

EXECUTIVE SUMMARY

Item Name: **Sunset Review of Fees for CY 2023 for the University of Arizona**

 Action Item

Requested Action: The University of Arizona (UArizona) asks the board to approve the sunset review of fees for CY 2023, as described in this executive summary.

Background/History of Previous Board Action

- During the 2018 legislative session, legislation passed (Laws 2018, Chapter 107) that amends A.R.S. § 15-1626 requiring the board to broaden its approval of fees to approve via a roll call vote any changes to academic fees or online program tuition rates.
- In January 2018, the Arizona Auditor General issued its audit of the Universities Fee-Setting Processes. The Auditor General’s audit concluded that ABOR and the universities have established fee-setting processes consistent with best practices but could further enhance the process. For example, the audit found that ABOR should review its fee-setting policies and guidance to require a periodic review of the universities’ fee-setting processes.
- At its November 14 – 16, 2018 meeting, the board approved a new section of policy that requires a sunset review process. ABOR Policy 4-105.F currently requires the board to review and approve each academic fee at least once every 10 years based on a plan developed and implemented by each university.
 - At its June 12 – 14, 2019 meeting, the board approved each university’s plan to review each of their existing academic fees over the next 10 years.
 - At its February 8 – 10, 2023 meeting, the board amended its tuition and fees policies. As result of these revisions, all fees in effect on November 17, 2022 remain in effect until June 30, 2024 and must comply with board policy by July 1, 2024 or sunset. In addition, the tuition and fee setting calendar was moved from the spring to the fall beginning in calendar year 2023.
 - As a result of these policy amendments, the 10-year sunset review plans approved by the board at its June 12–14, 2019 meeting will need to be modified by each university, and those modifications are incorporated in this report.

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EXECUTIVE SUMMARY

- Further, in the new tuition policies, the date to publish tuition was moved to December, requiring the sunset fee review to also occur in December, meaning the review would not be efficient or effective for either students or the universities. As a result, the board approved at its February 21 – 23, 2024 meeting to amend the due date of the sunset fee review report so the report will continue to be due in the spring since policy requires the report to include the fees reviewed in the prior *calendar* year.

Discussion

Fees Reviewed in Prior Years

- The board reviewed the following fees for UArizona over the prior three years:

<u>Year</u>	<u>Fees Reviewed</u>
2020	N/A ^{1/}
2021	241
2022	20
^{1/} UArizona was granted a one-year extension in CY 2020.	

Current Year Fee Review

- At its June 12 – 14, 2019 meeting, the board originally approved UArizona to review 175 fees in CY 2023 for the College of Agriculture & Life Sciences. Then, at its November 18 – 20, 2020 meeting, the board granted the university a one-year extension, which resulted in UArizona planning to review 22 fees in CY 2023 for the Eller College of Management and College of Nursing.
- Each university is required to report the academic fees reviewed in CY 2023 along with the result of the review and recommendation on the continuation of the fees. ABOR Policy 4-105.F.2 allows the board office to direct the due date of the report.
- UArizona reviews its academic fees on a per-college basis. Each year, the selected college(s) will have all their fees reviewed; this includes any new fees added before the selected college(s) review cycle. This process included the creation of a Sunset Review Board (SRB). Members of this board include at least one ex officio representative from The Office of Budget and Planning, the Financial Services Office, the Office of the Provost, the Graduate & Professional Student Council, and the Associated Students of UArizona. The Eller College of Management (1 Differential Tuition, 5 program fees, and 12 class fees) and the College of Nursing (1 Differential Tuition and 3 program fees) completed a self-evaluation of all their fees. During the sunset review process, the colleges evaluated two differential tuitions,

EXECUTIVE SUMMARY

nine program fees (of which three had fixed rates), and 12 class fees. Academic and administrative departments assessed the type, amount, purpose, revenue, and enrollment of each fee and assessed whether they were still necessary to deliver instruction. During the review, we assessed the effectiveness of the fee while also considering the benefits and affordability for students. The updates to ABOR Policies 4-101, 4-103, 4-104, and 4-105 mandate the elimination of class fees and the rollover of this cost to a college fee model. Thus, the 12 class fees reviewed for CY 2023 will be eliminated by Fall 2024, along with others reported to ABOR in November 2023. The attached Excel report summarizes other changes approved at the November 2023 board meeting that affect colleges completing this sunset review.

- The following table summarizes the total number of fees the university reviewed in CY 2023, including the academic fees and the class fees that were decreased and eliminated. The following two bullet points and tables provide more detailed information.
 - As result of the tuition and fee revisions made by the board at its February 8 – 10, 2023 meeting, class/course fees are being eliminated. However, class/course fees were still in existence during the first five weeks of the CY 2023 review period.

Total Fees Reviewed			
<u># of Academic Fees Reviewed</u>	<u># of Class Fees Decreased</u>	<u># of Class Fees Eliminated</u>	<u># of Total Fees Reviewed</u>
22	0	3	25

*Six program fees and 12 class fees will be changed come Fall 2024.

- The first table in the attachment individually identifies each academic fee that was reviewed in CY 2023. The following table summarizes this information.

Academic Fees				
<u># of Fees Reviewed</u>	<u>Range of Fee Amounts</u>	<u>FY23 Total Enrollment</u>	<u>FY23 Total Fee Revenue</u>	<u># of Fees Unchanged</u>
22	\$21 – \$68,000	8,027	\$17,556,971	4

- For the first five weeks of the CY 2023 review period, ABOR Policy 4-105.C.6 allowed a university president to reduce or eliminate a class fee without board approval, and 4-105.F.2 required each university to include in this report a list of class fees that have been decreased or eliminated in CY 2023. The second table in the attachment individually identifies these class fees. The following table summarizes this information.

EXECUTIVE SUMMARY

- As result of the tuition and fee revisions made by the board at its February 8 – 10, 2023 meeting, class/course fees are being eliminated. However, class/course fees were still in existence during the first five weeks of the CY 2023 review period.

Class Fees	
# of Fees Decreased	# of Fees Eliminated
0	3

Fees for Future Review

- Based on the modified fee revision schedule, UArizona plans on submitting the remaining fees for review in the following years:

<u>Year</u>	<u>Fees for Future Review ^{1/}</u>
2024	175
2025	7
2026	8
2027	4
2028	1
2029	2
2030 ^{2/}	17

^{1/} These are new estimates with the changes implemented beginning Fall 2024.
^{2/} UArizona was granted a one-year extension in CY 2020, which extends its review period to CY 2030.

Committee Review and Recommendation

The University Governance and Operations Committee reviewed this item at its April 4, 2024 meeting.

Statutory/Policy Requirements

ABOR Policy 4-105 “Fees”

UNIVERSITY OF ARIZONA
Sunset Fee Review
University Governance and Operations Committee - April 4, 2024

Academic Fees Reviewed in CY 2023

Fee Name (unchanged fees are shaded in gray)	Fee Type	Fee Amount	Purpose	Univ. Date Established	ABOR Date Established*	Most Recent ABOR Action	Prior Year Actual		Current Year Estimate		Result and Recommendation
							Student Enrollment	Fee Revenue	Student Enrollment	Fee Revenue	
Traditional BSN Undergraduate Program	Differential Tuition	\$ 3,000	The College of Nursing DT covers the increased costs of delivering this program. Such as personnel, which includes but is not limited to support staff, which has direct student support such as advisors and clinical placement staff, as well as general support staff such as the IT team, marketing team, business team, and dean's office. This also includes our simulation lab staff, who support simulation training and manage supplies and equipment needs. The total salary costs for this program are very high; thus, the program fee only covers a part of the salary costs, and the department covers the other part.	Fall 2009	Fall 2009	Fall 2022	216	1,296,000	218	1,308,000	Will be Changed: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
Master of Science for Entry to the Profession of Nursing	Program Fee - Fixed Fee for the Whole Program	\$ 48,000 resident; \$68,000 non-resident (COUNTED SEPARATELY)	The College of Nursing adopted the fixed-fee pricing model for this program to stay competitive in the market. This model guaranteed a fixed total price for students to complete this program. The tuition covered all personnel costs (faculty and staff) to deliver the program and operational costs to run the program, such as simulation equipment, clinical rotation tracking software, supplies, event costs, etc.	Summer 2012	Summer 2012	Fall 2022	125	4,875,000	162	6,318,000	Will be Changed: ABOR has approved this academic fee to change to the regular graduate tuition model, that is, base tuition plus program fee (\$5,000/semester), starting Fall 2024.
Nursing PhD Program	Program Fee	\$2,600	The program fees are used to enhance and sustain the specialized educational environment existing within the College for clinical simulation. In addition, program fees are used to offset escalating costs for clinical supplies, expand computer lab technology resources, support new methods for teaching and learning, and enable the College to hire and retain high caliber faculty.	Fall 2003	Fall 2003	Fall 2009	43	223,600	43	223,600	Unchanged: This fee is crucial in sustaining the program, providing quality educational services to students, and maintaining the program's national ranking. Given the severe national nursing workforce shortage and faculty shortage, this fee is needed to deliver this quality program to help address society's needs.
All Undergraduate Professional Programs in Management – Upper Division	Differential Tuition	\$ 900	The Eller DT has been essential in the development of a world-class business college. It funds instruction, advising, career services, technology, and other components of successful business education.	Fall 2003	Fall 2003	Fall 2023	2098	\$ 3,750,364	4193	\$ 7,070,865	Will be Changed: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
Undergraduate Pre-Business Program – Lower Division	Program Fee	\$350	Developing skills, knowledge, and leadership beginning with pre-business majors. The plan was launched with the original fee, which funded career coaches, a professional development course, interactions with employers and alumni, and special programs in preparation for elite careers (investment banking, advertising, consulting). additional skill based lower division courses as employers and business partners are asking for a significant improvement in skills such as Excel, writing, and applied analytics.	Fall 2013	Fall 2013	Fall 2015	3769	\$ 2,381,621	2178	\$ 906,027	Will be Changed: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.

Undergraduate Pre-Economics Majors – Lower Division	Program Fee	\$350	Ensure that students have a parallel experience with outstanding advising and career coaching that matches the prebusiness students' experience. Prebusiness students currently pay \$350/semester and this fee underwrites the costs associated with the student services team. When students are enrolled in Eller College academic programs we are committed to excellent academic advising and career coaching to ensure a high level of student success.	Fall 2018	Fall 2018	Fall 2018	172	\$ 104,227	86	\$ 44,817	Will be Changed: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
All Masters Programs Delivered by Eller College of Management	Program Fee	\$5,750	This program fee funding is used to continuously improve and successfully compete in this professional education space, enhancing the programs through increased services, including admissions, career advising, career fairs and experiential learning opportunities; investments in facilities and technology; investments in faculty recruitment and retention; and scholarships.	Fall 2012	Fall 2012	Fall 2018	460	\$ 3,703,892	471	\$ 3,703,892	Unchanged: This academic fee is still needed to support the academic plans.
Evening MBA	Program Fee - Fixed Rate	\$51,000	The fee is divided into equal payments based on the number of terms. To provide the high quality and seamless experience required, the fee is inclusive of instruction as well as program related expenses, including meals on class days, a hotel room for residential components of the program, textbooks and course materials. This extra funding will be used to continuously improve and successfully compete in this professional education space, enhancing the programs through increased services, investments in facilities and technology; investments in faculty recruitment and retention; and scholarships.	Fall 2005	Fall 2005	August 2015	88	\$ 457,301	72	\$ 457,301	Unchanged: This academic fee is still needed to support the academic plans. Includes Fall, Spring, and Summer.
Executive MBA	Program Fee - Fixed Rate	\$68,000	The fee is divided into equal payments based on the number of terms. To provide the high quality and seamless experience required, the fee is inclusive of instruction as well as program related expenses, including meals on class days, a hotel room for residential components of the program, textbooks and course materials. This extra funding will be used to continuously improve and successfully compete in this professional education space, enhancing the programs through increased services, investments in facilities and technology; investments in faculty recruitment and retention; and scholarships.	December 2006	December 2006	August 2015	45	\$ 670,386	53	\$ 670,386	Unchanged: This academic fee is still needed to support the academic plans. Includes Fall, Spring, and Summer
BNAD 449	Course Fee	\$1,500	Field Trip	Fall 2020	Fall 2020	Fall 2020	18	\$ 27,000	23	\$ 34,500	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
BNAD 505	Course Fee	\$3,000	Fiel Trip National	Spring 2022	Spring 2020	Spring 2020	15	\$ 45,000	0	\$ -	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
BNAD 596C	Course Fee	\$4,800	Field Trip	Fall 2014	Spring 2014	Spring 2014	0	\$ -	0	\$ -	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
BNAD 596E	Course Fee	\$3,100	Field Trip	Spring 2009	Fall 2008	Fall 2008	0	\$ -	0	\$ -	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
ECON 579	Course Fee	\$50	Lab/Studio Supplies/Equipment	Spring 2010	N/A	N/A	0	\$ -	0	\$ -	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.

ENTR 415	Course Fee	\$35	Special Exam/Test	Fall 2016	N/A	N/A	0	\$ -	2	\$ 70	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
ENTR 515	Course Fee	\$35	Special Exam/Test	Fall 2017	N/A	N/A	0	\$ -	0	\$ -	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
FIN 401	Course Fee	\$90	Lab/Studio Supplies/Equipment	Fall 2004	N/A	N/A	18	\$ 1,620	52	\$ 4,680	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
MGMT 310A	Course Fee	\$21	Consumable Supplies	Fall 2022	Spring 2022	Spring 2022	880	\$ 18,480	1043	\$ 21,903	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
MGMT 353	Course Fee	\$45	Consumable Supplies	Spring 2015	N/A	N/A	0	\$ -	0	\$ -	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
MGMT 432A	Course Fee	\$31	Consumable Supplies	Spring 2015	N/A	N/A	80	\$ 2,480	111	\$ 3,441	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.
MGMT 564	Course Fee	\$52	Consumable Supplies	Fall 2011	N/A	N/A	0	\$ -	0	\$ -	Will be eliminated: This academic fee will be merged into the college fee tier structure proposed for Fall 2024 as part of the Tuition and Fees simplification project mandated by ABOR policy.

* Per ABOR Policy 4-101, ABOR approval was required only for fee amounts over \$100. This changed beginning July 1, 2018.

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