

Pricing Online Courses and Programs

A quick scan of UWM's schedule of online classes reveals a variety of pricing strategies. These include charging regular tuition rate; adding a modest per-course or per-credit surcharge; or in some cases (usually at the graduate level) setting a unique price (generally called a "fee in lieu of tuition" which replaces the usual tuition structure and reflects the costs of mounting that particular online program. Here are some representative examples of current approaches to pricing:

School/College and Program	Class Pricing, Fall, 2016
Letters & Science, most online undergraduate courses	A special course fee of \$275.00, in addition to regular tuition, will be charged for most online courses.
Lubar School of Business, undergraduate courses	The Distance Education Course fee for the Fall 2016 semester is \$300 per 3-credit course. This fee is in addition to standard tuition and additional program costs and is assessed regardless of the credit plateau.
Lubar School of Business, graduate Taxation Certificate course	SALT Certificate course fee of \$2,500 will be assessed. This course fee is assessed regardless of the credit plateau.
School of Education, graduate courses in Administrative Leadership	A special course fee of \$275.00, in addition to regular tuition and other fees, will be charged online sections
School of Education, undergraduate courses in Administrative Leadership	A special course fee of \$275.00, in addition to regular tuition and other fees.
College of Engineering and Applied Science – CEAS Graduate Seminar in Electrical Engineering	A special course fee of \$300 in addition to regular tuition charged for this section.
School of Education, Exceptional Education undergraduate course	A special course fee of \$92.00, in addition to regular tuition and other fees, will be charged for this section.
College of Health Sciences, Kinesiology undergraduate course	Regular UWM tuition assessed.
School of Information Studies, undergraduate course	Special course fee of \$1176.00 will be the ONLY charge assessed for this lecture.
School of Information Studies, graduate course	Special course fee of \$2400.00 will be the ONLY charge assessed for this lecture.
College of Nursing, undergraduate online course.	Additional distance ed fee of \$390 will be assessed for this section.
College of Nursing, graduate course for online PhD or DNP program	Online PhD/DNP Delivery fee of \$935/cr will be assessed for this section. This applies to all students enrolled in addition to tuition/fees for any other classes in which they are enrolled.
Letters and Science – Graduate Course in Online Translation and Interpreting Program	Special course fee of \$2300.00 will be the ONLY charge assessed for this lecture.

As is clear from the variety above, UW System distance education pricing policies grant institutions considerable latitude in setting prices for online courses, based on a number of factors, including recovery of fixed and variable costs (i.e., equipment, personnel, fees for development of rich media, etc.); enrollment projections; market opportunity, access to subsidies such as grants, and competition.

Costs can be calculated at the course or program level. Academic units thus have the latitude to think programmatically about online course development, and factor in the full range of program

costs (such as support personnel, future faculty buyouts for course redesign, marketing, and equipment) in setting prices.

Many UWM academic units have opted to standardize distance education pricing at the course level, particularly for undergraduate courses. The College of Letters and Science, for example (as well as some other academic units) charges a per course distance education fee of \$275 (in addition to regular on-campus tuition) for almost all of its online offerings.

Distance education pricing can also be set at the program level, in which case programs typically charge an overall 'Online Course fee' or 'Distance Education fee' that is the only amount charged for the class. For example, the School of Information Studies charges an overall online course fee of \$1176 for an online undergraduate class, and \$2,400 for each online graduate course.

Note that programs can set prices in response to the educational marketplace—in some cases that may mean online course fees that yield higher revenue due to higher demand, or it can mean that some programs may choose to decrease the price charged for distance education courses and programs to meet the competition or to better meet the institution's mission.

The UW System distance education pricing policy default principle is that distance education courses are charged outside the "credit plateau" (that is, each credit charged at the per credit rate, regardless of how many credits taken). However, campuses do have the flexibility to waive this principle and charge within the plateau for their own students (but not for guest students). In practice at UWM, most online courses are charged outside the credit plateau to ensure a steady level of dedicated support for online courses and programs.

Units can also waive segregated fees for students enrolled exclusively in distance education courses, which is also common practice at UWM. The distance ed fee, which is the fee over and above regular tuition, is charged the same administrative tax as regular tuition (39.3% in FY21); Schools and Colleges retain the rest.

The [UW System Principles for Pricing Distance Education](#) provide more details about pricing options and strategies. Note that the policy refers to a UW System 'common cost methodology' for all UW System campuses. While the common cost methodology was never developed, each academic unit should be able to justify its distance education pricing based on the principles put forward in the policy.

For more information on cost determination and pricing of online courses and programs, contact [Laura Pedrick](#).