



April 18, 2023

Board Policy 5.11 Tuition and Fees (First Reading)

Board Policy 5.11 Tuition & Fees

- Part 1 Policy objectives
 - Affordable access, sustainability, equity, transparency, flexibility for innovation & emerging markets
- Part 2 Authority
 - Minnesota Statutes 136F.06 and 136F.70 provide that the board shall set tuition and fees and adopt suitable policies for the colleges and universities it governs
- Part 3 Tuition
 - Per credit, banded, differential, and market driven
- Part 4 Authorization and notice
 - Fees identified separately on a tuition and fee statement
- Part 5 Fees
 - Four types of fees (required, campus discretionary, personal property, revenue fund) to be charged to students
 - Board sets fee maximums
- Part 6 Student consultation
 - Tuition and fees are subject to student consultation as defined by board policy (Board policy 2.3)



Board Policy and System Procedure

- Board policy 5.11 Tuition and Fees authorizes four types of fees and charges:
 - **Required fees:** established in statute or by board policy and are required to be charged by all colleges and universities. These include *parking, senior citizen in lieu of tuition, late payment plan, and statewide student association fees.*
 - **Campus discretionary fees:** established by board policy and adopted at the discretion of the college/university president. These *include student life/activity, athletics, health services, technology, residential learning community, and new student orientation*
 - **Personal property charges, services charges, and assessments:** established by board policy and adopted at the discretion of the college/university president. Colleges and universities may charge students the actual cost of property retained by students or services received by students.
 - **Revenue fund fees:** authorized in statute, board policy, and through the board approved related bond indenture. Fee revenue supports facilities funded with the proceeds from revenue bond sales and *include room and board, student unions, wellness centers and recreation facilities, parking ramps and lots.*
- System procedures provides additional guidance including assessing fees, use of fee revenue, requiring budgets for specific fees, requiring student consultation, and setting reasons when a president may waive amounts due



FY2023 Select Campus Discretionary Fees Charged to all Students

Institutions Charging Fee	Technology (per credit)	Health services (per term)	Student life/activity (per term)	Athletics (per term)
Colleges	26	15	26	5
College Average Rate	\$10.36	\$27.32	\$84.77	\$42.08
Universities	7	7	7	6
University Average Rate	\$10.76	\$62.08	\$97.90	\$53.69
System	33	22	33	11
System Average Rate	\$10.43	\$37.90	\$86.91	\$48.41
System Range	\$7.74-\$12.00	\$9.60-\$75.00	\$21.45-\$112.50	\$16.20-\$55.00



FY2023 Maximums on Select Campus Discretionary Fees

	Technology	Health services	Student life/activity	Athletics
26 Colleges: # at max/ # charging fee	2/26	0/15	6/26	1/5
7 Universities: # at max/ # charging fee	1/7	2/7	3/7	4/6
Last year maximum increased	FY2020	FY2020	FY2000	FY2009
Current fee maximum	\$12 per credit	\$75 per term	\$112.50 per term	\$55 per term
Inflation-adjusted maximum*	\$14.00	\$87.00	\$194.00	\$74.50

*Based on CPI-U as of October 2022, rounded to nearest \$0.50



FY2023 Review Process

- All seven state universities requested a review of fee maximums
- Students United presented a resolution to the Chancellor to increase fee maximums
- Board Policy 5.11 Tuition and Fees and related procedures were due for a five-year review
- Review process included the Finance Resource and Allocation Policy (FRAP) workgroup meeting over the winter to make recommendations to Vice Chancellor Maki
- Recommendations drafted and submitted for 30 day comment period



Sustainability Fee

- New sustainability fee aligns with the system's sustainability priority as reflected in Board Policy 5.17 Commitment to Environmental Sustainability and System Procedure 5.17.1 Environmental Sustainability Practices
- Many colleges and universities around the country implemented sustainability type fees
- Bemidji State University currently assesses a green fee as part of the student life/activity fee and students at other institutions have expressed interest in a sustainability fee
- A separate sustainability fee is more transparent to students
- Adding a sustainability fee would require affirmative vote of the campus student association



Feedback During Comment Period

- Students United expressed support for the proposed maximum increases and adding a discretionary sustainability fee in the association's comments at the March 2023 Board of Trustees meeting
- LeadMN submitted a letter objecting to the proposals, the process used, and the system's consultation process
- A majority of college and university comments supported the proposed changes including increases to select fee maximums
- Several university comments suggested we align graduate application fees with our tuition policy for graduate programs making these market driven



Addressing Concerns

- System will consult with constituent groups (statewide student associations, college and university student leaders, campus administrators, and system office staff) to review policy and procedures that govern student consultation under the direction of Academic and Student Affairs
- The review process may result in changes to Board Policy 2.3 and System Procedure 2.3.1 Student Involvement in Decision-Making and will go out for a formal review process
- Vice Chancellor for Finance and Facilities will work with LeadMN to address specific concerns about fee-related expenses



Policy and Procedure Recommendations

- The proposed changes to Board Policy 5.11 Tuition and Fees does three things:
 - modifies the order of policy objectives in Part 1 and provides edits throughout the document for style, formatting, and clarity;
 - aligns review of fee maximums with policy review (5 years);
 - adds a sustainability fee under campus discretionary fees.
- Proposed changes to System Procedure 5.11.1 Tuition and Fees provides two things:
 - edits throughout the document for style, formatting, and clarity;
 - adds sustainability fee language that creates the campus discretionary fee and provides the parameters under which it may be charged—



Recommended Maximum Campus Discretionary Fees Charged to all Students

	Technology	Health services	Student life/activity	Sustainability Fee	Athletics
Last year maximum increased	FY2020	FY2020	FY2000	New Fee	FY2009
Current fee maximum	\$12 per credit	\$75 per term	\$112.50 per term	New Fee	\$55 per term
26 Colleges: # at max/ # charging fee	2/26	0/15	6/26	NA	1/5
7 Universities: # at max/ # charging fee	1/7	2/7	3/7	NA	4/6
Inflation-adjusted maximum*	\$14.00	\$87.00	\$194.00	NA	\$74.50
Proposed maximum	\$14 per credit	\$90 per term	\$174.00 per term	\$20 per term	\$75 per term

*Based on CPI-U as of October 2022, rounded to nearest \$0.50



Fee Amount Attachment Recommendations

- Changes in policy and procedure also modified the Fee Amount attachment to include:
 - edits throughout the document for style, formatting, and clarity
 - amends the graduate application fees to market driven
 - amends residential learning community to no maximum
 - amends amounts according to table on slide 11
 - adds a sustainability fee with maximum of \$20 per term
- Approving fee maximum rates does not result in automatic increases to fees. Colleges and universities will need to consult with students and may also require referendums to make changes to fee amounts

