

ITEM 3.6: Report on CY 2025 Sunset Review of Fees for Arizona State University, Northern Arizona University, and the University of Arizona

Requested Action: The board office submits the CY 2025 sunset review of fees report for Arizona State University, Northern Arizona University, and the University of Arizona, as described in this executive summary and supporting documents.

Background

- During the 2018 legislative session, legislation passed (Laws 2018, Chapter 107) that amends A.R.S. § 15-1626 requiring the board to broaden its approval of fees to approve via a roll call vote any changes to academic fees or online program tuition rates.
- In January 2018, the Arizona Auditor General issued its audit of the *Universities Fee-Setting Processes*. The Auditor General’s audit concluded that ABOR and the universities have established fee-setting processes consistent with best practices but could further enhance the process. For example, the audit found that ABOR should review its fee-setting policies and guidance to require a periodic review of the universities’ fee-setting processes.
- At its November 14 – 16, 2018 meeting, the board approved a new section of policy that requires a sunset review process. ABOR Policy 4-105.F requires the board to review and approve each academic fee at least once every 10 years based on a plan developed and implemented by each university.
 - o At its June 12 – 14, 2019 meeting, the board approved each university’s plan to review each of their existing academic fees over the next 10 years.
 - o At its February 8 – 10, 2023 meeting, the board amended its tuition and fees policies. As result of these revisions, all fees in effect on November 17, 2022 remained in effect until June 30, 2024 and must comply with board policy by July 1, 2024 or sunset. In addition, the tuition and fee setting calendar was moved from the spring to the fall beginning in calendar year 2023.
 - As a result of these policy amendments, the 10-year sunset review plans approved by the board at its June 12–14, 2019 meeting were modified by the universities in the CY 2023 report.

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Discussion

Fees Reviewed in Prior Years

- The board reviewed the following fees for Arizona State University (ASU), Northern Arizona University (NAU), and the University of Arizona (U of A) over the prior five years:

Academic Fees Reviewed in Prior Years			
<u>Year</u>	<u>ASU</u>	<u>NAU</u> ^{1/}	<u>U of A</u>
2020	245	482	N/A ^{2/}
2021	6	260	241
2022	2	N/A	20
2023	20	N/A	25
2024	42	N/A	10
^{1/} NAU conducted its entire fee review process in a 2-year period (CY 2020 and CY 2021).			
^{2/} U of A was granted a one-year extension in CY 2020.			

Current Year Fee Review

- Each university is required to report the academic fees reviewed in CY 2025 along with the result of the review and recommendation on the continuation of the fees. ABOR Policy 4-105.F.2 allows the board office to direct the due date of the report.
- In CY 2025, ASU reviewed 27 fees, and U of A reviewed 19 fees. NAU reviewed all their fees in CY 2020 and CY 2021. As a result, there weren't any fees remaining for NAU to review in CY 2025.

ASU

- Twenty-seven ASU fees were reviewed as a part of this sunset review. Each of the responsible academic units submitted a report that addressed the purpose, enrollment, and fee revenue. As well, each unit was asked to recommend whether the fee should be continued as approved, changed, or disestablished

U of A

- U of A conducts its annual sunset review of academic fees on a per-college basis, encompassing all existing and newly introduced fees within the review cycle. The review is overseen by Academic Affairs, in collaboration with the Sunset Review Board (SRB), which includes representatives from the Office of Budget and Planning, Financial Services, the Office of the Provost, the Graduate & Professional Student Council, and the Associated Students of the University of Arizona.

This year's review, the second-to-last cycle under the current schedule, included the evaluation of 19 academic fees across four colleges: the College of Architecture, Planning, and Landscape Architecture (CAPLA); the College of Information Science; the Mel & Enid Zuckerman College of Public Health (MEZCOPH); and the College of Social & Behavioral Sciences (SBS).

As part of the review, each college conducted a self-evaluation of the activities and expenditures supported by its fees over the past year and submitted the relevant data (see attached spreadsheet). The process also assessed whether any fees should be reactivated or if new fees were warranted. Following this review, two fees are being eliminated, while all other fees remain unchanged.

The transition to college-level fees has accelerated this review, as it coincided with the elimination of course-specific fees and the implementation of the college fee model. In light of the resulting reduction in fees, the university plans to complete the sunset review of all remaining active academic fees in the following year. Colleges and departments scheduled for the CY 2026 review include the College of Engineering (currently 0 fees), College of Pharmacy (1 program fee), Other Academic Fees (6), and Mandatory Fees (2: Student Engagement Fee and AFAT).

- The following table summarizes the total number of academic fees that the universities reviewed in CY 2025.

Total Academic Fees Reviewed in CY 2025							
	# of Fees <u>Unchanged</u>	# of Fees <u>Reduced</u>	# of Fees <u>Eliminated</u>	# of Total Fees <u>Reviewed</u>	Range of Fee Amounts	FY25 Total <u>Enrollment</u>	FY25 Total <u>Revenue</u>
ASU	23	0	4	27	\$175- \$3,537	1,924	\$20,236,139
NAU ^{1/}	N/A	N/A	N/A	N/A	N/A	N/A	N/A
U of A	17	0	2	19	\$50-4,450	819	\$1,014,036

^{1/} NAU conducted its entire fee review process in a 2-year period (CY 2020 and CY 2021).

- The first table in each university's supporting documents individually identifies each academic fee that was reviewed in CY 2025.
- The second table in the supporting documents individually identifies the reduced or eliminated academic fees. ABOR Policy 4-105.F allows a university president to reduce or eliminate an academic fee without board approval, and 4-105.F.2 requires each university to include in this report a list of those academic fees that have been reduced or eliminated in CY 2025.

Fees for Future Review

- Based on the modified fee revision schedule, ASU and U of A plan on submitting the remaining fees for review in the following years:

Academic Fees for Future Review			
<u>Year</u>	<u>ASU</u>	<u>NAU</u> ^{1/}	<u>U of A</u>
2026	36	N/A	9
2027	12	N/A	0
2028	47	N/A	0
2029	40	N/A	0
2030 ^{2/}	N/A	N/A	0
^{1/} NAU conducted its entire fee review process in a 2-year period (CY 2020 and CY 2021).			
^{2/} U of A was granted a one-year extension in CY 2020, which extends their review period to CY 2030, but they now plan to finish their fee review in 2026.			

Supporting Document/s:

[ASU Sunset Fee Review spreadsheets](#)

[U of A Sunset Fee Review spreadsheets](#)

Statutory/Policy Requirements

ABOR Policy 4-105 “Fees”

- A. Report on ASU CY 2025 Sunset Review of Fees
- B. Report on U of A CY 2025 Sunset Review of Fees

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