

**ITEM WITHDRAWN  
NO COMMITTEE MEETING**

## **AGENDA**

### **JOINT MEETING OF THE COMMITTEE ON EDUCATIONAL POLICY AND THE COMMITTEE ON FINANCE**

**Meeting: 3:30 p.m., Tuesday, November 13, 2012  
Dumke Auditorium**

#### **Committee on Educational Policy**

Debra S. Farar, Chair  
Peter G. Mehas, Vice Chair  
Roberta Achtenberg  
Bernadette Cheyne  
Kenneth Fong  
Margaret Fortune  
Lupe C. Garcia  
Steven M. Glazer  
William Hauck  
Lou Monville  
J. Lawrence Norton  
Jillian Ruddell  
Glen O. Toney

#### **Committee on Finance**

William Hauck, Chair  
Roberta Achtenberg, Vice Chair  
Kenneth Fong  
Margaret Fortune  
Steven M. Glazer  
Henry Mendoza  
Lou Monville  
Jillian Ruddell  
Glen O. Toney

#### **Consent**

Approval of the minutes of the meeting of September 19, 2012

#### **Discussion**

1. Modifications to the Schedule of Fees, *Action*

**MINUTES OF THE  
JOINT MEETING OF THE  
COMMITTEE ON EDUCATIONAL POLICY AND  
COMMITTEE ON FINANCE**

**Trustees of The California State University  
Office of the Chancellor  
Glenn S. Dumke Conference Center  
401 Golden Shore  
Long Beach, California**

**September 19, 2012**

**Members Present**

**Committee on Educational Policy**

Peter G. Mehas, Vice Chair  
Roberta Achtenberg  
Bernadette Cheyne  
Steven M. Glazer  
William Hauck  
Bob Linscheid, Chair of the Board  
Lou Monville  
Jillian Ruddell  
Glen O. Toney  
Charles B. Reed, Chancellor

**Committee on Finance**

William Hauck, Chair  
Roberta Achtenberg  
Steven M. Glazer  
Bob Linscheid, Chair of the Board  
Henry Mendoza  
Lou Monville  
Jillian Ruddell  
Glen O. Toney  
Charles B. Reed, Chancellor

Two informational items were discussed. The items will be brought back to the joint committees in November.

**Recommended Addition to Title 5, California Code of Regulations, to Describe New Delivery of Educational Services through Cal State Online**

Cal State Online is proposed as a new system-level component of the California State University (CSU) designed to support and supplement CSU system academic offerings by facilitating, servicing, publicizing and developing and providing outreach for online educational programs.

This information item recommends addition to Title 5 of a new section 40203, authorizing Cal State Online to support and supplement the delivery of self-support online curricula.

**§ 40203. Cal State Online.**

Expanding access through innovative technology, Cal State Online is authorized to support and supplement delivery of self-support online curricula in conjunction with degree-granting campuses. The Chancellor is responsible for implementing this section.

With no questions, Trustee Hauck proceeded to the next item on the agenda.

### **Recommended Changes to the California State University Student Fee Policy, Related to Cal State Online**

This information item presented a recommended revision of the CSU fee policy to allow for Cal State Online to operate and charge fees on a self-support basis.

### **Recommended Revision to the Student Fee Policy**

#### **II. Definitions**

- E. Category V fees – Fees paid to self-support programs such as extended education, Cal State Online, parking and housing including materials and services fees, user fees, fines, 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.

#### **III. Authority**

- B. The chancellor is delegated authority for the establishment, oversight and adjustment of Category II, Category III, and Category V Cal State Online 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 (with the exception of Cal State Online 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.

**JOINT MEETING OF  
THE COMMITTEE ON EDUCATIONAL POLICY  
AND COMMITTEE ON FINANCE**

**Modifications to the Schedule of Fees**

**Presented By**

Benjamin F. Quillian  
Executive Vice Chancellor  
and Chief Financial Officer

Ephraim P. Smith  
Executive Vice Chancellor  
and Chief Academic Officer

**Summary**

This item recommends board approval of three undergraduate fee modifications intended to improve student access to courses, access of eligible applicants to the university, time to degree, and to generate needed revenues.

**Discussion**

At the meeting of September 18-19, 2012, the Committee on Finance discussed three recommended undergraduate fee modifications as part of its consideration of a contingency strategy for the system's support budget. The Finance Committee (and later, the full board) adopted the recommended budget contingency strategy with the caveat that staff return at the November meeting with the three recommended fee modifications so that the board could provide further consideration to this particular part of the September proposal. Based on the September board discussion and subsequent staff review, the recommendations have been modified to some extent to address concerns raised in board discussion, public comment and further input from students and campuses. Given the fact that the three recommended fee modifications are intended to improve student access to courses, course-taking decisions by students, time to degree and successful academic outcomes—and that revenue generation, while important, is a secondary consideration—the issue is being presented at the joint meeting of the Committee on Educational Policy and the Committee on Finance.

The three undergraduate fee modifications, as currently recommended, are summarized below. The fees are intended to increase student access and to provide equitable and efficient paths to graduation. They are recommended even if the Governor's tax initiative passes. It is anticipated that these fees would generate roughly \$30 million annually, starting in 2013-2014.

**Graduation Incentive Fee** Across the nation, public universities are taking steps to encourage students to complete their baccalaureate degrees more efficiently and within a reasonable time frame. For several years, California State University (CSU) academic advisers have been identifying and actively directing students who have earned many more units than are necessary for the degree. Similar to other public universities, the CSU now recognizes that the Graduation Incentive Fee will act to complement labor-intensive institutional efforts.

Commencing in fall 2013, this recommended fee would require California resident seniors who have earned 160 semester/240 quarter units or more to pay a supplemental fee on a per unit basis at a rate equal to the non-resident tuition excess unit rate. (In fall 2013 this rate will be \$372/semester unit [\$248/quarter unit] if Proposition 30 is enacted, and \$399/semester unit [\$266/quarter unit] if Proposition 30 is not enacted). Under this recommendation, beginning in fall 2014 students who have earned 150 semester/225 quarter units or more would pay the supplemental per unit fee. This limit is equivalent to five years of completed full-time undergraduate instruction. The recommended fee is intended to encourage "super seniors" to graduate and thereby open admission slots for other eligible CSU applicants and increase graduation rates.

This two-step gradual transition from 160 semester units to 150 units as the threshold limit for this fee is a change from what was presented to the board in September. It is designed to give ample notice to students to complete the courses necessary to graduate, and recognizes that some students may currently be in "super-senior" status due to prior inability to enroll in necessary courses. In addition, this fee is designed to ensure that every student who entered the CSU as a first-time freshman will be able to earn 160 semester credit units in the CSU before the Graduation Incentive Fee is charged in fall 2013. Any college credits earned before entering the CSU, e.g., Advanced Placement credit, will not be counted in the implementation of this fee. Since upper-division transfers are halfway to the baccalaureate, every student who first entered the CSU as an upper-division transfer will be able to earn half of 160 semester credit units, that is, 80 semester credit units, in the CSU before the Graduation Incentive Fee is charged in fall 2013. After denying admission to tens of thousands of eligible applicants in recent years, this adjustment to increase access is a high priority.

**Third-Tier Tuition Fee** Tuition fees for resident students at the CSU are not currently assessed on a per-unit basis. Instead, they are assessed according to unit loads, with the charges falling into two alternative "tiers." Students with six units or fewer are charged one amount, and students who take more than six units are charged a higher amount. Public universities across the

nation, like the CSU, are struggling to provide students with adequate and equitable access to courses. Revising in-state fee structures to replace lost state general fund dollars, but more importantly to meet student need, is a key strategy.

Commencing with fall 2013, this recommendation proposes adding a “third-tier” in which students enrolled in 18 or more units would be charged for each “excess” unit taken. For example, the 18<sup>th</sup> unit would be regarded as one excess unit, and a student taking 19 units would be assessed two excess units. The recommendation in September was to use 17 units as the threshold. The change to 18 units is based on subsequent input from students and campuses and accommodates the special requirements of certain academic programs. In a further change from September, it is recommended that student enrollment in 18 or more units be conditioned on approval from the student’s academic adviser to better ensure that additional unit loads result in student success.

The recommended rate would be a specified fraction of the academic year tuition fee rate. (If Proposition 30 is enacted the recommended rate would equal \$182 per semester unit and \$122 per quarter unit. If Proposition 30 is not enacted, the rate would be \$209 per semester unit and \$139 per quarter 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. Currently, students taking more than a full load of classes are preventing other students from enrolling in a full load of required courses. Compared with most middle- and low-income CSU students who must work while also going to school, students taking high unit loads also are paying less per unit than their peers. By charging a fee rather than imposing absolute limits on course loads, students who choose to take a higher course load to graduate at a faster pace would be allowed to do so, while at the same time generating revenues that would give the university resources to add course sections and “seats” for students trying to get enough units each semester.

**Course Repeat Fee** It is estimated that there are 10 course repeats per 100 CSU undergraduates each term, with more than 40,000 seats each academic term in state-supported classes occupied by students who already have taken the course. Until 2008, there were no systemwide policies on course repeats. After substantial discussion and deliberation, Executive Order No. 1037 was crafted to allow students to repeat 28 semester units (42 quarter units) – almost a full-time year of instruction. Like other public universities facing reduced capacity to provide instruction, the CSU recognizes that a high number of course repeats prevents the system from meeting demands for students and course access and is recommending a course repeat fee. Commencing with fall 2013, students who choose to repeat a course would be required to pay the proposed Course Repeat Fee, which would be set at a specified fraction of the academic year tuition fee rate. (If Proposition 30 is enacted the recommended rate would equal \$91 per semester unit and \$61 per

quarter unit. If Proposition 30 is not enacted, the rate would be \$105 per semester unit and \$70 per quarter unit).

The fee is intended to direct students to make careful decisions with regard to repeating a course and with regard to maximizing academic effort the first time a course is taken, understanding that a decision to repeat a course has a price consequence. It is anticipated that this will lead to better decision-making by students, better academic outcomes, and will free up space for students who have not had an opportunity to take necessary courses, improving their time to graduation. This particular recommendation is unchanged from the recommendation made in September, except that the recommendation that students repeating courses not be allowed to take more than 15 units during that term has been eliminated.

The following resolution is recommended for board approval.

**RESOLVED**, By the Board of Trustees, that the following student fees are approved effective fall 2013, and until further amended:

- Graduation Incentive Fee for resident undergraduates, to be assessed at the same per-unit rate as supplemental nonresident tuition, for each unit in excess of total earned units of 160 semester and 240 quarter units. Commencing with fall 2014, and until further amended, the graduation incentive fee would be assessed for each unit in excess of total earned units of 150 semester units and 225 quarter units.
- Third-Tier Tuition Fee for resident undergraduates, to be assessed per unit at a rate of one-thirtieth of the basic academic year tuition fee rate for semester calendar campuses and one-forty-fifth for quarter calendar campuses, for each unit in excess of 17 units per term, provided that the student is enrolled in at least 18 units.
- Course Repeat Fee for resident undergraduates, to be assessed per unit of each course repeat at a rate of one-sixtieth of the basic academic year tuition fee rate for semester calendar campuses and one-ninetieth for quarter calendar campuses.

The chancellor shall take such actions as deemed necessary to implement the above fees for fall 2013, including communications to students, the establishment of appropriate rules and exceptions, and the establishment by campuses of appropriate appeals processes to address unforeseen individual circumstances. No student shall be assessed more than one of the three above fees for the same course. The chancellor shall report to the board on the

implementation of the fees and outcomes for students at the conclusion of the 2013-2014 and 2014-2015 academic years.