



Distance Education Fee

Effective Date: May 9, 2024

1. PURPOSE

The purpose of this policy is to provide guidance regarding the assessment and approved uses of the distance education fee, as well as the procedures for annual budget planning and financial management of associated revenues and expenses.

2. RESPONSIBLE CAMPUS ADMINISTRATOR

Budget Director
Associate Vice Chancellor for Program Growth

3. DEFINITIONS

Distance Education Fee - Fee assessed per credit for 100% online coursework.

100% Online Coursework: No part of the class will meet physically in person. The required class attendance is online only. There may be an 'optional' in person session, but it cannot be required attendance to be considered 100% online.

4. POLICY

Distance Education Fee Assessment

A \$50 per credit distance education fee is assessed on all 100% online coursework. Fees apply for both resident and non-resident students. If there is a mandatory in-person meeting(s), the course is not considered 100% online for the purpose of this fee. Standard university refund policies apply.

Assessment Exclusions

Collaborative programs offered in partnership with UW-Extended Campus have approved tuition pricing which does not include charging the distance education fee.

Distance Education Fee Expenditures

The Distance Education (DE) Fee supports expenses in the following categories:

- Instructional design, instructor training, and media support
- Technology and instructional resource support for students in online programs
- Online extensions of student support
- Online course administration and management, including expenses such as:
 - State authorizations and compliance with federal regulations
 - Market research
 - Program promotion
 - Program and course development

These services are performed at cost-recovery and not funded with state tax dollars. The DE Fee is collected regardless of enrollment with a tuition plateau.

5. ANNUAL PLANNING & BUDGETING PROCEDURES

DE fees are collected in a central department ID managed by Business Affairs. Each fall, the Office of Financial Planning and Budget (OFPB) will provide a DE Fee revenue projection for the following fiscal year based on enrollment projections approved by campus leadership for planning purposes. The OFPB will then request an expenditure budget proposal for the following fiscal year from units expected to receive DE Fee support. Proposed expenditure requests will be reviewed by the Vice Chancellor for Business Affairs, in consultation with the Associate Vice Chancellor for Program Growth. Approved expenditure levels for the following fiscal year will be communicated to each unit receiving support from this fee. These units include:

- Information Technology,
- Academic Affairs Office,
- CITL,
- Each of the four curricular colleges,
- Marketing and Enrollment, and
- Financial Operations

These expenditures will be incorporated into the unit's Fund 128 budget for the following fiscal year. Spending will be monitored at a high level by the OFPB via quarterly divisional budget to actuals reports as well as the fall and spring current year forecasts. However, it is the unit manager's responsibility to ensure that annual expenditures are appropriate both in terms of allowable expenses as outlined above, and expenditure levels staying within the approved expenditure budget.

Distributions of DE Fee revenue will occur in December and June of each fiscal year. The December distribution will equal 50% of the approved and budgeted expenditure amount. The June distribution amount will be approved by the Vice Chancellor for Business Affairs, after consideration of actual DE Fee revenue, spending plans for the remainder of the fiscal year, and existing cash balances.

6. USE OF DISTANCE EDUCATION START-UP FUNDS

Eligibility

If an academic program proposal is expected to incur start-up expenses, it may be eligible to receive support from the DE start-up fund. The proposed academic program must be either a fully on-line or hybrid program in order to be considered for start-up funding from this source. If fully on-line, all start-up expenses can be requested from the DE start-up fund. If a hybrid program is planned, the support requested from the DE start-up fund must not exceed the proportion of on-line instructional activity to overall instruction. Any fully in-person program proposal will require start-up funds to be covered from a different source of funding.

Approval Process

Requests for use of DE start-up funds should be included along with the overall academic program proposal budget and narrative that is sent to the Provost and Vice Chancellor for Business Affairs. When requesting use of DE start-up funds, the Dean and/or program director will work with the AVC for Growth and Learning. The AVC will outline the complete plan for start-up expense coverage and submit that plan along with a narrative regarding the proposed program and anticipated start-up expenses. The requested usage of any DE start-up funds should be specifically provided. If both the Provost and Vice Chancellor for Business Affairs approve the use of the DE start-up funds, the Office of Financial Planning and Budget (OFPB) and the associated Dean will be notified.

Start-Up Fund Spending & Support

DE start-up funds can be spent as soon as the academic program has been approved by the Universities of Wisconsin Administration. Start-up expenses should either be charged to the new 131 department ID associated with the newly approved service-based pricing academic program or the academic department's main Fund 102 department ID if the approved program is not offered as service-based pricing. The OFPB will then transfer support annually during the start-up period, up to the approved DE start-up amount.

Payback of DE Start-Up Funds

The department/division will be expected to return 50% of the DE start up fund amount expended. The 50% payback amount will be transferred back to the central DE start-up fund over a three- to five-year period, once the program obtains a net positive balance on an annual basis.

7. REFERENCES and RELATED DOCUMENTS

[UW System Administrative Policy 130 - Appendix C](#)

8. POLICY HISTORY

This policy replaces the original 2019 Online Distance Education Fee policy.

Effective Date: 05/13/2019

Approved: 05/13/2019

Revised: 05/09/2024

Approved: 05/09/2024

Approved by: Vice Chancellor for Business Affairs
Provost and Vice Chancellor for Academic Affairs

9. SCHEDULED REVIEW

May 2029