

**MAINE COMMUNITY COLLEGE SYSTEM  
PROCEDURES MANUAL**

**FINANCIAL AFFAIRS  
Section 707.1**

**SUBJECT: FEE STRUCTURE PROCEDURE**

**PURPOSE: TO ADDRESS MCCS FEES**

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**PHILOSOPHICAL STATEMENT ON TOTAL COST**

The Board of Trustees believes that access to higher education is the key to Maine's economic prosperity and social well being of its people. While there is consensus on the value of higher education in Maine, we continue to fall far below the national average in students attending college and citizens earning a college credential. Pertinent facts include:

- Maine has the lowest percent of its citizens holding a college credential of any New England state (24% vs 31%);
- Maine has the highest high school graduation rate in the nation and yet only 55% of its students continue on to higher education.

Study after study has identified cost of attending college as the top issue inhibiting more Maine people from attending.

- 1999 FAME report found financing college as a top barrier to more Mainers attending;
- MCCS ranks 4<sup>th</sup> highest in the nation in costs for tuition and fees;
- 2001 MCCS Board of Trustees Report on Total Cost identified:
  - the cost of attendance as a barrier for enrollment at MCCS colleges, and
  - fees as the most price sensitive feature of the cost of attending an MCCS college.

The ability of Maine people to contribute more of their resources towards their cost of college is limited.

- Maine ranks 37<sup>th</sup> in the nation in per capita income – 14% below the national average and 31% below our New England neighbors;
- 2001 MCCS Board of Trustees Report on Total Cost found that a vast majority of MCCS students were poor as illustrated by our students having over \$5M in unmet financial need;

These facts are the cornerstone of the Board's plan to hold costs down, and over time, lower the current cost of attending our colleges to mirror the national average for two- year public colleges.

The 2001 MCCS Board of Trustees Report on Total Cost also noted that...

*...the challenge of setting fees requires a comprehensive look at the fiscal health, enrollment potential of various programs, fund raising ability and socioeconomic conditions of each college. It is recognized that the college presidents are in the best position to analyze these factors and propose changes to reduce fees to an acceptable level as determined by the unique constraints and opportunities at each college. Positive action on the fee issue will enable the Board of Trustees to have better insight as short and long term pricing policies are considered.*

## **FEE CATEGORIES**

*ALL fees assessed by a college must fall within one of the 7 categories below.*

1. **COMPREHENSIVE FEE** (a fixed percentage of credit hour tuition – limited to maximum of 10%)

This fee replaces all current fees, other than those listed in #2 thru #7 below.

2. **APPLICATION PROCESSING** (*established by Board policy*)

3. **STUDENT ACTIVITY FEE**

This fee would apply to student activities and would be accounted for separately from college operating funds.

4. **PARKING FEE**

5. **ROOM & BOARD**

This fee includes assessments for residential students covering dormitory room fees and food service (*established by Board policy*) and other such costs associated with residential life.

6. **COURSE FEES**

### **Fee Standards**

Course fees are optional at each college. If such fees are assessed, the fee is to follow the MCCS Board of Trustees philosophical statement on “total cost” above.

The course fees are directly associated with the educational supplies and other consumable materials to the program of study for which students have registered and are to be based on an FTE equal to 75% of the program enrollment capacity in each year (first and second) of the program.

- For **liberal studies, general studies, business and other programs of study courses**, the fee may not exceed ten percent (10%) of the tuition for the *courses* for which the student registers each semester.

### **Process/Compliance**

The plan calls for each college to bring fees in this category into compliance with the fee standard outlined within five years. At the end of the five-year period, the plan will be revisited to determine whether or not the standard for this category should be amended or maintained into future years.

In order to expedite the plan, each college president will review each program course fee in this category and determine if they will be in compliance within the five-year period. If a college determines that it will need to lower a course fee to meet the standard, the fee may be held at its current rate for the first two years. For the third and fourth year, the fee shall be reduced to at least the standard plus 50% of the difference between the initial fee and the standard. By the beginning of the fifth year the course fee will meet the required standard.

- For **allied health, lab science and trade/technical program courses**, the fee may not exceed twenty percent (20%) of the tuition for the **occupationally oriented courses** for which the student registers each semester.

### **Process/Compliance**

This plan calls for each college to bring fees in this category into compliance with the fee standard outlined within five years using the same process as described above, *with the exception of EMCC which must bring fees in this category into compliance within seven years*. The president of EMCC will review each program course fee in this category to determine if they will be in compliance within the seven-year period. If EMCC determines that it will need to lower a course fee to meet the standard, the fee may be held at its current rate for the first two years. For the third and fourth year, the fee shall be reduced to at least the standard plus 50% of the difference between the initial fee and the standard. For the fifth and sixth year, the fee shall be reduced to at least the standard plus 75% of the difference. By the beginning of the seventh year the course fee will meet the required standard.

**Exception:** Should an existing course fee present a unique and unusual situation for standards outlined in either of the above categories, the college president shall review the feasibility of bringing the fee in line with the standard. If the feasibility review suggests that a rationale might exist to exceed the standard, either initially or as a result of substantive programmatic changes, the college shall prepare a request for an exception to the standard and submit it to the System President. The request for exception to the fee standard will be reviewed by the System President. If the System President supports the request, it will be forwarded on to a three-member panel of Trustees for consideration. The decision of the panel will be the final disposition of the request until such time that

substantial changes are made to course curriculum whereby a new request for exception could be submitted to the System President for consideration.

For new programs of study, the program proposal must provide the rationale for and the amount of the fee. This request will follow the program implementation approval process.

For continuing programs of study, updated information/rationale relative to the fee and its amount must be included in the program review report.

## **7. SERVICE FEES**

These are fees charged to students who are purchasing services external to the primary mission of the college. Examples of such fees include: services contracted by the college specifically for the students e.g., health services, cable TV, etc.; services purchased by the college for the benefit of the student/s e.g., health and/or accident insurance; penalties, e.g., late payment, financing, cancellation of “contract(s)”, dorm or other damage, etc.; student requested services e.g., dorm phone, internet connection or recreation service, license application fee collections, etc.; portfolio or life experience evaluations and/or challenge exams; etc.

### **OTHER CLARIFYING ACTION**

1. Currently, the student tuition/fee revenue is used to make the lease-purchase debt service payment for YCCC’s initial facility. This has the effect of making the YCCC fees for operational items look much larger than they are. To clarify this, the fee associated with the mortgage will be separated from the other fees and identified as a “Building Finance Fee” in the various publications addressing fees related to YCCC.
2. Credit or non-credit courses offered on a contract basis for businesses may have fees included as part of the total cost of delivering the course(s).
3. Quality Center credit and non-credit courses may have fees included as part of the total cost of delivering the training program.
4. Other special fees such as for revenue bonds, etc. will require Board of Trustee approval.

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REFERENCES:                   MCCS Policy 707

DATE ADOPTED:               April 24, 2002

DATE(S) AMENDED:         January 26, 2010