User Fee Budget Process

Office of Budget & Planning
October 2015
Agenda

1. Introductions
2. Overview
3. Types of User Fees
4. Creating New User Fees
5. Timing
6. Resources
7. Questions
User Fee Definition

**User Fee** = charge for products or services not included in tuition, segregated fees, or auxiliary fees for services. May be charged to students, campus divisions/departments, and/or outside parties. Calculated based on cost recovery.

- **Examples:**
  1. Event fees, such as for conferences
  2. Facility use fees (labs, rehearsal spaces)
  3. Services, such as training, translation & interpreting, lab analysis, provided to both internal and external users
Types of User Fees

- Study Abroad programs
- Special Course Fees
- Facility Use Fees
- Chargebacks between Divisions/Departments
- Event fees
- Other not included above
Cost Recovery Definition

- *User fees and special course fees should be set at levels that cover the expected costs.*
- *Cash balances should accrue only in order to replace or maintain equipment associated with the fee.*
- *When setting special course fees, attention should be given to student affordability.*
Creating A New User Fee

1. Dept Rep Consults w/ UBR
2. Dept Rep Completes New User Fee Questionnaire (Form A)
3. Dept Rep Sends Forms & Other Required Info to UBR for Review & Approval
4. UBR Sends Completed Forms to OBP for Review/Approval
User Fee Budget Process

Items to submit to the Office of Budget & Planning (OBP)

- User/Course Fee Schedule (Excel file)
- Forms A, B, or C (as required)
- Form D Program Revenue Budget (Excel file)
- Form D-1 (as required)
Calculating A New User Fee

Example: Equipment User Fee

• Questions to answer:
  • What costs does the fee recover?
  • How was fee rate calculated? Be specific; show detail.
  • On what basis are the calculations applied: per hour, per specimen, per session?
  • What is the expected amount of revenue to be generated on an annual basis?
Creating a New User Fee
Competition with the Private Sector – Form B

• Why is this important?
  ➢ Regent Policy 12-1: Institutions must consider competition with the private sector when making pricing decisions.

• Criteria for appropriate competition with the private sector:
  ➢ The activity fulfills the division’s instructional, research, or public service mission
  ➢ Compelling economic efficiency
  ➢ Product/service is unavailable elsewhere in the community
  ➢ Geographic convenience
  ➢ Product/service is important to maintaining the quality of the institution
Creating a New User Fee
Competition with the Private Sector – Form B

Keep in mind:

• Higher education institutions such as Marquette, MATC, or Concordia should NOT be considered “private sector” competitors

• Special course fees are NOT subject to the “private sector” competition review
New User Fee Budget Process

- Include new fee in User or Course Fee Schedule (Excel file)
- Complete current version of Form A for each new fee
- If new user fee is in competition with private sector, complete Form B
- Incorporate fees into Divisional Program Revenue Budget (Excel file Form D)

Office of Budget & Planning  October 2015
Timing of User Fee Submission

- During Budget process, with Fund 128/136 budgets. Typically during January. (Exact deadlines in memo.)

- All other submissions are considered “out of cycle.”
  - Out of cycle fees that are not special course fees can be taken up at any time and applied after approval.
  - Out of cycle special course fees: in time for inclusion in on-line course catalog.
Resources

- Visit the OBP website (http://uwm.edu/budget-planning/) for help with guidelines and policies:
  - Procedures
  - Non-auxiliary PR Budget Memo
Questions?