



## **Guidelines for Assessing Course Fees, Lab Fees, College and Program Fees and Differential Tuition**

The purpose of these guidelines is to help University of Texas System academic institutions determine when it is appropriate to assess course fees, lab fees, supplemental fees, college and program fees and differential tuition and to help ensure compliance with applicable statutes and Regents' Rules. Institutions may adopt additional or more stringent guidelines. Therefore, you should consult your institution's policies in addition to these guidelines.

### **Lab Fees**

A charge in an amount to generally cover the cost of laboratory materials and supplies used by a student.

#### **Authority**

Lab fees are authorized by Texas Education Code Section 54.501(a) and are limited to \$2 to \$30 per course. UT System Regents' Rule 40401 delegates the authority to Presidents to assess lab fees, conditioned on prior approval by the Executive Vice Chancellor of Academic Affairs. Currently, the Office of Academic Affairs reviews requests for lab fees and other non-mandatory fees on an annual basis.

Lab fees can only be assessed for courses that are labeled as a "lab" in the course catalog. Courses that have both a lab and lecture component may charge a lab fee authorized by Texas Education Code 54.501(a) and a course fee authorized under 54.504, and institutions may combine these into one charge for the purposes of student billing as long as the revenue is expended and accounted for properly.

A laboratory is defined by UT System as "a separate meeting time apart from time spent in a lecture." An example of a laboratory class is a class that meets one hour a day for three days of the week for lecture time and then meets an additional one hour in the week for application of concepts learned in the lecture time.

A laboratory fee can only be assessed for materials and supplies. This excludes equipment, maintenance, and salaries.

### **Fees for Individual Coaching or Instruction ("Supplemental Fees")**

Supplemental fees for individual coaching or instruction may be appropriate for courses in art, architecture, drama, speech, or music when this is the usual method of instruction.

#### **Authority**

Fees for individual coaching and instruction are authorized by Texas Education Code Section 54.051(l) and are limited to courses in art, architecture, drama, speech, or music. UT System Regents' Rule 40401 delegates the authority to Presidents to assess fees for supplemental coaching or instruction, conditioned on prior approval by the Executive Vice Chancellor of

Academic Affairs. Currently, the Office of Academic Affairs reviews requests for fees for individual coaching or instruction and other non-mandatory fees on an annual basis. There is no maximum fee, but the Office of Academic Affairs may require justification beyond what is typically required for fees over \$100.00 per semester credit hour (SCH). Supplemental fees are to be accounted for as Education and General income.

## Course Fees

Course fees may be assessed to recoup direct instruction costs associated with materials, supplies, equipment and activities that are above and beyond what is required in a typical course and that are necessary to provide a high-quality educational environment for students.

### Definitions

#### *Materials and Supplies*

Materials and supplies include items such as chemicals, gloves, biological specimens, art supplies, food for nutrition labs, and other consumables that are used directly by students within the context of a course. Other instructional materials such as glassware, specialized software (not including “off the shelf” software that is widely available to students), and film and tapes are also included.

#### *Equipment*

Equipment includes items used for instructional purposes with direct use by students within the context of a course, including, but not limited to microscopes, musical instruments, video and audio equipment. Equipment does not include general purpose computer equipment, furniture, copiers or networking infrastructure.

#### *Activities*

Activities include experiences outside of the normal classroom environment that are required within the context of a course such as field work/placements and field trips, including transportation and entrance fees and other associated costs.

### Authority

Course fees are authorized by Texas Education Code Section 54.504 (although they are not explicitly named), which specifies that such fees must reasonably reflect the actual cost to the university of the materials or services for which the fee is collected. UT System Regents' Rule 40401 delegates the authority to Presidents to assess course fees, conditioned on prior approval by the Executive Vice Chancellor of Academic Affairs. Currently, the Office of Academic Affairs reviews requests for course fees and other non-mandatory fees on an annual basis. There is no maximum fee, but the Office of Academic Affairs may require justification beyond what is typically required for fees over \$100.00 per student per course.

### Guidelines

- For an existing course to assess a fee, the institution should be able to demonstrate that the course exceeded the institutions' typical or “base” cost of delivery (not including faculty salaries and benefits) for at least two consecutive semesters.

- For a new course to assess a fee, the institution should have substantial evidence to demonstrate that the cost of delivery will exceed the typical or “base” (e.g., the course requires field trips, or the consumption of supplies such as biological samples).
- Course, lab, and/or supplemental fees cannot be assessed to cover any costs relating to the provision of facilities or services required for the general operation of the institution (e.g., salaries and benefits or building maintenance), and are not to be used as a major source of revenue.
- Departments should strive to administer course, lab, and/or supplemental fee funds in ways that provide students paying those fees a reasonable opportunity to benefit equitably from the expenditures.
- Fees for supplies that are purchased by the institution in bulk are only encouraged when they will lead to a substantial savings to students over purchasing the supplies individually.
- Departments must fully and accurately document the cost of materials, supplies, equipment and activities associated with each course for which a fee is assessed.
- Institutions are responsible for establishing appropriate financial controls to ensure that fee revenue is expended only for approved purposes.
- Institutions should evaluate course fees annually to make sure they comply with these guidelines and applicable statutes and Regents’ Rules.
- Institutions should monitor unexpended course, lab and supplemental fee balances at the end of every fiscal year to determine if the fee is set at an amount that exceeds cost recovery.

## College and Program Fees

College and program fees may be appropriate when the majority of courses within a particular college or program have a course or lab fee and the department determines that it would be simpler for students to be assessed a composite fee to cover all related expenses for the college and program.

### Authority

College and program fees are authorized by Texas Education Code 54.504 (although they are not explicitly named) which specifies that such fees must reasonably reflect the actual cost to the university of the materials or services for which the fee is collected. UT System Regents' Rule 40401 delegates the authority to Presidents to assess college and program fees (although not explicitly named), conditioned on prior approval by the Executive Vice Chancellor of Academic Affairs. Currently, the Office of Academic Affairs reviews requests for college and program fees and other non-mandatory fees on an annual basis. There is no maximum fee, but the Office of Academic Affairs may require justification beyond what is typically required for any fee that exceeds \$250 per semester for a full-time student.

### Guidelines

- College and program fees should not be assessed to cover any costs relating to the provision of facilities or services required for the general operation of the institution (e.g., salaries and benefits or building maintenance).

- College and program fees should be assessed on a per SCH or a full-time/part-time basis and applied only to courses within the applicable college or program. Alternatively, institutions may assess college and program fees on a per semester headcount basis when full-time enrollment is usual and customary.
- Because college and program fees are used to cover the costs associated with materials, supplies, equipment and activities associated with a particular college or program, additional course or lab fees should only be assessed for special circumstances (e.g., an elective course that requires a field trip).
- Departments should strive to administer college and program fee funds in ways that provide students paying those fees a reasonable opportunity to benefit equitably from the expenditures.
- Departments must fully and accurately document the cost of materials, supplies, equipment and activities associated with college and program fees.
- Institutions are responsible for establishing appropriate financial controls to ensure that college and program fee revenue is expended only for approved purposes.
- Institutions should evaluate college and program fees annually to make sure they comply with these guidelines and applicable statutes and Regents' Rules.
- Institutions should monitor unexpended college and program fee balances at the end of every fiscal year to determine if the fee is set at an amount that exceeds cost recovery.

## Differential Tuition

Traditional differential tuition is supplementary to the base tuition rate the university charges and is used to support academic excellence and the high cost of instruction of certain colleges or disciplines (usually business, engineering, and nursing/health sciences). Differential tuition should only be considered for programs where the following conditions are true: (1) the program has higher than average cost of instruction per full-time student, and (2) there is evidence of strong post-graduate outcomes, including job placement and earnings.

Alternatively, institutions may choose to assess tuition and fees differentially for each college/school, based on the associated costs. Under this model, students in colleges that are less expensive to operate will pay a lower rate than students in high-cost programs (e.g., students majoring in liberal arts pay less than those in engineering).

## Authority

Differential tuition is designated tuition, and Texas Education Code 54.0513 and 54.008 gives the authority to governing boards to set tuition differentially among programs and levels.

## Guidelines

- New tuition differentials that represent more than a 10% increase should be phased in over a period of two or more years, if possible.
- Differential tuition should be assessed on a per SCH basis.
- Institutions may consider assessing differential tuition for upper-division coursework only (or at the point when students declare or get accepted into their major) so that students are not paying higher rates for general education courses.

- Students who pay differential tuition for high-cost programs may not also be assessed college and program fees and should only be assessed additional course or lab fees for special circumstances (e.g., an elective course that requires a field trip).
- Where differential tuition charges are assessed by major, students who double major should be assessed the higher rate of the two programs.
- The intended use of differential tuition is to support the budget needs of the originating department or college.
- Colleges/departments should monitor the effects of differential tuition on underrepresented minority student enrollment in the programs.

If you have any questions about these guidelines, please contact Dr. Tracey Ford, Associate Vice Chancellor for Student Affairs, at [tford@utsystem.edu](mailto:tford@utsystem.edu).