMC	UMKC	UMR	UMSL
<b>Supplemental Fees</b>				
Instructional Computing Fee	4,825,000	1,900,000	976,000 b	2,058,582
Allied Health Course Fee, UMC	291,250	0	0	0
Computer Science Fee, UMKC	0	320,002	0	0
Engineering Course Fee	1,180,800	0 a	1,818,000	85,656
Studio Arts Fee, BFA, UMSL	0	0	0	50,575
Journalism Course Fee	458,100	0	0	0
Clinical Nursing Fee, MS level	47,000	67,986	0	23,000 c
Nursing Course Fee, BSN, 4-Year, UMSL	0	0	0	624,150
Applied Music Fee	75,600	90,002	0	24,000 c
<b>Total</b>	<b>6,877,750</b>	<b>2,377,990</b>	<b>2,794,000</b>	<b>2,865,963</b>

Notes:  
 \* Information presented is the FY2001 Budget with the exception of items noted below in footnotes.  
 a. Fees transferred to UMC.  
 b. Excludes Instructional Computing fees relating to EEC.  
 c. Adjustment to budget includes projection for Clinical Nursing Fee (MS Level) income and Applied Music Fee income.

For the FY2001 Budget, supplemental fees provide between 3.4% and 9.5% of the total fee income for the four campuses (See Table 2).

	UMC	UMKC	UMR	UMSL
Educational Fees	116,906,752	66,941,929	25,984,000	40,618,843
Supplemental Fees	6,877,750	2,377,990 a	2,794,000 b	2,865,963 c
Total Fees	125,194,528	69,644,919 a	29,450,500 b	43,774,820 c
Educational Fees as a Percent of Total Fees	93.4%	96.1%	88.2%	92.8%
Supplemental Fees as a Percent of Total Fees	5.5%	3.4%	9.5%	6.5%

Notes:  
 \* Information presented is the FY2001 Budget with the exception of items noted below in footnotes.  
 a. Engineering course fees are excluded; fees transferred to UMC.  
 b. Excludes Instructional Computing fees relating to EEC.  
 c. Adjustment to budget includes projection for Clinical Nursing Fee (MS Level) income and Applied Music Fee income.

### **Eliminating or Expanding Discipline-Specific Fees**

Two of the major issues which the subcommittee on supplemental course and user fees explored were the merits and limitations of: (1) eliminating all supplemental instructional fees, users fees, and other required enrollment charges; and (2) expanding discipline-specific instructional fees as a strategy for aligning fee charges with actual costs. Following is a discussion of these topics.

#### **Merits and Limitations of Eliminating All Supplemental Instructional Fees, Users Fees, and Other Required Enrollment Charges**

There are several obvious advantages to eliminating the myriad of supplemental fees which now exist. First and foremost is simplicity; eliminating special fees will simplify the fee structure. This will have a number of positive, related effects. First, students will be able to read and understand our fee schedule. As a result they will not be as likely to appeal those charges that they do not understand or those charges for services which they feel they do not use. Second, as a result of the current complex system, the simple act of adding one course and dropping another at the beginning of the semester can result in a change in total fees. Simplification of the fee structure will eliminate this problem, thereby alleviating much of the students' confusion as well as the additional workload on the cashiers and accounting offices on the campuses. Lastly, with the multitude of existing fees, the University tends to be compared unfavorably with private institutions which usually combine the cost of tuition and fees into one number. One item of note, however, is that if the University chooses to eliminate all supplemental fees, then an effort should be made in future years to dissuade further special fees being once again introduced when it becomes expedient to do so.

Disadvantages to the elimination of supplemental fees involve the issue of aligning program costs with charges. Currently, supplemental fees are charged as a means of covering additional costs relating to programs or courses. Even so, students in some schools and colleges currently pay a higher percentage of their educational costs than do others. Supplemental fees can be viewed as a means of evening out some of this inequality. Eliminating these fees would mean that each campus would have to have an internal allocation process by which fee revenues for the institution would need to be differentially allocated. It is very possible that this process would have some administrative costs associated with it. In addition, if the supplemental fees were collapsed into one charge, students would not be able to see the true cost for certain services. This could in turn create an impression of "hidden costs" to students. Lastly, one case

for these special fees can be made on the basis of constituency building. It has been historically convenient, and perhaps upon occasion essential, to develop support and understanding of fee increases based upon special needs. For example, the instructional computing fee seems to be well accepted because students recognize where the fees are going and recognize the enormous need for campus investments in information technology.

Merits and Limitations of Expanding Discipline-Specific Instructional Fees as a Strategy for Aligning Fee Charges with Actual Costs

The cost of providing educational services varies by school and college. Table 3 shows an analysis of the

<b>Table 3. Total Costs and Estimated Income by Academic Cost Center, Fiscal Year 1997-98</b>					
Cost Center	Total Costs	Total Direct Costs	Income	Required Subsidy Relative to Direct Costs	Subsidy as a % of Direct Costs
<b>UMC</b>					
Arts & Science	\$97,254,498	\$51,036,812	\$52,759,695	(\$1,722,883)	-3.4%
Business & Public Administration	18,490,541	9,077,280	6,367,862	2,709,418	29.8%
General Ag, Food, & Natural Resources	20,940,585	9,621,036	8,061,030	1,560,006	16.2%
Education	22,516,585	11,432,195	7,549,928	3,882,267	34.0%
Engineering	29,549,282	17,728,217	7,988,958	9,739,259	54.9%
Human Environmental Sciences	10,063,170	5,069,725	3,504,923	1,564,802	30.9%
Journalism	10,778,383	6,333,746	4,256,231	2,077,515	32.8%
Law	8,934,530	5,617,963	4,725,985	891,979	15.9%
Health Related Professions	5,191,976	2,122,217	1,110,265	1,011,952	47.7%
Medicine	28,490,299	16,627,775	6,629,270	9,998,505	60.1%
Nursing	5,872,917	2,971,531	1,527,066	1,444,465	48.6%
Veterinary Medicine	19,908,481	14,287,551	3,022,151	11,265,400	78.8%
<b>UMKC</b>					
Arts & Sciences	\$41,027,980	\$14,933,142	\$15,576,656	(\$643,514)	-4.3%
Biological Sciences	9,087,350	5,773,369	2,934,694	2,838,675	49.2%
Business & Public Administration	10,766,315	4,137,858	4,999,406	(861,547)	-20.8%
Computer Science	3,412,609	2,443,905	2,006,972	436,933	17.9%
Conservatory of Music	8,052,095	4,010,742	2,521,891	1,488,851	37.1%
Dentistry	21,167,890	14,553,481	8,600,098	5,953,384	40.9%
Education	10,674,525	4,075,843	4,474,233	(398,391)	-9.8%
Law	7,780,776	4,870,877	5,006,166	(135,289)	-2.8%
Medicine	18,811,893	10,344,896	11,205,242	(860,346)	-8.3%
Nursing	3,461,409	1,460,182	1,128,649	331,533	22.7%
Pharmacy	5,334,163	3,215,867	2,017,111	1,198,757	37.3%
<b>UMR</b>					
Arts & Sciences	\$25,809,073	\$14,686,393	\$14,142,310	\$544,083	3.7%
Engineering	36,996,028	17,222,708	10,870,256	6,352,451	36.9%
Mines & Metallurgy	14,532,956	7,935,165	2,781,031	5,154,134	65.0%
Engineering Extension Center	1,363,037	703,473	569,490	133,983	19.0%
<b>UMSL</b>					
Arts & Sciences	\$47,954,330	\$24,104,707	\$21,879,801	\$2,224,906	9.2%
Business Administration	12,732,369	6,053,031	5,540,113	512,918	8.5%
Education	12,520,853	6,485,140	6,103,312	381,829	5.9%
UMSL/Wash U Engineering	2,658,230	1,781,533	343,138	1,438,395	80.7%
Nursing	5,784,678	3,162,104	3,235,885	(73,781)	-2.3%
Optometry	5,424,252	4,148,865	3,840,689	308,176	7.4%

Source: FY1998 Cost Study Report

total direct program cost versus income for the four campuses. The analysis shows that there are select schools and colleges with higher subsidies than others. Supplemental fees provide a means for more equitably distributing this subsidy between schools and colleges. In addition, with respect to the pure mechanics of the budgeting and planning process, the supplemental fee revenue which is generated can be easily identified and allocated to units as needed. An additional internal process for allocating these funds would therefore not be required. Finally, discipline-specific fees show students what portion of their total fees goes to cover various instructional costs. They may therefore be able to see a connection between these fees and what they receive in value; for example, that it costs more to educate a nursing student than a student majoring in history, or that an MBA or law degree has a premium attached to the degree in terms of a higher fee. In addition, faculty may be less anxious if they know they do not have to go to some central mechanism to present a case for increased funding for their particular program, i.e., there is some comfort in the fact that all the money being collected for the engineering program goes to offset instructional costs in engineering.

The main argument against increasing the number of supplemental fees is the increased complexity of the fee structure. It would increase the workload of cashiers and accounting offices and significantly impact the complexity of fee projections. It will also be more difficult for students to budget their student fee expenses, since these will depend on the individual courses they take and the differential prices of these courses. In addition, expanded discipline-specific fees and an itemized long list of charges on a bill may cause some students to appeal those charges for services which they feel they do not use. Again, comparing the multiple charges at the University of Missouri campuses with private institutions which charge one fee may result in an unfavorable impression with students. Finally, if we allow professional school students to pay the same rate when taking non-professional school courses (i.e. based on a discipline-specific fee), it may result in a loss of fee revenue for the professional schools. Professional school fees would therefore have to be raised sharply to compensate for this potential revenue loss.

### **Analysis and Recommendations: Derivation of Fee Rates for the Campuses**

The options presented above would be to either allow the proliferation of supplemental fees on the campuses, to limit the number of these fees, or to eliminate them entirely. The fee task force subcommittee determined that there were several possible recommendation alternatives. These are described below.

#### **Option I – No Action**

This alternative would be to continue to allow additional supplemental fees to come forward from the campuses to the President for Board approval. This could potentially increase the number of discipline-specific fees for the University as a whole, and would make the fee structure for the University increasingly complex.

#### **Option II – Eliminate All Supplemental Fees by Combining These Fees with the Educational Fee**

Continued expansion of the number of discipline-specific fees would not be advisable for many of the reasons stated above. It would be more beneficial for the campuses to determine an internal allocation process whereby appropriate levels of funding are allocated to the individual schools and colleges. One method of approaching this allocation could be by using as a basis the funding currently allocated to the units using the existing discipline-specific fees and developing a model using this allocation as a starting point.

If the recommendation is to reduce or eliminate all supplemental fees, the next step would be to determine whether only the supplemental fees are rolled into the educational fee, or if all other fees (i.e., supplemental, activity, facility, and health service) are combined. Then an appropriate fee rate for each of the campuses would need to be developed by combining derived “pro-rated” per credit hour rates for all

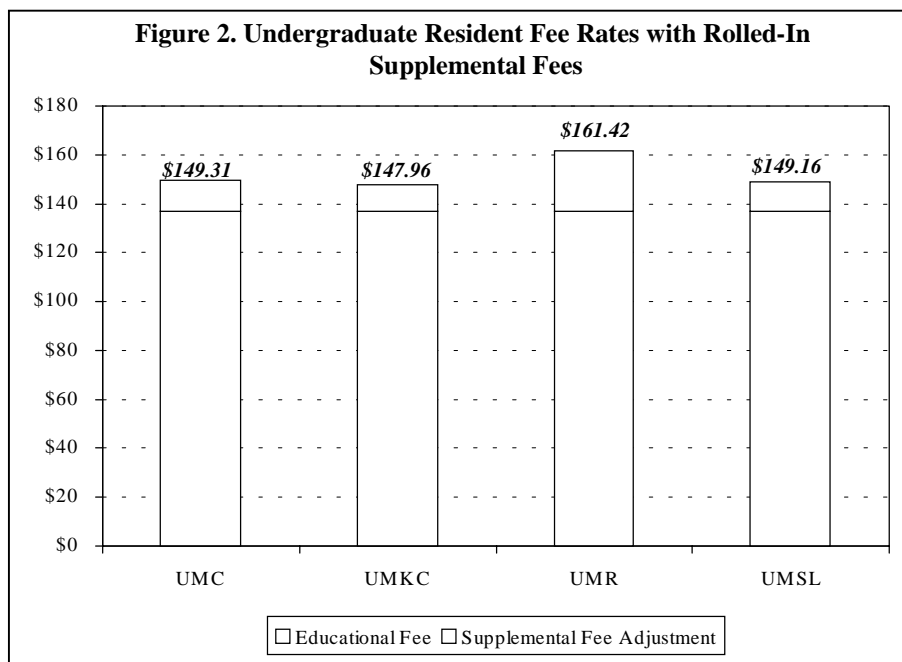
non-educational (i.e., supplemental, activity, facility, and health service) fees in such a way that the total revenues generated from the combined fee would be the same as from the sum of the individual fees for each campus.

The following analysis focuses on combining these non-educational fees with the educational fee to yield one fee rate for each University of Missouri campus. The main focus of the analysis was to derive a

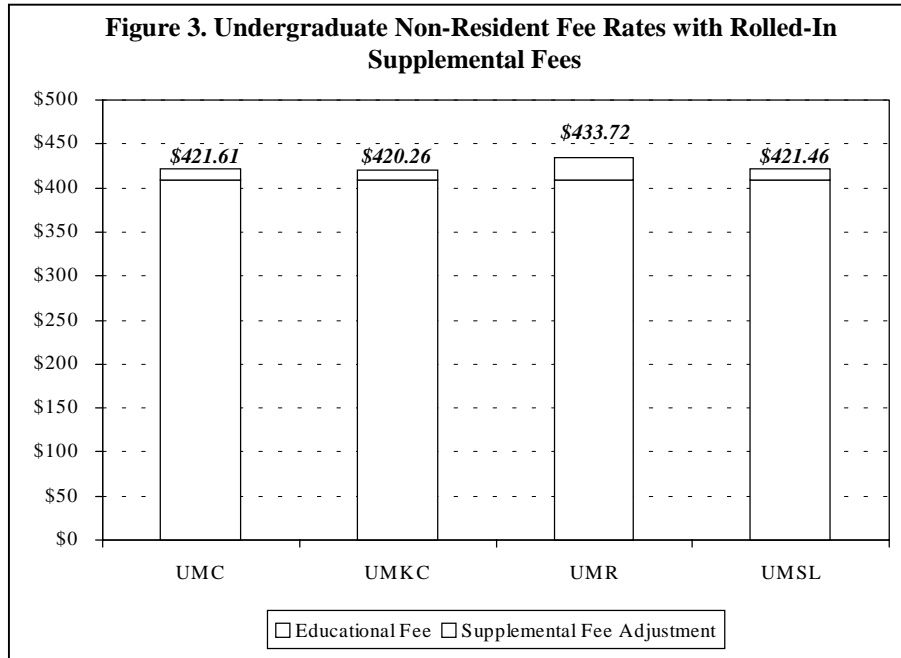
	UMC	UMKC	UMR	UMSL
<b>CURRENT FY2001 RATES</b>				
Educational Fee - Undergraduate Resident	136.80	136.80	136.80	136.80
Educational Fee - Undergraduate Nonresident	409.10	409.10	409.10	409.10
<b>Supplemental Fees</b>				
Instructional Computing Fee	8.60	8.60	8.60	8.60
Allied Health Course Fee, UMC	37.30			
Computer Science Fee, UMKC		18.10		
Engineering Course Fee	38.00	38.00	38.00	38.00
Studio Arts Fee, BFA, UMSL				17.00
Journalism Course Fee	27.00			
Clinical Nursing Fee, MS level	113.10	113.10		113.10
Nursing Course Fee, BSN, 4-Year, UMSL				150.00
Applied Music Fee - <i>FLAT RATE</i>	135.80	135.80		135.80
Examination Only - Graduate Enrollment - <i>FLAT RATE</i>	122.00	122.00	122.00	122.00
<b>Supplemental Fee Prorated Amounts</b>				
Instructional Computing Fee	8.60	8.60	8.60	8.59
Allied Health Course Fee, UMC	0.63	-	-	-
Computer Science Fee, UMKC	-	1.99	-	-
Engineering Course Fee	2.26	-	16.02	0.37
Studio Arts Fee, BFA, UMSL	-	-	-	0.25
Journalism Course Fee	0.88	-	-	-
Clinical Nursing Fee, MS level	-	-	-	-
Nursing Course Fee, BSN, 4-Year, UMSL	-	-	-	3.05
Applied Music Fee - <i>FLAT RATE</i> *	0.14	0.56	-	0.10
Examination Only - Graduate Enrollment - <i>FLAT RATE</i>	n/a	n/a	n/a	n/a
	12.51	11.16	24.62	12.36
<b>Per Credit Hour Rates for Activity, Facility and Health Service Fees</b>				
Activity and Facility Fees **	9.99	14.85 a	15.60 b	24.10
Health Service Fees ***	5.21	2.00	5.38	1.20
<b>SUMMARY</b>				
<i>Original Educational Fees</i>				
Educational Fee - Undergraduate Resident	136.80	136.80	136.80	136.80
Educational Fee - Undergraduate Nonresident	409.10	409.10	409.10	409.10
<i>Supplemental Fee Adjustment</i>				
	12.51	11.16	24.62	12.36
<b>Adjusted Fee Rates - Educational and Supplemental</b>				
Educational Fee - Undergraduate Resident	149.31	147.96	161.42	149.16
Educational Fee - Undergraduate Nonresident	421.61	420.26	433.72	421.46
<i>Other Adjustments</i>				
Student Activity and Facility Fee (Per Cr. Hr. Rate)	9.99	14.85	15.60	24.10
Health Service Fee (Est. Per Cr. Rate if Current is FLAT)	5.21	2.00	5.38	1.20
<b>Adjusted Fee Rates - Educational, Supplemental, Activity, Facility and Health Service</b>				
Educational Fee - Undergraduate Resident	164.51	164.81	182.40	174.46
Educational Fee - Undergraduate Nonresident	436.81	437.11	454.70	446.76
Notes:				
* Adjusted to a per Cr. Hr. rate				
** If Health Service fee was included in the Activity and Facility Fee, it was deducted from the total.				
***If Health Service fee was a flat amount, the per credit hour amount was estimated.				
a. For UMKC, the \$30.00 Rec. Facility fee was estimated at a per credit hour rate of \$3.00.				
b. For UMR, the \$12.00 yearbook fee, applicable for student taking more than 6 credit hours in the Fall semester only, was estimated at \$0.50 per credit hour.				

supplemental fee rate on each of the campuses which would be applied to all students regardless of the courses they are taking. One aspect of the analysis was to ensure that by instituting this type of fee, that none of the campuses would lose fee revenue. The derived fee on each campus was therefore set at a rate whereby the estimated revenue yielded by the combined, or “rolled-in” fee rate was equal to the current year estimate of fee revenues. For the purposes of this study, the analysis was completed only for undergraduate students – both resident and nonresident.

As can be seen in Table 4, when starting with an undergraduate resident rate of \$136.80 per credit hour and adjusting for estimated per credit hour rates for supplemental fees only, the “adjusted fee” rates range from \$147.96 per credit hour at UMKC to \$161.42 per credit hour at UMR. For undergraduate non-residents, the “adjusted” fees range from \$420.26 per credit hour at UMKC to \$433.72 per credit hour at UMR. Figures 2 and 3 provide graphical representations of the proportion of the total “adjusted” fee rate which is derived from educational and supplemental fees.



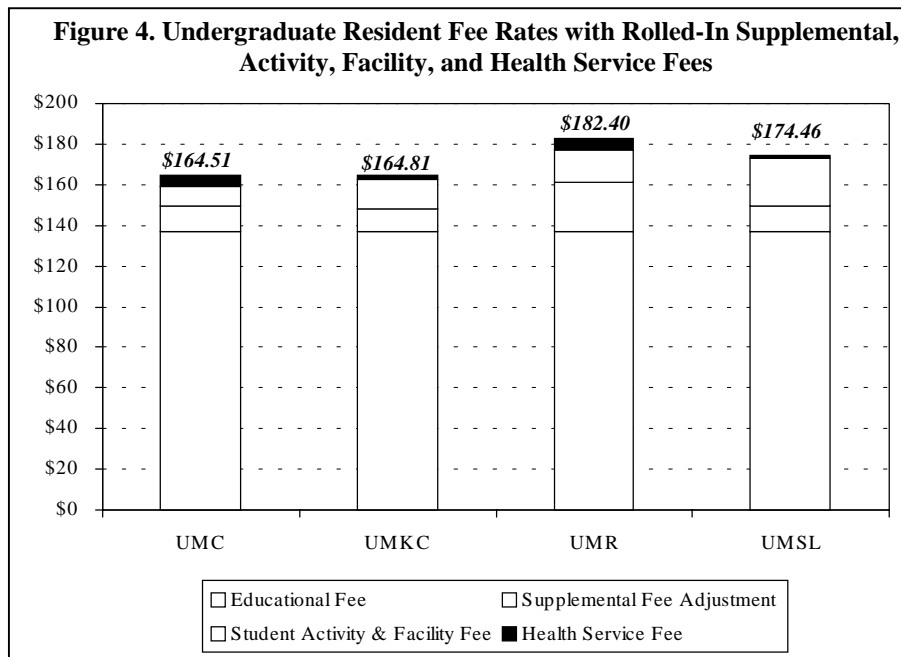
In this option, the activity, facility, and health service fees are kept separate from the supplemental fee rate. The rationale for this argument is that the activity, facility, and health service fees are in their very essence markedly different from the supplemental fees in a variety of ways. Supplemental fees are essentially set by school, campus, or university policy (and submitted for Board approval), but the activity and facility fees have a mechanism on most of the campuses whereby students or their elected officers are directly involved when determining fee increases or when instituting a new fee. Combining the activity and facility fees with the educational fees may negate student involvement in this type of policy setting for student recreational activities. However, steps could be taken to ensure that this would not be the case should these fees be combined with all fees into one rate. The component parts of the activity and facility fees would still exist, and students or their elected officers would still be involved in the decisions regarding increases in these fees or for the establishment of new fees. In fact, the argument should be made that students do need to be involved with respect to the decisions regarding any of the activity and facility fees since these fees are also a major source of funding to upgrade facilities for students and, as such, having student support for these undertakings is desirable. For example, fee increases which have been promoted by and approved by students in the recent past have been used to upgrade various recreational facilities. Without direct student involvement in these endeavors, the University would still



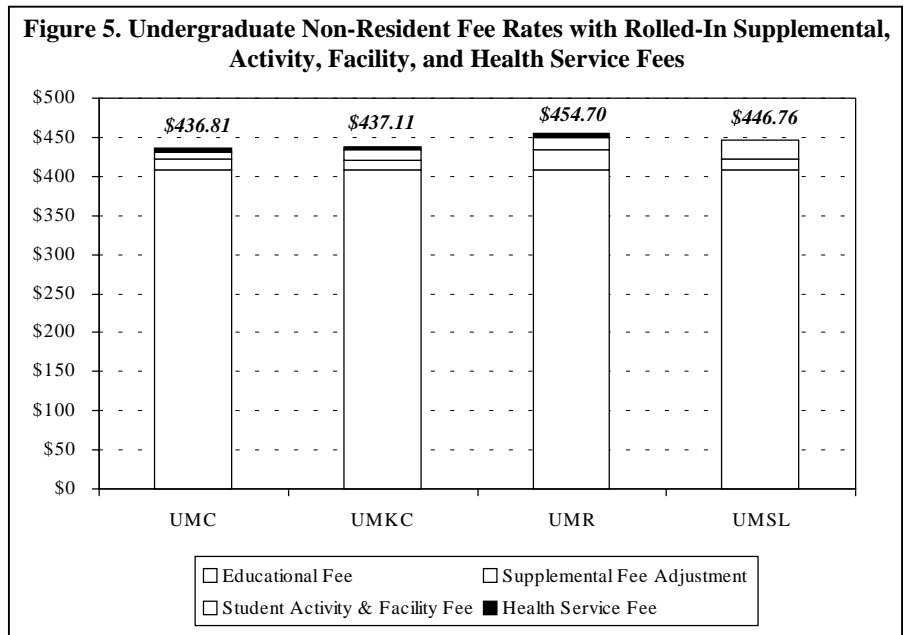
need to increase fees to generate the income required for these types of upgrades, but may not get the support of students. Another reason why these fees are different from the supplemental fees is that they are for activities which are essentially self-supporting. They are not subsidized by other sources of income. This argument would still hold true, however, whether or not the fees are kept separate or combined with all other fees.

**Option III – Combine All Supplemental, Activity, Facility, and Health Service Fees with Educational Fee**

If all other fees, (i.e., supplemental, activity, facility, and health service fees) are combined, the “adjusted fee” rates for undergraduate residents range from \$164.51 per credit hour at UMC to \$182.40 per credit hour at UMR. For undergraduate non-residents, the “adjusted” fees range from \$436.81 per credit hour at UMC to \$454.70 per credit hour at UMR. Figures 4 and 5 provide graphical depictions of the proportion



of the total “adjusted” fee rate which is derived from (1) educational, (2) supplemental, (3) activity and facility, and (4) health service fees for both undergraduate resident and nonresident students.



If all “other” fees (i.e., supplemental, activity, facility, and health service fees) are combined into one rate, that would lead to an extremely simple fee schedule. Students would have an “Educational Fee” per credit hour rate and a “Supplemental” per credit hour rate (which would combine all of the above fees).

Table 5 delineates what the fee schedule would look like if all these “other” fees were combined into one weighted per credit hour rate. Each campus would have the same basic educational fee rate, as is the case which currently exists, but would have differential supplemental fee rates. In addition, should differential fee structures be proposed for the residential versus urban campuses (i.e., plateau versus per credit hour), these rates could be tailored to fit the needs of the individual campuses.

	UMC	UMKC	UMR	UMSL
Supplemental Fees	12.51	11.16	24.62	12.36
Student Activity and Facility Fee	9.99	14.85	15.60	24.10
Health Service Fee	5.21	2.00	5.38	1.20
Total Per Credit Hour "Supplemental Fee" Rate	27.71	28.01	45.60	37.66
<b>Per Credit Hour Fee Rate</b>				
Educational Fee - Undergraduate Resident	136.80	136.80	136.80	136.80
Supplemental Fee	27.71	28.01	45.60	37.66
Total	164.51	164.81	182.40	174.46
Educational Fee - Undergraduate Nonresident	409.10	409.10	409.10	409.10
Supplemental Fee	27.71	28.01	45.60	37.66
Total	436.81	437.11	454.70	446.76

#### Option IV – Establish a Moratorium on New Supplemental Fees

The committee recognizes that there has been a proliferation of supplemental fees, and this recommendation option deviates slightly from Option I in that the current supplemental fees would continue to exist but no additional fees would be approved for a certain period of time. This time period could be as short as one year or as long as 10 years, and would have to be debated and approved at the General Officer level.

#### Option V – Include Additional Campus Constituents in the Recommendation Process

This alternative recognizes that the number of supplemental fees will probably continue to escalate if the current situation persists. In order to ensure that only those fees which are deemed absolutely necessary from a multiple campus constituent perspective (including faculty and students), the subcommittee proposes that an additional level of approval be added to the current process. A committee with representation from multiple colleges, and including faculty participation and significant student representation, will review and discuss new supplemental fee proposals and make recommendations to the Chancellor of the respective campus. This would ensure that the administration of the campus or of a specific disciplinary area would have the opportunity to argue for the need for a new supplemental fee, and would establish an additional point of consultation in the overall process. Of note is the fact that this committee would provide recommendations to the Chancellor, but would not be granted approval authority.

A positive result from implementing this recommendation would, in all likelihood, be a reduction in the proliferation of the number of supplemental fees. This could come at the expense of the creation of a longer chain to the overall fee process, thereby making it slower and more cumbersome.

#### Option VI – Increase Educational Fee

The final recommendation option from the subcommittee recognizes that a primary reason for the establishment of new supplemental fees is the need to increase revenues for a particular program as a result of a variety of different expenditure or cost issues. Instead of instituting additional supplemental fees and further exacerbating the complexity of the fee structure, increasing the educational fee by a higher amount than is currently in the strategic plan (e.g., 5% instead of 3%) would ensure that an additional amount of revenue would be coming into the University, thus potentially alleviating these cost and/or expenditure issues. This option is particularly appealing at the current time given the status of the other major source of general operating revenue coming into the University, namely state appropriations. For FY2002, the current recommendation from the State is for no increase in state appropriations save the funding for Mission Enhancement, which is dedicated revenue. The University's strategic plan calls for a 4.0% increase in salaries and wages, a 2.6% increase in staff benefits, and a 3.0% increase in expense and equipment. If state appropriations (which represent 57% of the University's FY2001 general operating budget) do not increase, and student fees (which represent 36% of the FY2001 general operating budget) only increase 3%, then the University's organizational units will have to undergo significant reductions and reallocations in order to meet these goals. This would be particularly difficult since it comes after many years of reductions which have already been required of all the units, and could potentially comprise the quality of the educational programs at the University.

#### ***Subcommittee on Supplemental Courses and User Fees***

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