

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

June 26, 2008

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SAN LUIS OBISPO

SAN MARCOS

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STANISLAUS

MEMORANDUM

TO: CSU Presidents

FROM: Charles B. Reed
Chancellor



SUBJECT: California State University Student Fee Policy and Miscellaneous Course Fee Delegation of Authority — Executive Order Number 1034

Attached is a copy of Executive Order No. 1034, which includes the California State University Student Fee Policy, as approved by the Board of Trustees at their May 14-15, 2008 meeting, and the Miscellaneous Course Fee Delegation of Authority. This executive order supersedes Executive Order 740.

The revised student fee policy re-categorizes student fees, changes the authority for some fees, outlines the process for establishing and adjusting fees, and strengthens the reporting requirements in all categories.

The miscellaneous course fee delegation of authority gives campus presidents the ability to establish miscellaneous course fees on their campus within the ranges established by this executive order. Any fees that go above approved ranges must be forwarded to the Chancellor's Office for approval.

Each campus should review all existing campus-based fees, including miscellaneous course fees, to ensure they comply with this new policy. Fees that no longer comply with this policy will need to be revised, suspended or eliminated.

Additional resources related to this fee policy can be found at:
www.calstate.edu/budget/.

In accordance with the policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

CBR/kp

Attachments

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210

(562) 951-4700

Executive Order: 1034

Title: The California State University Student Fee Policy and Miscellaneous Course Fee Delegation of Authority.

Effective Date: June 26, 2008

Supersedes: Executive Order No. 740

This executive order is issued under the authority granted by Education Code Sections 89035 and 89700, Standing Orders of the Board of Trustees, Chapter II, i, and Board of Trustees' Resolution RFIN 05-08-04, a copy of which is included as **Attachment 1**.

California State University Student Fee Policy – Attachment 2

The revised policy re-defines fee categories, and establishes authority, responsibility, and accountability with regard to all student fees. The major change in this policy is the extension of authority to presidents to establish materials and service fees, user fees, fines and deposits that fall into Category IV and V in the revised policy. This policy continues the practice of seeking the advice of the campus fee advisory committee combined with student referenda and/or alternative consultation processes for mandatory student fees.

To balance the new presidential authority provided by this policy, additional reporting requirements have been put in place to ensure that all fees being charged to students are used for the intended purpose and meet the guidelines of the given category. This policy requires that each campus develop annual reporting processes and review with the fee advisory committee all student fees in all categories including changes in fee rates, total revenue collected, unexpended balances and expenditure plans. This detail will then be reported annually to the chancellor's office for review. Systemwide and campus-based mandatory fees will continue to be reviewed annually by the Board of Trustees and reported to outside constituencies.

The requirement to report the above detail for all fees will begin with the summer 2009 fee survey. The summer 2008 fee survey will request prior year and current year fee rates, and total revenue collected for each fee. In the 2008 fee survey, category III miscellaneous course fee rates and revenue can be reported as two items: (1) fees for classroom and laboratory supplies and services, and (2) fees for courses that include travel or field trips. Beginning in 2009, the campuses will be required to report each individual course fee and all the required data.

Miscellaneous Course Fee Delegation of Authority – Attachment 3

By issue of this Executive Order, the chancellor hereby delegates authority to campus presidents to establish and adjust miscellaneous course fees (Category III) within two ranges after consultation with the fee advisory committee.

Approved Fee Ranges:

\$0-\$150	Fees that supplement the basic complement of classroom and laboratory instruction by providing tangible materials and services that would otherwise be unavailable to students, and which allow students to meet the educational objectives of a given course.
\$0-\$3,000	Fees for courses that require field trips or travel off campus in order to meet the educational objectives of a given course.

Miscellaneous course fee rates must be equal to the actual cost incurred by the university to provide materials or services to one student in one semester or quarter. Administrative fees and inflationary adjustments cannot be added to miscellaneous course fees. All revenue from miscellaneous course fees should be expended in the year in which they are collected. If significant unexpended balances exist, without a detailed and acceptable expenditure plan, the fee should be reduced, suspended or eliminated as appropriate until such time that the revenue can be spent on the purpose for which it was collected, or the fee should be refunded to students.

Requests to establish fees above the approved ranges and requests to increase existing fees to an amount above the approved ranges must be forwarded to the chancellor's office for approval. If the requested fee or fee adjustment meets the policy guidelines, a coded memorandum will be issued to authorize the campus to charge the fee.

Campuses must review all current miscellaneous course fees to ensure each one meets the requirements of this policy as described in **Attachment 3**. If existing course fees go above the approved ranges, campuses should review recent revenue and expenditure plans for that fee to ensure that the fee level is appropriate and make adjustments as necessary. All fees, including those that go above the approved ranges, which were previously approved by executive order, are grandfathered into this policy as long as they meet the policy guidelines in **Attachment 3**. Fees that do not meet the guidelines must be revised or eliminated.

CSU student fees are authorized, deposited, and refunded in accordance with applicable CSU policy, provisions of the law, and revenue bond indentures which may be outstanding.

In accordance with Section 89721(l) of the Education Code, revenue collected from student fees shall be deposited in a local trust account.


Charles B. Reed, Chancellor

Dated: June 26, 2008

RFIN 05-08-04, May 14, 2008.

RESOLVED, by the Board of Trustees of the California State University, that Attachment A of Agenda Item 4 of the May 13-14, 2008, meeting of the Committee on Finance, titled "The California State University Student Fee Policy," is approved and shall take effect immediately; and, be it further

RESOLVED, that the chancellor is directed to take all necessary action to implement the student fee policy in a manner consistent with existing statutes and provisions of bond indentures.

The California State University Student Fee Policy

I. Definitions

- A. Category I fees – Systemwide mandatory fees that must be paid to apply to, enroll in, or attend the university, or to pay the full cost of instruction required of some students by statute.
- B. Category II fees – Campus mandatory fees that must be paid to enroll in or attend the university.
- C. Category III fees – Fees associated with state-supported courses. Specifically for materials and services used in concert with the basic foundation of an academic course offering.
- D. Category IV fees – Fees, other than Category II or III fees, paid to receive materials, services, or for the use of facilities provided by the university; and fees or deposits to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property or as a security or guaranty.
- E. Category V fees – Fees paid to self-support programs such as Extended Education, Parking and Housing including materials and services fees, user fees, fines, deposits.

II. Authority

- A. The Board of Trustees provides policy guidance for all matters pertaining to student fees and has authority for the establishment, oversight and adjustment of Category I fees.
- B. The chancellor is delegated authority for the establishment, oversight and adjustment of Category II and Category III fees. The chancellor is not delegated authority for Category I fees.
- C. The president is delegated authority for the establishment, oversight and adjustment of Category IV and Category V fees, and for the oversight and adjustment of Category II and III fees. The president is not delegated authority to establish Category I, Category II or Category III fees, or to adjust Category I fees. The president does however, have authority to establish Category III fees within a range established by the chancellor.

III. Responsibility

- A. The president is responsible for assuring that appropriate and meaningful consultation occurs prior to adjusting any fee and before requesting that the chancellor establish a new Category II or Category III fee.

1. The president shall establish a fee advisory committee comprised of student, faculty, staff, and administrative representatives to provide advice to the president. Membership of the fee advisory committee shall be established in consultation with the campus student body association and the campus faculty senate and shall include the president of the campus student body association and the chair of the campus faculty senate or their designees. The president shall appoint the chair of the fee advisory committee.
 2. The president shall appoint members to the fee advisory committee, excluding the student representatives who shall be appointed by the campus student body association. Faculty members shall be appointed consistent with normal campus processes for selecting faculty members to service on similar committees.
 3. Students appointed by the campus student body association shall constitute a majority of the voting members of the fee advisory committee.
 4. A statement of revenues and expenditures including a minimum of one year of actual costs and two years of projected revenue and expenditures for the fee revenue supported activity shall be developed by the campus chief financial officer and considered by the president prior to establishing or adjusting any fee.
 5. The president shall consult with the fee advisory committee before adjusting or requesting that the chancellor establish any Category II or III fees (subject to his/her approval in writing).
 - a. The fee advisory committee will consider proposals for the establishment and adjustment of Category II or III fees, and will then make a recommendation to the president.
 - b. The president will make a determination on Category IV and V fees after consideration of the revenue and expenditure plans associated with the fees, and will then notify the fee advisory committee of his or her decision.
- B. Appropriate and meaningful consultation with campus constituencies regarding Category II fees and the use of fee revenue is critical to assure that the delegated authority is exercised in a manner that is consistent with policies adopted by the board.
1. Appropriate and meaningful consultation includes consultation with bodies such as the campus faculty senate, the campus student body association and other constituencies affected by any proposed increase in an existing fee or establishment of a new fee.
 2. The policy presumes that a student fee referendum will be conducted

before adjusting or establishing Category II fees. However, the president may waive the referendum requirement (unless it is required by Education Code) if he/she determines that a referendum is not the best mechanism to achieve appropriate and meaningful consultation.

3. If a referendum is not conducted prior to adjusting Category II fees or requesting the chancellor to establish a new Category II fee, the president must demonstrate to the fee advisory committee the reasons why the alternative consultation methods selected will be more effective in complying with this policy.
- C. An advisory student referendum is the preferred method of measuring student support prior to adjusting a Category II fee or requesting the chancellor to establish a new Category II fee but is subject to the exception described in B-2. The referendum may be conducted by the campus or the student body association. For referenda conducted by the campus, the following shall apply:
1. The president in consultation with the student body association and the faculty senate shall develop guidelines applicable to the student fee referendum process designed to assure that the referendum is open, fair, and objective.
 2. The campus shall fund costs associated with the referendum.
 3. The fee advisory committee shall issue a voter pamphlet providing objective analysis of the proposed fee action and statements solicited by the committee for and against the proposed fee action.
 4. The fee advisory committee shall determine the specific statements that shall be included in the pamphlet.
 5. Copies of the voter pamphlet and ballot and information regarding the dates, times, and polling locations shall be available to students and published in the campus newspaper and in other public locations around campus at least thirty days prior to the referendum.
 6. The results of a referendum shall be considered favorable when a majority of students voting approve the fee action.
 7. The results of the referendum shall be advisory to the fee advisory committee and the president, unless education code requires that the referendum pass.
- D. If it is determined that a referendum is not the best mechanism for appropriate and meaningful consultation, and is not required by Education Code, an alternative consultation process may be utilized. The following shall apply:
1. The president, upon deciding that a referendum will not allow for the best measure of student opinion, will inform the fee advisory committee of

his/her intent to begin alternative consultation.

2. Alternative consultation strategies will be developed with input from the student body association and the fee advisory committee to ensure that the process is transparent, and meaningful, and will solicit the input of a representative sample of the student body.
3. A representative sample should include students in leadership positions as well as students who are not involved in campus leadership. Efforts should be made to include students from many aspects of campus life regardless of the type of fee.
4. Any written material regarding the new fee, or fee increase should follow the same guidelines as the referendum voter pamphlet (Section C above) to provide objective analysis of the fee or fee increase.
5. Results of the alternative consultation process should be summarized and put in writing and used as additional advisory material to be taken into consideration by the fee advisory committee and the president.
6. If a category II fee for a capital project (i.e. university union building, or health services building) must be raised to meet minimum debt service revenue bond requirements that were not required when the fee was established, the president can make that adjustment without a full alternative consultation process, but must present the debt service requirements and revenue projections to the fee advisory committee prior to making the adjustment.

IV. Accountability

- A. The campus president shall provide to the fee advisory committee a report of all fees in Categories II, III, IV and V. New fees, fee increases, total revenue and unexpended balances should be included. The president has the authority to decrease, suspend or eliminate fees as needed.
- B. Each campus shall report annually to the chancellor, for the most recently completed fiscal year, a complete inventory of all fees in categories II, III, IV and V, including past year and current year fee rates, the total revenue collected for each fee, and the remaining balance for each fee. The Category II fee report will be presented to the board by the chancellor to allow the board to consider the level and range of fees charged to students.

Miscellaneous Course Fee Policy

Policy Statement: Miscellaneous course fees are defined as fees collected for materials, services or use of facilities used in concert with the basic complement of supplies needed for state-supported instruction. Miscellaneous course fees should provide materials or services that have a tangible benefit to students. Miscellaneous course fees are **not** to be charged in lieu of classroom and laboratory supplies and materials provided by enrollment funding campuses regularly receive through marginal cost of instruction per student and permanent base budget allocations.

Fee Policy: Miscellaneous course fees can only be charged for the actual cost of providing exceptional instructional materials, services or use of an off campus facility. Students must have the option of attaining the materials or services required through alternative means; however, in cases where such alternative means are unavailable, students cannot opt out of utilizing the required material or service and must pay the miscellaneous course fee.

The following rules apply when determining if miscellaneous course fees can be charged for exceptional materials or services in the classroom:

1. Miscellaneous course fees can only be charged for the actual cost of the material, service or use of facility being provided.
2. A miscellaneous course fee **cannot** be charged for the basic complement of classroom supplies and materials required for instruction. These include but are not limited to: chalk, erasers, paper clips, pointers, classroom instructional equipment such as projectors (slide, overhead, computer, etc.) and associated supplies (bulbs, transparencies, software, etc.), or any other supplies deemed necessary to equip the instructional space for courses.
3. A miscellaneous course fee **cannot** be charged for the basic complement of laboratory supplies and instructional equipment necessary for classroom lab requirements identified in the course description. These include but are not limited to equipment, test tubes, work stations, computers or any supplies necessary to equip laboratory space to complement classroom course instruction.
4. Administrative charges and inflationary factors **cannot** be added to miscellaneous course fees. Only the actual cost of the material, service or use of a facility can be charged.
5. A miscellaneous course fee **cannot** be charged to fund the basic cost of instruction. Instructional costs are funded through marginal cost dollars, state university fee revenue, and permanent base budget allocations.

Approved Fee Ranges:

\$0-\$150	Fees that supplement the basic complement of classroom and laboratory instruction by providing materials and services that would otherwise be unavailable to students, and which allow students to meet the educational objectives of a given course.
\$0-\$3,000	Fees for courses that require field trips or travel off campus in order to meet the educational objectives of a given course.