
SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair
2015 - 2016 Regular

Bill No: AB 1000
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Consultant: Kathleen Chavira
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Fiscal: Yes

Subject: California State University: student success fees

SUMMARY

This bill deletes existing provisions and establishes new requirements regarding the implementation, rescission and reporting, of student success fees at the California State University (CSU).

BACKGROUND

Existing law defines “student success fee” as a type of category II campus-based mandatory fee that must be paid by a student to enroll or attend a campus of the CSU, as determined by that campus or the Chancellor of the CSU.

Existing law prohibits a CSU campus, or the Chancellor of CSU, or both, from approving a student success fee, before January 1, 2016, and requires the Chancellor to review the CSU Student Fee Policy relating to student success fees and to recommend any changes to the trustees during the 2014-15 fiscal year. Existing law requires a report to the Department of Finance and the appropriate fiscal and policy committees of the Legislature, on or before February 1, 2015, regarding the chancellor’s proposed revisions to these policies.

Existing law requires the Chancellor’s review and recommendations to consider:

- 1) The approval process and the benefit of utilizing a student election or the consultative process in the approval process.
- 2) The need for statewide policies governing a student election, the consultative process, or both, for approving a proposed student success fee.
- 3) The means to improve transparency and accountability regarding a campus’ use of student success fee funds.
- 4) The development of an annual report describing the use of student success fee funds by each campus.
- 5) The approval of a statewide policy to prohibit a campus from implementing a student success fee for a period exceeding five years unless a continuance of that fee is approved by an affirmative vote of the majority of the student body voting, or through the consultative process.

- 6) The impact of student success fees on campuses' academic programs and services available for students.
- 7) The provision for financial assistance to offset the cost of the fee for low-income students. (Education Code § 89712)

ANALYSIS

This bill deletes existing provisions and establishes the following new requirements regarding student success fees:

- 1) Prohibits a campus of the California State University (CSU), or the Chancellor of the CSU or both from approving, or increasing an existing, student success fee before doing all of the following:
 - a) Undertaking a rigorous consultation process that informs and educates students on the uses, impact and cost of the proposed fee or fee increase.
 - b) Informing students that a student fee may be rescinded by a majority vote of the students, but may not be rescinded earlier than six years following the vote to implement the fee, except that any portion of a fee committed to a long-term obligation may not be rescinded until the obligation has been satisfied.
 - c) Holding a binding student election in which a majority of the student body votes to implement or increase a student success fee, contingent upon final approval by the Chancellor of the CSU.
 - d) Limiting the bringing of such a proposal to the student body to once per academic year.
- 2) Authorizes student success fees to be rescinded with a binding student vote of a simple majority of the students voting. It requires that:
 - a) A student success fee in place on January 1, 2016 be rescinded by a binding student vote only after six years have elapsed following the implementation of the fee.
 - b) For rescission of all other student success fees it:
 - i) Provides that the fee may be rescinded by a simple majority of the voting students.
 - ii) Requires that a student vote be formally approved by the recognized student government, that rescission vote proposals be brought to students only once per academic year, and that prior to reconsidering a fee and before a vote that students be informed of specified information regarding the use of the fee for long-term obligations.

- 3) Requires the Chancellor of the CSU to:
 - a) Ensure that any campus fee allocation oversight group have majority student representation, that each campus prepare an annual report, that there is uniform, transparent, online accountability in the decision making process for, detailed accounting of, the allocation of student success fees.
 - b) Establish appropriate reporting procedures to ensure compliance with requirements.
 - c) Report by December 1 or each year, a summary of the fees adopted or rescinded in the prior academic year and the uses of proposed and implemented fees.
- 4) Defines a "student success fee" as a category II campus based mandatory fee that must be paid by a student to enroll or attend a California State University (CSU) campus, as specified.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, this bill is the next step in the process of addressing student success fees at the CSU. Its provisions are generally based upon a recently adopted resolution by the CSU Trustees regarding student success fees. The author states that by putting into statute many of these recommendations, the Legislature can ensure that students will continue to have a voice in fees that directly affect them.
- 2) ***History.*** In an attempt to make-up for budget cuts experienced during the recession, a number of CSU campuses adopted student success fees, which, in some cases, substantially increased the cost of attendance at a CSU. Since 2011, 12 of the 23 CSU campuses had adopted such fees. The process for determining these fees differed at each campus. According to the author, at some campuses this fee results in an additional cost of \$2000 annually.

As part of the 2014-15 Budget Act, SB 850 (Chapter 34, Statutes of 2014) was enacted to prohibit a CSU campus, or the Chancellor, from approving a student success fee before January 1, 2016, and to require the Chancellor to conduct a review of, and recommend changes to, the CSU student fee policy during the 2014-15 fiscal year. The Chancellor was required to report to the Department of Finance (DOF) and the appropriate fiscal and policy committees of the Legislature, on February 1, 2015, regarding proposed revisions to the CSU student fee policy related to student success fees.

- 3) ***Related Report.*** In compliance with the requirements of SB 860, the CSU issued its report January 30, 2015 summarizing the process and findings of the Student Success Fee Working Group and the recommendations of the Trustees. In addition, at its January 27-28 meeting the Trustees adopted a resolution memorializing the final recommendations of the working group which required all the following:

- a) A binding student vote, prior to the implementation of any proposed new student success fee, and a rigorous consultation process prior to the vote, to educate students on uses, impact, and cost and to inform students that a fee that supports ongoing and or long-term obligations will remain in place until the obligation is satisfied regardless of a subsequent vote to rescind the fee.
- b) All student success fees currently in place remain unchanged, however a new addition to an existing fee must be approved by a binding student vote, the campus must receive approval on the process for approval from the CSU Chancellor's Office, and a fee proposal may only be brought to the student body once per academic year.
- c) Student success fees accepted by a majority of students voting may not be implemented without the approval of the California State University (CSU) Chancellor and the campus president, and if for a proposed use historically covered by tuition and state funding, the Chancellor is required to consult with the Board of Trustees before granting final approval.
- d) Student success fees may be rescinded at any time after six years with another binding majority student vote, except that student success fees supporting ongoing and long-term obligations may not be rescinded until the obligation is satisfied. Current student success fees may not be rescinded until after January 1, 2021.
- e) Student success fee implementation and fee rescinding proposals may only be brought before the student body once per academic year.
- f) Each campus is required to have transparent, online accountability protocols that clarify the decision process and allocation of the student success fees, with annual reporting to the Chancellor by October 15th, and any campus advisory group on student success fees is required to include a majority student representation.

This bill is generally consistent with the provisions of the resolution adopted by the Trustees.

- 4) **Existing student success fees.** Current law prohibits the adoption of any new student success fees until January 1, 2016. As part of the report required by SB 850, the CSU was required to examine the uses and processes related to existing fees, and was specifically tasked with reviewing financial aid considerations for low-income students. The Trustees formed a working group to study the role, process, and enactment of these fees, as well as make recommendations regarding their future use.

According to the CSU, the Working Group determined that these fees had been used for new technology, campus-wide Wi-Fi, library hours, veteran services, career services, athletics, and additional benefits for students. While one campus rejected the use of these fees for purposes historically covered by tuition and state funding, other campuses used fees for purposes of funding educational needs traditionally supported by these sources, including to hire additional faculty, advisors,

counselors, tutors, and to provide more courses. The working group recommended no policy changes relative to financial aid to offset costs for low-income students as they found that there is sufficient coverage through a variety of private, institutional, state, and federal financial aid programs.

In addition, of the 12 campuses with success fees, two had referendums, although one of these allowed students to vote only if they attended alternative consultation meetings about the fee proposal. A third campus imposed a fee without a campus-wide referendum and despite a vote by the Student Fee Advisory Committee rejecting the proposed fee.

- 5) **Student Success Fees.** According to the California State University (CSU), student success fees are category 2 campus-based mandatory fees. This bill’s provisions maintain the definition to codify it as one of five categories of fees which have been established by CSU Executive Order 1054, and the provisions of this bill, as well the Trustees resolution only affect category 2 campus-based fees. The chart below summarizes these fees.

CSU FEES		
Types of Fees	Description	Examples
Category 1	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	Tuition fee, non-resident tuition fee, application fee, professional program fee
Category 2	Campus mandatory fees that must be paid to enroll in or attend the university	Health facilities fee, health services fee, university union fee, associated student body fee, materials services and facilities fee, instructionally related activities fee, orientation fee, athletics recreation and transit fees
Category 3	Fees associated with state-supported courses. Specifically for materials and services used in concert with the basic foundation of an academic course offering	Course fees, field trip fees
Category 4	Fees paid to receive materials services, or for the use of facilities provided by the university; and fees or deposit to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property as a security or guaranty	Late fees, library fees, diploma fees, check return fees, etc.
Category 5	Fees paid to self-support programs	Parking fees/fines, housing fees/fines and continuing or extended education fees/fines, student fees and fines

- 6) **Prior legislation.** AB 938 (Weber) as amended by this Committee, required that a campus of the CSU that has implemented a “student success fee” must use its institutional aid to cover the cost of these fees for low-income students, as defined. Upon returning to the Assembly for concurrence, AB 938 was referred to the Assembly Higher Education Committee, but was never heard at the request of the author.

SUPPORT

California Federation of Teachers
California State Student Association

OPPOSITION

California State University

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