***Modifications to the Schedule of Fees***

As discussed at the July meeting of the Finance Committee, three new resident undergraduate fees are recommended. The fees are intended to increase student access to classes and reduce time to graduation and are recommended even if the Governor’s tax initiative passes. In addition, it is anticipated that these fees would generate about $35 million annually, starting in 2013-2014.

Graduation Incentive Fee. Commencing in fall 2013, this recommended fee would require resident seniors who have earned 150 semester/225 quarter units or more to pay an additional fee on a per unit basis at a rate equal to the non-resident tuition excess unit rate (currently $372 per semester unit). The fee is intended to encourage the “super seniors” to graduate and thereby increase graduation rates and free admission slots for other eligible CSU applicants. After denying admission to tens of thousands of eligible applicants in recent years, this adjustment to increase access is a high priority.

Course Repeat Fee. It is estimated that there are 10 course repeats per 100 CSU undergraduates each term, with over 40,000 seats in state-supported classes taken by students who already have taken the course. Students who choose to repeat a course would be required to pay the proposed Course Repeat Fee, which would be set at $100 per semester unit. In addition, students choosing to repeat courses will not be permitted to enroll in more than 15 units in the term. The fee is intended to lead students to make careful decisions with regards to repeating a course. This will free up space for students who have not had an opportunity to take the course, speeding their time to graduation.

Third-tier Tuition Fee. As previously explained to the Finance Committee, tuition fees are currently assessed according to unit loads, with the charges falling into two tiers. Students with six units or less are charged at one rate, and students who take more than six units are charged a second rate. This recommendation proposes adding a third tier in which students enrolled in 17 or more units would be charged for each unit taken above 16 units at a rate of $200 per semester unit. Adding a “third tier” to the CSU resident student tuition fee structure would improve the fair distribution of needed classes to each undergraduate student. The third-tier would also dissuade students from signing up for extra course loads (and then often dropping courses later in the term) and avail additional course sections and “seats” to be available for all students and give every undergraduate a better opportunity to carry a full course load.