

# **STUDENT TECHNOLOGY FEES**

## **THE UNIVERSITY OF NEW MEXICO**

**Report 2005-16  
December 12, 2005**



The University of New Mexico

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## ABBREVIATIONS

University.....	The University of New Mexico
UBP.....	University Business Policies and Procedures Manual
HSC.....	University Health Sciences Center
SOM.....	The University of New Mexico School of Medicine
CIRT .....	Computer & Information Resources & Technology
IT.....	Information Technology
CIO.....	Chief Information Officer

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## **EXECUTIVE SUMMARY**

The Executive Vice President for Administration requested a review of technology fees collected from students at the college and course level. Fees charged to students at the college and course level are charged as special course fees. It was necessary to review all of the special course fees to determine which fees were spent on technology. The review encompasses: the process for charging the fees, how much of the course fees are spent on technology, whether the students are receiving the benefit of the technology monies, and a description of how other special course fee monies are typically spent.

We reviewed the special course fees collected from the Summer semester of 2004 through the Spring semester of 2005. We found that the expenditures appeared reasonable for the stated purpose of the course fees. We identified \$931,792 in technology fees that were charged to students using the special course fee process. We did not identify all of the technology fees because some academic units spend the special course fees for technology without identifying technology as the only stated purpose. We also found that the Provost's Office and Health Sciences Center require and review written justifications before allowing course fees to be charged. There is no University-wide information technology strategic plan. In addition, neither the Provost's Office nor Health Sciences Center have written policies and procedures for student technology and curriculum fees.

The following summary provides management with an overview of conditions requiring attention.

### **INFORMATION TECHNOLOGY STRATEGIC PLAN**

Management should develop a University-wide Information Technology Strategic Plan. The Chief Information Officer stated that the process for developing a plan is under way and expected to be completed by July 1, 2006.

### **TECHNOLOGY FEES**

Areas are using the special course fee process to charge and collect technology fees and/or curriculum fees. The University should have an independent approval and documentation process for other types of fees that are not within the special course fee criteria. Management responded that they will develop policies for these fees.

### **REVIEW OF SPECIAL COURSE FEES**

The course fees should be reviewed on a regular basis to ensure that the amounts charged to students cover the actual additional costs for the course. Management agreed to develop a policy to review the fees.

### **ACCOUNTABILITY FOR FEES COLLECTED**

The University should communicate to students how course fee monies are spent and students should have access to the detail for expenses. Management agreed with this recommendation.

### **SEPARATE BANNER INDEX**

The money charged for special course fees should be accounted for in a separate Banner index. Management agreed to develop procedures for fees to be accounted for in this manner.

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## INTRODUCTION

### BACKGROUND

The Executive Vice President for Administration requested a review of technology fees collected from students at the college and course level. The University collects technology fees from students in several ways:

- As a part of the tuition and student fees that are paid by all students regardless of the courses in which they are enrolled;
- As a part of a special course fee for a specific course in which the student is enrolled that has technology expenses;
- As a part of a special course fee, charged on a per-credit-hour basis; and,
- As a part of the School of Medicine student curriculum fees.

The University collects tuition and fees each semester. These standard fees are approved by the Board of Regents. The fees are charged to all students regardless of the courses taken. For the Fall of 2005, the fees included a \$38 per semester charge for Information Technology. We understand that all of this technology money is used for Banner debt service expenses.

Beginning with the Summer semester of 2004 through the Spring semester of 2005, the University collected \$2,560,295 of special course fees. “Tuition and Related Fees”, Policy 8210, UBP, states: “A ‘special course fee’ is a separate fee associated with a specific course. A special course fee covers the cost of additional or unusual materials or services required for a course. . . . Special course fees are not set by the Board of Regents; they are approved by the Provost and Vice President for Academic Affairs.” Pursuant to this policy, a request to charge special course fees must be approved by the Chair, Dean or Director, and the Vice President for Academic Affairs. In addition, the expenses must be justified financially, approved, and disclosed to the student prior to registration. The areas within the University initiating the request for the special course fees could be a college, a school, a department, or a program. Many courses have special fees for technology expenses.

Some of these special course fees are used entirely for technology expenses. Policy 8210, UBP, only allows for fees for specific courses; however, two areas use the special course fee process to charge technology fees based on the number of course hours that the student is taking. These areas use the fees for student technology expenses; but not all of the money is spent in the semester that it is collected. The fees are used to purchase and upgrade technology at the course level or the school level.

There are also student fees, which include some technology expenses, charged by The University of New Mexico School of Medicine (SOM). These fees are charged to each student; the fee is not attached to a specific course. The purpose is the same as for special course fees: passing additional student-related expenses on to the student. These fees include a \$750 per semester curriculum fee, a mandatory \$49 per year disability insurance cost fee, and a one-time \$100 microscope fee charged to first-year students.

## **PURPOSE**

The purpose of our audit was to review technology fees collected from students at the college and course level, and to determine if the fees are applied for technology purposes that directly benefit the students who pay them.

## **SCOPE**

Our audit procedures included analyzing the special course fees collected by the Bursar's Office from the Summer semester of 2004 through the Spring 2005 semester. For areas where the special course fees were equal to or greater than \$5,000 per semester, we requested that the school or college explain the purpose, and use, of the fee. We then scanned the Banner index detail to determine if the expenses were reasonable for the stated purpose. When needed, we talked with University administrators to clarify the purpose of the expenses. We reviewed \$2,374,460 of the \$2,560,295 of special course fees collected. (See Appendix I for the Schedule of Special Course Fees Reviewed.) We identified \$931,792 in technology fees collected as special course fees (See Appendix II for Schedule of Technology Fees). The fieldwork was completed on September 1, 2005.

The student fees that directly support the individual colleges and courses are charged as special course fees. It was necessary to review all of the special course fees to identify the technology fees.

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## **OBSERVATIONS, RECOMMENDATIONS AND RESPONSES**

### **INFORMATION TECHNOLOGY STRATEGIC PLAN**

The University's information technology infrastructure consists of central resources managed by Computer & Information Resources & Technology (CIRT) and decentralized resources managed by the schools, colleges, departments, and other areas, which manage their own IT (information technology) infrastructure. The University does not have a University-wide Information Technology Strategic Plan (IT Strategic Plan) to coordinate the planning, funding, and maintenance of University information technology. This has resulted in an ad hoc approach to information technology needs and funding.

According to COBIT: Control Objectives for Information and related Technology (published by the Information System Audit and Control Foundation, IT Governance Institute), information technology should be "...governed by good or best practices, to ensure that the enterprise's information and related technology support its business objectives, its resources are used responsibly and its risks are managed appropriately." The University is in the process of developing an IT governance process by creating the Chief Information Officer (CIO) function, the IT Governance Council and the IT Cabinet, but the strategic planning is not complete.

The schools, colleges, departments, and other areas manage their own IT infrastructure because the University does not provide centralized support. The units must therefore fund and manage their own IT functions. This decentralized model of IT planning has resulted in these units utilizing various methods to obtain IT funding, one of which is using special course fees.

We identified four different methods used to charge students for technology expenses. All students pay a technology fee as a component of tuition and fees. This fee was approved by the Board of Regents and is used for Banner system debt service. In addition, the students at the School of Medicine pay student fees that include monies to support technology. Depending on the specific courses, or college or school in which the student enrolls, students are assessed additional special course fees (that sometimes includes technology support), and one school and one college also charge the students a per-credit-hour fee that is designated for both short and long-term technology expenses.

The University has not performed University-wide budgeting or analysis of the total student technology expenses for the University. Student technology costs include, but are not limited to:

- Banner expenses,
- CIRT student account set up and maintenance expenses,
- CIRT labs (equipment, software, staffing, and maintenance),
- School, college, departmental, and/or other areas technology expense for equipment, software, staffing, and maintenance, and,
- Support for decentralized networks benefiting faculty, staff, and students.

A 1998 report of the Task-Force on Special Course Fees stated, "...in the course of our work, we quickly recognized that funding and other support for student computing at UNM is inadequate." The task force recommended that the University begin charging a technology fee to support CIRT functions and general technology infrastructure. However, the technology fee was not implemented. Again, when the Provost Office reviewed the course fees in 2004, the group reiterated the earlier recommendation that a campus-wide technology fee was necessary.

### **Recommendation 1**

We recommend that the Executive Vice President for Administration and CIO ensure that the IT Strategic Plan for the University is completed and addresses appropriate methods of funding and managing information technology. The strategic plan should include reviewing possible methods for funding major student technology costs.

### **Response from the Executive Vice President for Administration**

*I agree with this recommendation and have been advised that the CIO has formed a technical committee to develop an IT strategic plan that will embrace funding and management of information technology. The CIO will be directed to present a report to the President's Cabinet early in 2006.*

### **Response from the CIO**

*The Chief Information Officer (CIO) agrees with the finding that an IT Strategic Plan that addresses appropriate methods of funding and managing information technology and that reviews possible methods for funding major student technology costs be completed.*

*The process for developing such a plan is under way. The plan is expected to be finished with all the appropriate approvals by July 1, 2006.*

## **TECHNOLOGY FEES**

We identified \$931,792 of technology fees collected through the special course fee process from Summer semester 2004 through Spring semester of 2005. We did not identify all of the technology fees because some academic units spend the special course fees for technology without identifying technology as the only stated purpose (See Appendix II for the details of technology fees collected).

"Tuition and Related Fees," Policy 8210, UBP, states that a special course fee is to be used to cover the cost of additional or unusual materials or services required for a course. Some academic units are using the special course fees process for fees that do not fit the Policy 8210 definition. The School of Engineering and the College of Fine Arts charge technology fees on a

per-credit-hour basis using the Special Course Fees Approval Form. Neither the per-credit-hour technology fees nor the student fees are directly related to additional costs to teach specific courses. The University does not have policies or processes to justify, approve, document, and charge the students for fees other than the special course fees.

Course fees are collected by the Bursar's Office and distributed after the final count of students has been determined. When the per-credit-hour technology fees are distributed to the School of Engineering, the Dean's Office retains 25% of the fees in reserve for school-wide technology initiatives. The remaining 75% is distributed to the departments within the School of Engineering. The departments in the College of Fine Arts receive their distributions directly from the Bursar's Office. According to a memo from the Dean of the College of Fine Arts to department chairs and directors, the departments are required to transfer one third of the student technology fees revenues to the Dean's Student Technology Fee Account within one month after receipt of the funds. The Dean's memo further states that, "Each department and the Dean's Office will reserve 20% of the revenue received annually in a contingency line to be used against large technology expenses." In both of these cases, the Special Course Fees Approval Form was used to document the justification and approvals to charge the fees since the University does not have a specific process for approving per-credit-hour technology fees. By definition, special course fees should be for expenses directly related to the course. Therefore, in some cases the characterization of technology fees as special course fees could be misleading.

Section 3.2 "Tuition and Related Fees," Policy 8210, UBP states, "All special course fees must be published in the *Schedule of Classes*. Academic departments are responsible for providing all approved special course fees for any course submitted to the Registrar's Office for scheduling." We reviewed the Schedule of Classes for the Fall semester of 2005. For the Applied Music classes, the Schedule of Classes stated, "all courses in Applied Music have a Fine Arts Technology Fee of \$6.00 per credit hour." For the other areas, the Schedule of Classes does not specify that the special course fees are for technology expenses. Because of the lack of disclosure to the students, it would appear that the fees are related to the specific courses and the fees will be spent during that semester for the course offered. However, the technology fees and curriculum fees are not necessarily spent during the semester that they are collected. The University should have an independent process for approving, documenting, processing, and reviewing technology and curriculum fees. In addition, when the fees are charged to the students it should be clear in the Schedule of Classes what the fees are for, so that students have the information before registering for the course.

## **Recommendation 2**

We recommend that the Provost's Office and Health Sciences Center work together to develop policies and procedures, for student technology and curriculum fees.

### **Joint Response from the Interim Provost, Executive Vice President of Health Sciences, and the Deputy Vice President for Health Sciences**

*Management concurs. Management will develop policies and procedures for student technology and curriculum fees to be submitted to the Executive Vice President of Administration no later than May 15, 2006.*

### **REVIEW OF SPECIAL COURSE FEES**

Before being approved, the special course fee justifications are reviewed to assure that there are valid reasons to charge additional monies to the students for taking the courses. The Health Sciences Center performed a limited oversight review of the student fees in 1999, 2002, and 2004. The Provost's Office performed an oversight review of the special course fees in 1998 and 2004. (They did not review individual courses and related fees). However, neither the Provost's Office nor the Health Sciences Center reviewed the justifications after the initial approval, or reviewed how the student course fee monies were spent. Therefore, there has not been a review or re-evaluation of the special course fees since the Fall of 1987 when the policy was adopted and the University started charging the fees.

The Provost Office's task force review from 2004 stated, "The sense of our group discussion was that the current course fee system is necessary to support the differential cost of instruction across courses, and appropriate because only students who benefit from the more costly courses are required to pay the fees. However, the group agreed that the fees should be regularly reviewed and that fee information should be available to student when they plan their studies, not just when they register for classes. The group also reiterated the 1997 recommendation that a campus-wide technology fee be added, because technology upgrades contribute to the quality of every student's education."

The special course fees should be reviewed periodically to ensure that the areas still need the course fees, that the amounts charged are reasonable to cover the expenses incurred, and that the monies are being used as proposed in the original justification. The risks of not reviewing the special course fees include: overcharging the students, spending the monies collected for items not related to the course, and undercharging the student and not adequately covering the additional course expenses.

### **Recommendation 3**

We recommend that the Provost's Office and Health Science Center work together to develop a policy to ensure that their offices review all of the special course fees during a three-year cycle.

**Joint Response from the Interim Provost, Executive Vice President of Health Sciences, and the Deputy Vice President for Health Sciences**

*Management concurs. Management will develop a special course fee policy to be submitted to the Executive Vice President of Administration no later than May 15, 2006.*

**ACCOUNTABILITY FOR FEES COLLECTED**

Students are charged additional fees to take certain courses; however, the students have no indication of how the money will be spent, nor the ability to review the expenses later. In some cases, the University Schedule of Classes includes the amount of the fee, but does not indicate how the money will be used. To increase accountability to the students, a general reason for the fee should be stated in the Schedule of Classes when a general technology fee is charged by a college or area.

In addition, the policy should require that, at the end of the semester, if a student is concerned about how the technology fees, curriculum fees, or special course fees are spent, the student can submit a written request to the Provost's or HSC Executive Vice President's Office to review the expenses. The areas charging and spending the fees can make the applicable accounting records available to the Provost's or Health Sciences Center Executive Vice President's Office, and can develop a procedure for the student's to review how the fees were spent. This review option could also be stated in the Schedule of Classes.

**Recommendation 4**

We recommend that the Provost's Office and Health Sciences Center work together to develop a policy requiring that the areas charging technology fees include a brief purpose for the fee in the Schedule of Classes. For students requesting the information, we recommend that procedures be developed to provide the accounting information on how technology fees, curriculum fees, or special course fees were spent.

**Joint Response from the Interim Provost, Executive Vice President of Health Sciences, and the Deputy Vice President for Health Sciences**

*Management concurs. Management will develop a process which students can request documentation regarding the use of technology fees, curriculum fees, or special course fees. Management will also develop a policy requiring a general brief stated purpose for fees in the Schedule of Classes. This Policy and procedure will be submitted to the Executive Vice President of Administration no later than May 15, 2006.*

## **SEPARATE BANNER INDEX**

Some areas record their special course fees in Banner indices that are unique for course fees and other areas record the fees in their departmental general Banner indices. When the special course fees go into a general Banner index with all of the area's financial activity, it is difficult to monitor how the fees are spent. The fees charged should be matched to the expenses incurred for the course. Two of the administrators monitoring the accounting for the special course fees indicated they were not aware that they should have the course fees in a separate Banner index. They were budgeting, monitoring, and accounting for the course fees; however, they were using a "shadow system" not the official University financial system. A unique Banner index would make it easier for the areas to track and monitor the monies to ensure that they are used for course expenses in the semester they are collected. In addition, with a unique Banner index, it is easier for students and other departments to review the financial activity.

### **Recommendation 5**

We recommend that the Provost's Office and Health Sciences Center work together to develop procedures included in the policy requiring that special course fees be deposited, monitored, and spent through a separate Banner index.

### **Joint Response from the Interim Provost, Executive Vice President of Health Sciences, and the Deputy Vice President for Health Sciences**

*Management concurs. Management will develop a procedure for special course fees to be accounted for in a separate Banner index. This procedure will be developed and submitted to the Executive Vice President of Administration no later than May 15, 2006.*

## **GENERAL COMMENTS FROM THE INTERIM PROVOST, EXECUTIVE VICE PRESIDENT OF HEALTH SCIENCES, AND THE DEPUTY VICE PRESIDENT FOR HEALTH SCIENCES**

*The University of New Mexico academic units would like to thank you for your audit report and recommendations on student technology, curriculum, and special course fees. In response, main campus and Health Sciences Center will work together to develop policy and procedures that will clarify to students our fee structure and use of fees. Attached is a joint response to the observations and recommendations presented in the November 3, 2005, Student Technology Fees audit report.*

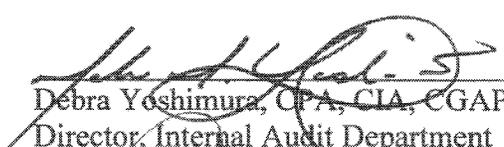
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## CONCLUSION

We reviewed the special course fees collected from the Summer semester of 2004 through the Spring semester of 2005. We found that the expenditures appeared reasonable for the stated purpose of the course fees. We identified \$931,792 in technology fees that were charged to students using the special course fee process. We did not identify all of the technology fees because some academic units spend the special course fees for technology without identifying technology as the only stated purpose. We also found that the Provost's Office and Health Sciences Center require and review written justifications before allowing course fees to be charged. There is no University-wide information technology strategic plan. In addition, neither the Provost's Office nor Health Sciences Center have written policies and procedures for student technology and curriculum fees.

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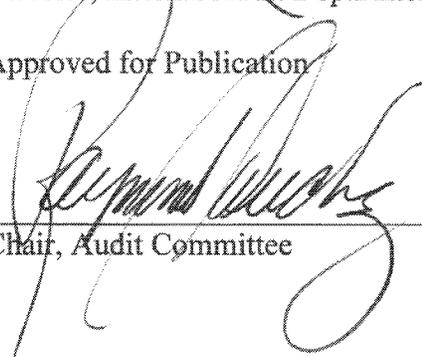
## APPROVALS



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Debra Yoshimura, CPA, CIA, CGAP  
Director, Internal Audit Department

Approved for Publication



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Chair, Audit Committee

## APPENDIX I - Schedule of Special Course Fees Reviewed

DEPARTMENT	TOTAL	PURPOSE
Department Of Music	\$234,523	For various course materials, visiting artists, honorariums, CD production, piano accompaniment, and copying costs.
Music Education	\$19,246	Music requires smaller class sizes keyboard labs, practice rooms open, and piano accompaniment, etc...
Applied Music	\$68,680	Fees charged to students taking lessons to offset cost of housing and hiring adjunct faculty who provide the lessons.
University Honors	\$37,010	Summer: Study program in Mexico. Spring: 3 seminars / trips
Spanish & Portuguese	\$37,110	For site licenses, equipment, various supplies for labs or classes.
Chemistry	\$214,175	For equipment, chemicals, and lab supplies.
Chemical / Nuclear Engineering	\$27,560	For computer lab use, research projects & travel, instructional materials & supplies.
Mechanical Engineering (ME)	\$51,500	To support the ME lab and computer pod.
Computer Science	\$79,680	To maintain and improve computer labs for student use.
Computer Engineering	\$34,600	To maintain, upgrade, & purchase equipment for student labs - including testing machines, computers, supplies, and software.
Electrical & Computer Engineering (052009-0220)	\$81,460	To maintain, upgrade, replace computers, printers, etc...in the student labs.
Electrical & Computer Engineering (052014-0220)	\$5,630	For the development & continuing improvement of WEBCT courses.
Mathematics & Statistics	\$11,595	For software, MATLAB for the LOBO Lab.
Astronomy	\$11,100	For lab materials, supplies, breakage, repairs, upgrades, and other lab expenses.
Physics	\$14,970	
Art Education	\$22,400	For art supplies for art teachers to use in the courses.
Art History	\$33,264	For student technology: equipment, art supplies & maintenance.

APPENDIX I - Schedule of Special Course Fees

<b>DEPARTMENT</b>	<b>TOTAL</b>	<b>PURPOSE</b>
Art Studio	\$190,759	For art supplies and materials, student travel, and other course expenses.
English	\$13,760	For the creative writing class students to be able to copy & share their work.
Dance	\$64,965	For course related expenses, i.e.; shop/costume materials for theater, accompanists for dance classes.
Theater	\$54,182	
Anderson Schools Of Management	\$378,300	To fund ASM computer & classroom facilities.
Biology	\$66,475	To help support instructional costs of courses with high cost lab sections and/or field trips.
Communications & Journalism	\$50,845	To purchase, maintain, upgrade all student equipment & supply costs.
Architecture & Planning	\$125,545	Services that support instruction; computing environments & media, print services, and the model shop.
College Of Nursing	\$43,655	To meet objectives of the curriculum for certain courses.
School Of Medicine / Physician's Assistants Program	\$16,049	For educational expenses required by SOM, PA program, and the PA Association.
Media Arts	\$61,533	For upgrading computers, software, cameras, lighting, videos, and other student supplies.
Emergency Medicine	\$30,110	For course supplies, including: medical equipment, syringes, needles and other course costs.
Mathematics, Science, Environmental & Technology Education	\$10,560	For computer paper, ink cartridges, equipment and supplies for classes.
School Of Medicine	\$283,219	For curriculum fees, microscopes, and disability insurance.
<b>Total:</b>	<b>\$2,374,460</b>	

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## APPENDIX II - Schedule of Technology Fees

### As charged per credit hour as Technology Fees

College of Fine Arts	\$250,907
School of Engineering	<u>\$ 280,430</u>
Total amount of Technology fees charged as Course fees	\$531,337
<u>Course fees that are designated to be spent on technology</u>	
Management	\$378,300
Math	\$ 11,595
MSET (Mathematics, Science, Environmental & Tech. Education)	<u>\$ 10,560</u>
Additional course fees used only for Technology	<u>\$400,455</u>
Total Amount of Course Fees spent solely on Technology	<u>\$931,792</u>

Note: In addition, there are some of the course fees that include technology expenses.