

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR

BAKERSFIELD

July 22, 2015

CHANNEL ISLANDS

MEMORANDUM

CHICO

TO: CSU Presidents

DOMINGUEZ HILLS

FROM: Timothy P. White
Chancellor

EAST BAY

FRESNO

SUBJECT: California State University Student Fee Policy
Executive Order 1102

FULLERTON

HUMBOLDT

Attached is a copy of Executive Order 1102 relating to California State University Student Fee Policy. The executive order updates the California State University Board of Trustees policies that comprise the CSU Student Fee Policy, incorporates a new voluntary Student Involvement and Representation Fee, provides clarification and new requirements for student success fees, incorporates the statutory requirements of the Working Families Student Fee Transparency and Accountability Act, addresses reallocation of future Campus Mandatory Fees, and identifies Cal State Online as subject to fee policy. The referenced items make up the overall strategic framework and guidelines for administration of CSU fees.

LONG BEACH

LOS ANGELES

MARITIME ACADEMY

MONTEREY BAY

An index of CSU fees is available at: calstate.edu/budget/student-fees/fee-policy. The website also contains further details on fees. Subsequent modifications required for administration of this fee policy will be made via the website.

NORTHRIDGE

POMONA

SACRAMENTO

In accordance with 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.

SAN BERNARDINO

SAN DIEGO

If you have questions regarding this executive order, please call the Budget Office at (562) 951-4560.

SAN FRANCISCO

SAN JOSÉ

TPW/jdw

SAN LUIS OBISPO

Attachments

SAN MARCOS

c: CSU Office of the Chancellor Leadership
Vice Presidents of Academic Affairs
Vice Presidents of Business and Finance
Vice Presidents of Student Affairs

SONOMA

STANISLAUS

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4560

Executive Order: 1102

Effective Date: July 22, 2015

Supersedes: Executive Order 1054

Title: California State University Student Fee Policy

This executive order is issued pursuant to Education Code Sections 89035, 66028, 89711, 89712 and Board of Trustees Standing Orders, Chapter II, subsection i.

Changes to California State University Fee Policy

This executive order updates the California State University Board of Trustees policies that comprise the CSU Student Fee Policy, incorporates a new voluntary Student Involvement and Representation Fee, provides clarification and new requirements for student success fees, incorporates the statutory requirements of the Working Families Student Fee Transparency and Accountability Act, addresses reallocation of future Campus Mandatory Fees, and identifies Cal State Online as subject to fee policy.

Student Involvement and Representation Fee (SIRF)

At the January 2015 Board of Trustees meeting, the Trustees voted to establish a new voluntary systemwide fee, the Student Involvement and Representation Fee, in an effort to expand opportunities for student involvement and representation on issues of importance. As the first voluntary systemwide fee, a new Category VI was created. Fee assessment commences in the fall of 2015. This fee will be managed by the California State Student Association.

Student Success Fees

At the January 2015 Board of Trustees meeting, the Trustees voted to make specific amendments to fee policy to incorporate clarification and new requirements for student success fees (Category II). These changes followed the formation of a working group to study the role, process, and enactment of category II campus-based mandatory student success fees, including their notification, accountability, and outcome reporting processes. The working group and subsequent fee policy changes were incorporated in response to Senate Bill 860, Education Code Section 89712, which required the chancellor to conduct a review of student success fees during fiscal year 2014-2015 and make recommendations to the trustees on changes to the fee policy.

Working Families Student Fee Transparency and Accountability Act

In September 2012, the governor signed into law the “Working Families Student Fee Transparency and Accountability Act,” Education Code Section 66028, which enacts specific requirements for increasing or establishing new mandatory systemwide fees (Category I). In March 2013, the Board adopted a list of factors for consideration when reviewing fee increases, which also have been included in the update.

Reallocation of Specified Future Campus Mandatory Fees

In September 2012 the governor also signed into law provisions for reallocation of campus mandatory fees (Category II). Education Code Section 89711 requires that any fee established by a majority vote of the student body after the effective date of this legislation must be brought back before the student body before it can be reallocated, unless the vote that established the fee authorized an alternative or automatic reallocation mechanism. Category II fees that do not fall under the purview of this law are exempt.

Cal State Online

At the January 2013 Board of Trustees meeting, the Trustees voted to make specific amendments to fee policy to incorporate Cal State Online into the nomenclature of Category V Fees, which are fines, fees and deposits paid to self-support programs.

Bureau of State Audit Report on California State University’s Extended Education

To effectively monitor and ensure that the campuses set self-support fees in accordance with state law and fee policy, responsibilities for the campus chief financial officer and president regarding development and consideration of revenue and expenditure statements before making a determination on self-support extended education program fees were added. These requirements previously applied only to Category II and III fees, but have been expanded to Category V extended education fees. Consultation requirements between the president and extended education dean also were included. Additionally, annual reporting on Category V extended education fees was clarified.

Reference documents supplemental to this update of CSU Student Fee Policy, including an index of fees, historical documents, and State Education Code information are available at: calstate.edu/budget/student-fees/fee-policy.

Timothy P. White, Chancellor

Dated: July 22, 2015

THE CALIFORNIA STATE UNIVERSITY STUDENT FEE POLICY

(Fee Administration)

I. Fee Policy Statement

The CSU makes every effort to keep student costs to a minimum. Fees listed in published schedules or student accounts may need to be increased when public funding is inadequate. Therefore, CSU must reserve the right, even after fees are initially charged or initial fee payments are made, to increase or modify any listed fees. All listed fees, other than mandatory systemwide fees, are subject to change without notice, until the date when instruction for a particular semester or quarter has begun. All CSU listed fees should be regarded as estimates that are subject to change upon approval by the Board of Trustees, the Chancellor, or the Presidents, as appropriate. Changes in mandatory systemwide fees will be made in accordance with the requirements of the Working Families Student Fee Transparency and Accountability Act (Sections 66028 - 66028.6 of the Education Code).

II. Fee Category Definitions

- A. Category I – Systemwide mandatory tuition and other 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 – Campus mandatory fees that must be paid to enroll in or attend the university.
- C. Category III – 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, 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 paid to self-support programs such as extended education, Cal State Online extended education offerings, parking and housing including materials and services fees, user fees, fines, and deposits. Self-support programs are defined as those not receiving state general fund appropriations; instead, fees are collected to pay the full cost of a program. Costs of self-support instructional programs include support and development of the academic quality of the university.
- F. Category VI – Systemwide voluntary fees.

III. Authority

- A. The Board of Trustees provides policy guidance for all matters pertaining to student fees and has authority for the establishment of Category I and VI fees, and oversight and adjustment of Category I fees, pursuant to the Working Families Student Fee Transparency and Accountability Act (commencing with Section 66028 of the Education Code).
- B. The chancellor is delegated authority for the establishment, oversight and adjustment of Category II, Category III, and Category V Cal State Online fees extended education offerings. The chancellor also is delegated authority for the oversight and inflationary adjustment of the Category VI Student Involvement and Representation Fee. The allowance for inflationary adjustments shall not be considered automatic on an annual basis, but rather allowable should the chancellor deem it necessary following consultation with the California State Student Association (CSSA). The chancellor is not delegated authority for Category I fees, although the chancellor may approve individual campus tuition fee rates that do not exceed the maximum fee rates established by the Board of Trustees.
- C. The president is delegated authority for the establishment, oversight and adjustment of Category IV and Category V fees (with the exception of Cal State Online fees extended education offerings), and for the oversight and adjustment of Category II and III fees. The president is not delegated authority to establish Category I, or Category II fees, or to adjust Category I fees. The president does have limited authority to establish or adjust Category III fees only within a range established by the chancellor as shown below in Section VI.C.6 of this fee policy.

IV. Responsibility

- A. The president is responsible for assuring that appropriate and meaningful consultation occurs prior to adjusting any campus-based fee and before requesting that the chancellor establish a new Category II or Category III fee.
 - 1. The president shall establish a Campus Fee Advisory Committee comprised of student, faculty, staff, and administrative representatives to provide advice to the president. Membership of the Campus 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 Campus Fee Advisory Committee.
 - 2. The president shall appoint members to the Campus 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 serve on similar committees.
3. Students appointed by the campus student body association shall constitute a majority of the voting members of the Campus Fee Advisory Committee.
 4. A statement of revenues and expenditures including a minimum of two years of projected revenue and expenditures and one year of actual costs 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 Category II or III fee.
 5. The president shall consult with the Campus Fee Advisory Committee before adjusting or requesting that the chancellor establish any Category II or III fees (subject to his/her approval in writing).
 6. The Campus Fee Advisory Committee shall consider proposals for the establishment and adjustment of Category II or III fees, and shall then make a recommendation to the president.
- 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. The president may waive the referendum requirement (unless it is required by education code or Student Success Fee policy Section VI.B) 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 expected in order to measure 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 Section IV.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 the Education Code or Student Success Fee policy (Section VI.B) 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 the Education Code or Student Success Fee policy (Section VI.B), 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, shall inform the fee advisory committee of his/her intent to begin alternative consultation.
 2. Alternative consultation strategies shall be developed with input from the student body association and the fee advisory committee to ensure that the process is transparent and meaningful, and shall 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 IV.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 (e.g., 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.
- E. Unless established prior to January 1, 2013, Category II fees established through an affirmative vote of the majority of the student body voting on the fee, but not specifically authorized by statute, shall not be reallocated to alternative purpose(s) without an affirmative vote of a majority of the members of either the student body or Campus Fee Advisory Committee voting on the reallocation. Category II fees established on or after January 1, 2013 through an affirmative vote of the majority of the student body voting on the fee, but not specifically authorized by statute, may be reallocated without an affirmative vote of a majority of the members of either the student body or Campus Fee Advisory Committee voting on the fee if the vote that established the fee authorized an alternative or automatic reallocation mechanism for that fee.
- F. The president shall consider revenue and expenditure statements reviewed and approved by the campus chief financial officer prior to making determinations on Category V extended education fees.
 1. Prior to making a determination on Category V extended education fees, the president shall consult with the dean of extended education, including consideration of revenue and expenditure plans developed by the dean or designee and in consultation with the campus chief financial officer.
 2. The president shall notify the Campus Fee Advisory Committee of his or her decision.
- G. The chancellor shall consult with the CSSA prior to any Category VI Student Involvement and Representation Fee adjustments. Any decision to adjust the fee shall be reported to the Board of Trustees prior to its scheduled adjustment.

V. 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.
- 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 current year fee rates, the total revenue collected in the past year for each fee, and the remaining balance for each fee. This reporting requirement includes a separate detailed

report on Category V extended education fees. The Category II fee report shall be presented to the board by the chancellor to allow the board to consider the level and range of campus mandatory fees charged to students.

- C. The CSSA shall prepare an annual report for the chancellor that includes information on how revenue from the Category VI Student Involvement and Representation Fee has been used to provide additional funding support for the development of student policy recommendations; participation in system, state, and national governance; involvement in leadership development activities; and, program support through student and professional staff administration. The annual report shall be provided by October 1.

VI. Additional Policy Regarding Specific Fees

A. Graduate Business Professional Fee (Category I)

1. Applicability

- a. The Graduate Business Professional Fee shall be charged on a per-unit basis for all required courses in state-supported professional master of business degree programs that are subject to accreditation by the Association to Advance Collegiate Schools of Business International (AACSB International) and that are authorized by the trustees or chancellor to assess such fees.
- b. The Graduate Business Professional Fee shall apply to required courses in the following degree programs: Master of Business Administration (M.B.A.); and Master of Science (M.S.) programs in Accountancy, Business Administration, Health Care Management, Business and Technology, Information Systems, and Taxation.
- c. Students in conditionally classified admission status in graduate professional programs shall be charged the Graduate Business Professional Fee on a per-unit basis for each prerequisite course taken in fulfillment of graduation requirements for these fee-authorized programs.

2. Assessment of Fee

This fee shall be in addition to the systemwide tuition fees, applicable non-resident tuition, and any campus-based fees.

3. Fee Waivers

Employee fee waivers and other fee waivers are authorized by statute. The terms of authorized employee fee waivers are subject to change and are agreed upon as outlined in collective bargaining contracts. Please consult current Human Resources Technical Memoranda.

4. Establishing Fees in Applicable Programs

Upon request of a campus president, the chancellor is authorized to approve the assessment of a Graduate Business Professional Fee upon students enrolled in state-supported professional master's degrees in business that are subject to accreditation by the Association to Advance Collegiate Schools of Business International and that are not included in the original roster of fee-authorized programs.

5. Fee Revenue

In accordance with Education Code Section 89721(l), revenue collected from all higher education fees shall be deposited in a local trust unless otherwise specified.

6. Provision for Financial Aid

Presidents are directed to set aside a minimum of 25 percent and not more than 33 percent of the Graduate Business Professional Fee revenue for need-based financial aid, with such funds to be used first to meet the demonstrated financial need of students in affected campus professional graduate degree programs in business; and that any part of the revenue that is not awarded to professional business master's degree program students be made available to meet demonstrated financial need of any other undergraduate or graduate students on the campus.

7. Modification of Existing Fees

For each adjustment made by trustee action to the tuition fee for graduate students, an equal adjustment will be made to the Graduate Business Professional Fee.

B. Student Success Fees (Category II)

1. A binding student vote shall be taken on implementation of any proposed new student success fee. All students who are eligible to vote in student government elections shall be eligible to vote on such student success fee proposals. A rigorous consultation process shall be undertaken to inform and educate students on the uses, impact and cost of any proposed student success fee prior to the binding student vote.
2. In the process of establishing new student success fees, and before the student vote occurs, it must be made clear to the students that if a portion of that fee is intended to support ongoing and/or long-term obligations, that portion of the fee will remain in place until the obligations are satisfied regardless of any subsequent vote to rescind the fee.
3. All student success fees enacted prior to January 28, 2015 shall remain unchanged, including any previously established increments. However, a campus that considers a net new addition to an existing student success fee shall proceed as described in paragraphs VI.B 1 and 2 above.

4. Any campus proposing a new student success fee or an increase not already scheduled to an existing student success fee will consult with the chancellor and must receive approval on the process that will be followed to obtain approval for the fee before proceeding.
5. Student success fee proposals may not be brought before the student body more frequently than once per academic year.
6. If the proposed student success fee is accepted by a simple majority of the students voting, imposition of the fee shall still be contingent on approval by the campus president and chancellor. If the proposed student success fee is for direct instructional purposes that historically were covered by tuition and state funding, then the chancellor shall consult with the chair of the Board of Trustees before final approval is granted.
7. Student success fees enacted after January 28, 2015 shall be in force for at least six years. Student success fees may be rescinded at any time after six years with another binding student vote wherein a simple majority of those students voting vote to rescind the fee. The campus decision to have a vote shall be made by the recognized student government. Rescission vote proposals may not be brought before the student body more frequently than once per academic year.
8. If a vote to rescind passes, the chancellor, in consultation with the chair of the Board of Trustees and the president, shall ensure that no ongoing contractual or other obligation/liability exists which will remain unsatisfied if the student success fee is rescinded. If any such obligations exist, that portion of the student success fee funding the obligations shall remain in effect and the obligations shall continue to be funded by the student success fee until the obligations are satisfied. No new contractual or other obligation which would be supported by the rescinded student success fee may be entered into following a vote to rescind the fee. In the process of reconsidering a student success fee, and before the student vote occurs, it must be made clear to the students that if a portion of that fee is intended to support ongoing obligations, that portion of the fee will remain in place until such time as the obligations are satisfied.
9. Student success fees enacted prior to January 28, 2015 may also be rescinded by a binding student vote under the same procedures described above for rescinding a fee, but no such student vote may be held until after January 1, 2021. If a vote to rescind passes, the chancellor, in consultation with the chair of the Board of Trustees and the president, shall ensure there are no ongoing, contractual or other obligations which will remain unsatisfied if the student success fee is rescinded. If any such obligations exist, that portion of the student success fee funding the obligations shall remain in effect and the obligations shall continue to be funded by the student success fee until the obligations are satisfied. No new contractual or other obligations which would be

supported by the rescinded student success fee may be entered into following a vote to rescind the fee.

10. Each campus shall be required to have a transparent, online accountability protocol that clarifies the decision process and allocation of student success fees, with annual reporting to the chancellor and public by October 15 each year. All campuses shall be held to this standard for any existing and new student success fees imposed in the future.

C. Miscellaneous Course Fees (Category III)

1. 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 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.
2. The following rules apply when determining if miscellaneous course fees can be charged for exceptional materials or services in the classroom:
 - a. Miscellaneous course fees can only be charged for the actual cost of the material, service or use of facility being provided.
 - b. 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.
 - c. 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.
 - d. 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.
 - e. A miscellaneous course fee **cannot** be charged to fund the basic cost of instruction. Instructional costs are funded through marginal cost dollars, tuition fee revenue, and permanent base budget allocations.

3. 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 shall be issued to authorize the campus to charge the fee.
4. Campuses must review all current miscellaneous course fees to ensure each one meets the requirements of the above described rules. If existing course fees exceed 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 surpass the approved ranges that were previously approved by executive order prior to issuance of Executive Order 1034 in 2008 are grandfathered into this policy as long as they meet the policy guidelines above. Fees that do not meet the guidelines must be revised or eliminated.
5. 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.
6. 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.

D. Student Involvement and Representation Fee (Category VI)

1. Collection of the fee shall occur twice annually in the fall and spring academic terms, starting with the fall 2015 term.
2. Each time the fee is assessed, students shall be provided a clear and unambiguous means to decline the payment of the fee.

VII. References

Additional CSU student fee policy references including fee related laws and policies such as "Quality and Affordability: Policies for Pricing, Strategies for Paying" and "List of Factors for Future Considerations of Fee Changes," index of fees, definition of terms, and frequently asked questions can be found online at calstate.edu/budget/student-fees/fee-policy.