

Date of Hearing: April 19, 2016

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2210 (Harper) – As Amended March 17, 2016

**SUBJECT:** California State University: student success fees

**SUMMARY:** Requires a campus student success fee to be approved by a two-thirds vote of the California State University (CSU) campus student body voting on the fee.

**EXISTING LAW:** Establishes various requirements for the implementation and rescission of CSU student success fees, including:

- 1) Prohibits a CSU campus or the CSU Chancellor from approving a new student success fee or increasing an existing fee until the campus:
  - a) Undertakes a consultation process to inform students on a fee's uses, impacts, and costs;
  - b) Holds a binding student election and a majority of students voting affirmatively, the fee would then be adopted contingent on final approval by the Chancellor; and,
  - c) Informs students that the fee may be rescinded by a majority vote of the students, but not less than six months after a vote to implement the fee. Rescission is not allowed, however, for the portion of the fee committed to support long-term obligations.
- 2) Stipulates that a fee proposal may not be brought before the student body more than once per academic year.
- 3) Provides that a success fee in place as of January 1, 2016, may be rescinded by student vote only after six years have elapsed following implementation.
- 4) Requires the Chancellor to:
  - a) Ensure there is majority student representation in success fee oversight groups, an annual report to the chancellor from each campus on its success fee, and a transparent process for allocation of success fee revenues; and,
  - b) Report annually on December 1, to the Legislature and the Department of Finance, a summary of fees adopt or rescinded in the prior academic year, and on the uses of proposed and implemented fees.

**FISCAL EFFECT:** Unknown.

**COMMENTS:** *Background.* A number of CSU campuses have adopted student success fees, which, in some cases, substantially increase the cost of attendance at a CSU. Since 2008, 12 of the 23 CSU campuses have adopted such fees. These fees, which were adopted largely in response to significant state funding reductions, are required to be paid by students enrolling in these campuses. Concern over the amount of these fees, the process used for adoption on campuses, and the impact of the fees on low-income students led to the Legislature placing an 18-month moratorium on new fees, and establishing CSU reporting requirements in the 2013-14

Budget Act education trailer bill (SB 860, Budget and Fiscal Review Committee, Chapter 34, Statutes of 2014).

In June 2014, the CSU Board of Trustees (BOT) formed a working group to study the role, process and enactment of student success fees. The working group found that fees had been used in a number of ways by the different campuses. At some campuses, fees support technology, campus-wide WiFi, library hours, veteran services, career services, athletics and additional otherwise unfunded services. Some campuses, however, have used these fees to fund educational needs that have traditionally been supported by tuition and state appropriation such as faculty, advisors, counselors and tutors, and to provide more courses.

According to the working group, of the 12 campuses with fees, only two had referendums where a majority of students voted in favor of the fee, and one of those two allowed students to vote only if they attended alternative consultation meetings about the proposal. At a third campus, students voted to reject the proposed fee; yet, the fee was imposed despite the student rejection. At remaining campuses "alternative consultation" meetings were used instead of student votes.

At the January 27-28, 2015, meeting of the CSU Board of Trustees (Trustees), the Trustees adopted a resolution memorializing the final recommendations of the working group. AB 1000 (Weber, Chapter 636, Statutes of 2016) enacted current policy on CSU student success fees that is consistent with the requirements of the CSU BOT resolution.

*Purpose of this bill.* According to the author, "under Proposition 26 (2010), the Legislature must meet a 2/3 vote requirement to pass a fee, charge, or tax increase. Local governments must also meet this higher requirement to impose a special tax. A governing body asking voters to contribute additional money towards operations is a serious question that must not be taken lightly. It is appropriate to ensure that an overwhelming majority of the student body approves any new student success fees, which can make up a significant portion of the money they have set aside for educational expenses. AB 2210 is needed to change the vote threshold for new student fees at CSU campuses to match the current requirements at the state and local government levels for new taxes or increases in existing taxes. This change will make sure that these fees are imposed fairly and only when a vast majority of the students believe it is needed."

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

None on File

### **Opposition**

California State University

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