



**The California State University**

# **State Funding and Student Fee Policy**

**Board of Trustees  
September 2004**



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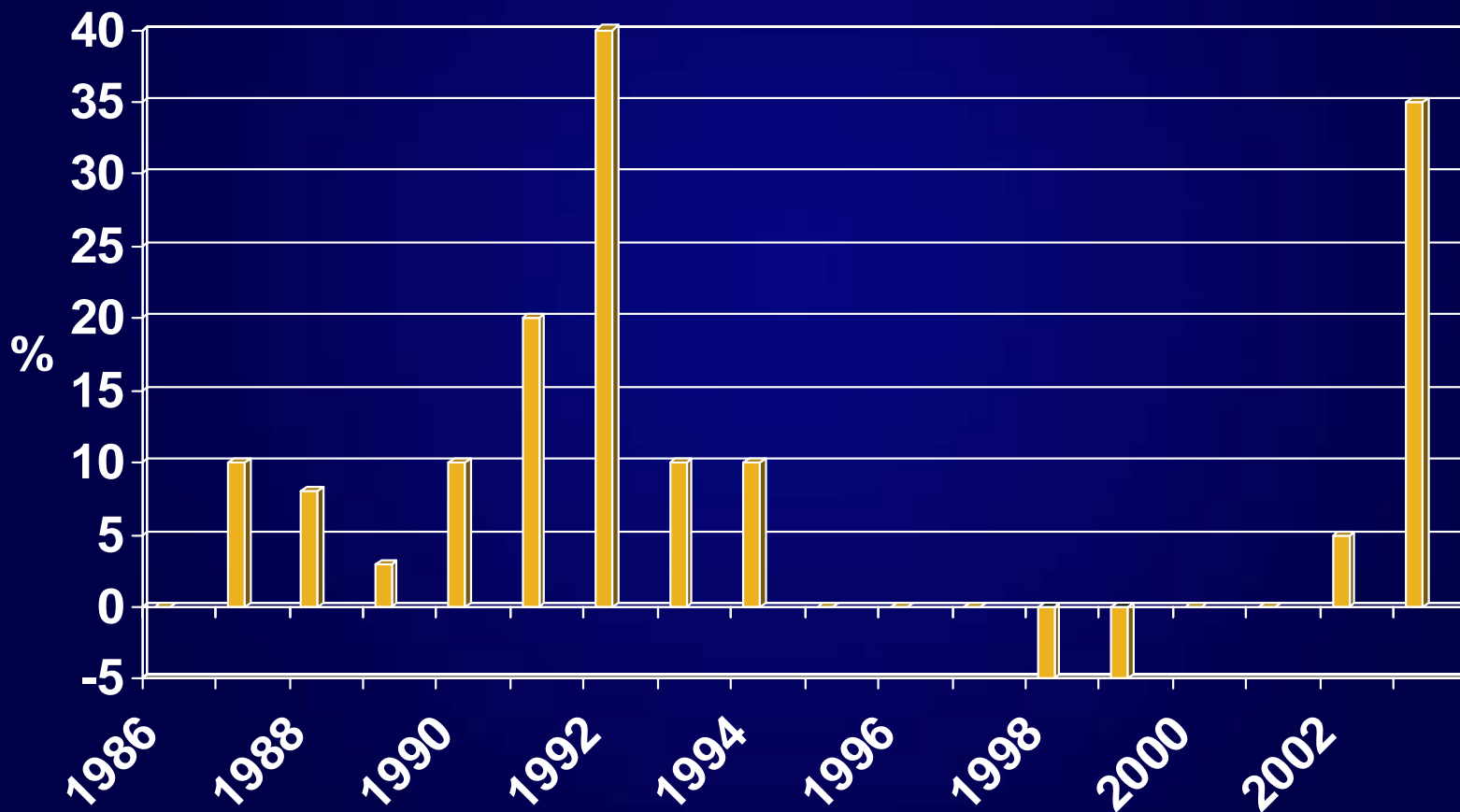
## **State Fee Policy History**

- **Maddy-Dills statute enacted in 1985**
  - Gradual, moderate and predictable
  - Limited increases to not more than 10%
  - Fees set at least 10 months prior to fall term
  - Additional financial aid provided to offset increases
- **Policy set aside in budget for several consecutive years due to fiscal crisis**
- **Policy officially “sunsets” in 1996**



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# Unpredictability in Undergraduate Fees: During and Post-Maddy/Dills





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# CSU Student Fee Policy

- Trustees adopt policy standard of student responsibility for 1/3 of cost in 1993
  - State's responsibility to support access
  - Fee revenues support quality of programs
  - Differential costs in providing undergraduate and graduate education
  - No restriction on the use of fee revenue in system
  - Fee policy tied to financial aid policies



# **CSU Policy Review and Update**

- **Trustees request review of existing policy**
  - Reaffirm the University's historic commitment to authentic access and quality
  - Recognize state's short and long-term fiscal challenges
  - Provide greater predictability and stability to students and the campuses
  - State revenue support for CSU must be directly linked to fee policy
- **Consultation included campus Presidents, SBAC, Academic Senate and CSSA**



## **Key Principles**

- Continue shared responsibility for all costs, with state responsible for access and student share to support program quality
- Undergraduate and postbaccalaureate fees adjusted over time to reach 33% of the cost of education
- Increases could be up to 10% each year, except if the state does not meet its' funding responsibility for the University
- Fees adjusted each year by change in California per capita personal income after 1/3 share level reached



# Key Principles (con't)

- Graduate fees adjusted over time to reach the equivalent of 150% of undergraduate fee level
- Annual increases of 15% for graduate students until this level is reached
- Reasonable notice for all fee increases
- Adequate federal, state and institutional financial aid to assure affordability
- Continue practice of fee revenue set aside for State University Grant (SUG) program
- Annual status report to Board on state funding and policy implementation



## **Relationship to Governor's Compact**

- Compact confirms state's obligation to fund higher education
- Proposes student fee increases in next three fiscal years
- Links fee increases to changes in per capita personal income
- Urges CSU and UC to adopt student fee policy for undergraduate students
- Suggests graduate student fee differential

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