

## AGENDA

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

**Meeting:** 3:30 p.m., Tuesday, January 22, 2013  
Glenn S. 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  
Rebecca D. Eisen  
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. Proposed Addition to Title 5, California Code of Regulations, to Describe New Delivery of Educational Services through Cal State Online, *Action*
2. Proposed Changes to the California State University Student Fee Policy, Related to Cal State Online, *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  
Kenneth Fong  
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  
Kenneth Fong  
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**

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

**Presentation By**

Benjamin Quillian  
Executive Vice Chancellor and  
Chief Financial Officer

Ephraim P. Smith  
Executive Vice Chancellor and  
Chief Academic Officer

**Background**

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. Cal State Online will draw upon current programmatic and faculty strength on the CSU campuses to create new programs, opportunities and service support for online learners. While Cal State Online will be a centralized organizational entity responsible for student identification and support for existing and new online programs, the academic programs will be managed academically by their originating campus. Campuses throughout the CSU will have the option to participate in Cal State Online with one or more fully online programs that have been developed or that are under development alone or in consortium with other CSU campuses. Campus participation in Cal State Online is voluntary.

Program oversight and direction will remain with the campus or campus consortium that offers the program. All programs participating in Cal State Online are subject to the same approval processes and oversight structures as any currently existing on-campus program, including compliance with the terms of applicable collective bargaining agreements. While Cal State Online students will receive substantial and ongoing support from Cal State Online, they will be admitted students of the campus or campus consortium that offers the program in which they are enrolled. Cal State Online ultimately will offer a comprehensive set of undergraduate, graduate and certificate programs. The initial focus of Cal State Online will be on degree completion programs and master's-level programs for working professionals.

### **Proposed Revision**

This item came before the board for information in September 2012. The following resolution is proposed to modify Title 5 by adding a new section 40203, authorizing Cal State Online to support and supplement the delivery of self-support online curricula:

**RESOLVED** by the Board of Trustees of the California State University that the following Section be added to Title 5 of the California Code of Regulations:

#### **§ 40203. Cal State Online**

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

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

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

**Presentation By**

Benjamin Quillian  
Executive Vice Chancellor  
and Chief Financial Officer

Ephraim P. Smith  
Executive Vice Chancellor  
and Chief Academic Officer

**Background**

The goal of Cal State Online is to create a standardized, centralized, comprehensive business, brand identity and outreach support structure for all aspects of self-support online program delivery for the California State University (CSU) system. Cal State Online seeks to offer and support the best possible online education to the broadest possible spectrum of society, embracing the needs of students.

Sharing systems, tools and technologies as well as developing common practices, support and training, will streamline the development, delivery and administration of CSU online programs through Cal State Online. It is expected that lower costs and enhanced awareness for all participating self-support programs will result from this collaborative effort, eliminating redundancies which inevitably occur when CSU campuses seek to meet the same challenges alone rather than working together.

**Summary**

This action item presents a proposed revision of the CSU fee policy to allow for Cal State Online to operate and charge fees on a self-support basis. The changes are underlined. This item came before the board for information in September 2012.

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

### **The California State University Student Fee Policy**

#### **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 initial fee payments are made, to increase or modify any listed fees, 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.

#### **II. 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, Cal State Online, 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.

### **III. 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, 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.

### **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 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 the 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 the 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 the 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.

#### **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. 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.

**RESOLVED** by the Board of Trustees of the California State University that the California State University Student Fee Policy be updated as follows:

## **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.

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