

Date of Hearing: July 3, 2012

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Marty Block, Chair
SB 960 (Rubio) – As Amended: May 29, 2012

SENATE VOTE: 37-0

SUBJECT: California State University: campus-based fees.

SUMMARY: Prohibits campus-based mandatory fees at the California State University (CSU) established through an affirmative vote of the majority of the student body voting on the fee, but not specifically authorized by statute, from being reallocated without an affirmative vote of either the student body or a campus fee advisory committee, as specified. Specifically, this bill:

- 1) Prohibits campus-based mandatory fees at CSU established through an affirmative vote of the majority of the student body voting on the fee, but not specifically authorized by statute, from being reallocated without an affirmative vote of either the majority of the student body or a campus fee advisory committee, as specified in #3 below.
- 2) Authorizes the reallocation of a student-approved campus-based fee established through an affirmative vote of the majority of the student body voting on the fee, but not specifically authorized in statute, to be reallocated without an affirmative vote of the majority of the student body or a campus fee advisory committee if the vote that established the fee authorized an alternative or automatic reallocation mechanism for that fee.
- 3) Requires the majority of the membership of the campus fee advisory committee to be comprised of student who are representatives of the student body organization of the campus or who are selected by that student body organization. Specifies the campus fee advisory committee may include nonstudent members who are appointed or elected as authorized.

EXISTING LAW:

- 1) Prohibits CSU from allocating any student imposed athletic fees, for the purposes of supporting intercollegiate athletics programs, in either amounts or purposes other than those voted on by the students, and specifies the pro-rata refund of any portion of the student-imposed athlete fee that is collected but not allocated. (Education Code § 66152)
- 2) Confers upon the CSU Board of Trustees the powers, duties, and functions with respect to the management, administration, and control of the CSU system. (EC § 89035)

FISCAL EFFECT: According to the Senate Appropriations Committee, this bill will likely result in minor costs to individual CSU campuses and potentially significant cost pressure to the state to backfill CSU to the extent that it was unsuccessful in passing fee increases.

- 1) Requirements to raise fees: To the extent that CSU campuses use the student referendum option to pass new fees, campuses will incur costs of approximately \$25,000 to publicize the referendum. Seeking a vote of the majority of a campus's fee advisory committee is likely to result in only minor and absorbable costs.

- 2) Barriers to raising and reallocating student fees: If this bill results in CSU campuses being unable to raise or reallocate student fees to meet campus needs, it will result in additional cost pressure for the state to fund the CSU at a higher level, at a time when budget reductions continue.

COMMENTS: Background. Campus-based mandatory fees are used to support on-campus activities essential to student success and the student experience, including health facilities and services, student university unions, athletic programs, transit/transportation systems, and recreational opportunities. The state does not provide funding to support these activities. There is no statutory guiding policy on mandatory systemwide tuition and fees beyond the current fiscal condition and the stated needs of CSU and UC, as negotiated in budget deliberations. Campus-based fees currently average \$1,047 per year.

Need for this bill. Under its policy, CSU presidents have the authority to use an alternate consultation process to divert funds and/or establish campus-based mandatory and instruction-related fees without consulting the student body. The author states, "This executive language overrides the rights of students to self-govern and allocate fees that the student-body itself established and voted on through a referendum process. Several student bodies throughout the CSU system have had their existing fees reallocated or new fees established without a vote from the student body."

CSU process related to campus-based fees. Consistent with existing law, the CSU Trustees adopted standing orders providing the Chancellor the authority and responsibility to take whatever actions are necessary for the appropriate functioning of the CSU, including but not limited to, establishment, oversight, and adjustment of campus-based mandatory fees (also known as category II fees). As it relates to mandatory campus-based fees, the Chancellor provided campuses direction under Executive Order 1054. Among other things, under Executive Order 1054:

- 1) Authority. The Chancellor is delegated authority for the establishment, oversight and adjustment of category II fees. Campus presidents are *not* delegated authority to establish category II fees; they are delegated authority for the oversight and adjustment of category II fees.
- 2) Responsibility. Campus presidents are responsible for assuring that appropriate and meaningful consultation occurs prior to *adjusting* any campus-based fee and before requesting the Chancellor establish a new category II fee.
 - a) Campus presidents shall establish fee advisory committees comprised of students, faculty, staff, and administrative representatives, in consultation with the student body association. Students appointed by the student body association constitute a majority of the voting members of the fee advisory committee.
 - b) Campus presidents shall consult with the fee advisory committee before adjusting or requesting the chancellor establish any category II fee.
 - c) The policy presumes that a student fee referendum will be conducted prior to adjusting / establishing category II fees. 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. The president, however, may waive the referendum requirement if he/she determines that it is not the best mechanism to achieve appropriate and meaningful consultation, an alternative consultation process may be utilized.

- d) Alternative consultation strategies are to be developed with input from the student body association and the fee advisory committee to ensure the process is transparent, and meaningful, and will solicit the input of a representative sample of the student body. 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.
- 3) Accountability. Campus presidents must provide a report of all fees, including category II fees, as specified. In addition, the president has authority to decrease, suspend or eliminate fees as needed.

Suggested amendments.

- 1) It is unclear if this bill could apply to current campus-based fees. Staff recommends an amendment to clarify that this policy would apply prospectively.
- 2) It is unclear how the provision of this bill pertaining to the composition of the fee advisory committee differs from the composition required in existing CSU policy. Staff recommends this provision be removed (page 2, lines 29-34 and page 3, lines 1-2).

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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