

RUTGERS UNIVERSITY SENATE
Budget and Finance Committee
Report and Recommendations on Charge S-0414, Student Fees
April 3, 2007

I. Charge to the Committee

S-0414 - Student Fees: Examine all student fees collected for university-wide purposes paid by Rutgers University undergraduates on all three campuses. Research the origins of these fees, the programs and projects that they have funded in the past and any future plans for the use of these funds. Recommend best practices for the appropriate use of this fee money in light of these findings. In addition, recommend ways in which university-wide student fee information can be made more widely available to all Rutgers University students. Respond to Senate Executive Committee by April 2, 2007.

II. Summary

The Senate Budget and Finance Committee was charged with examining and reporting on the University's student fees, and to recommend appropriate practices regarding usage and increased student fee information dissemination to the students of Rutgers University.

The committee opted to base its report on the proposed models of the Student Fee Consolidation Task Force. Having evaluated the process proposed by the Student Fee Consolidation Task Force, herein referred to as the "Task Force."

III. Report

A. Current Fee Descriptions

Currently, student fees are listed items on term bills as "College Fee." These fees were previously set by school or college affiliation. As such, both graduate and undergraduate students enrolled among the various units, i.e. Livingston College, the School of Engineering, Rutgers College, etc., paid varying student fees as set by their school of enrollment. Additional items, such as the Computer Fee, were also charged to students as a separate fee on their term bills. The various student fees descriptions, as reported from the Office of the University Controller, is attached to this report as Appendix A. The description of the fees describes the usage of the fee.

B. Student Fee Consolidation Task Force

In light of the reorganization of the New Brunswick campus academic units, the varying fees paid by the students of the various colleges in New Brunswick had to be Consolidated into one fee. In addition, it was noted that even if the monies collected by the fees could be kept at level funding, it perhaps would be better to re-design the categories for student fees in order to create a more uniform and transparent system for Rutgers Camden, New Brunswick/Piscataway, and Newark.

To prevent an unnecessary overlap of work, the committee opted to evaluate any models or options and considerations presented by this Task Force.

A task force to consolidate the student fees, chaired by Associate Vice-President for Student Affairs Brian Rose, was formed and was comprised of student representatives from the three campuses, a University Senate representative, administrators, and staff members from all three Rutgers campuses.

This Task Force was charged with creating recommendations on the following:

The charge to the Student Fee Consolidation Task Force was to make recommendations concerning the following (As stated in the Task Force's report):

1. a simplified student fee structure that consolidates all similar fees into common student fee categories (e.g. Athletic Fees, Student Activities Fees, and Health Services Fees);
2. a definition for each student fee category in enough detail that what expenditures are properly charged to each category is clear and transparent;
3. the allocation of current student fees, by campus (New Brunswick, Newark, Camden) into the proposed new categories of student fees;
4. a base amount for each student fee category, by campus, following a consolidation of the current fees.

The Task Force submitted its recommendations to the Vice-President for Student Affairs and the Vice President for Budgeting. Their final recommendations are attached to this report as Appendix C.

Pending the full report of the TUE Budget Work Group's recommendations, the Budget and Finance committee, the committee cannot at this time render a report or recommendation regarding how part-time student will be charged under the revised structure. Furthermore, pending the reports of other groups reported by the Task Force to be investigating other areas of student fees, the Budget and Finance committee will not make any evaluatory recommendations regarding their work.

C. Alternate Models Discussed by the Student Fee Consolidation Task Force

During the Task Force's deliberation's during its two meetings in Fall 2006, the Task Force deliberated on choosing one of three potential models. These models were presented varying degrees of fee consolidation. The three models were a Full Consolidation model (1), a Consolidation by Organization model (2) and a Modest Consolidation model (3).

The first draft of the Task Force's report, detailing all 3 models' specifications, common elements and differences, can be found in the first draft of the Task Force's report, attached as Appendix B.

Ultimately, the Task Force choose to adopt model 2. In addition, it also recommended as part of this model a weighted average system for New Brunswick in order to preserve current services.

IV. Recommendations

A. Recommendation Regarding Student Input

The Student Fees Consolidation Task Force recommended in its report that student input for New Brunswick students be sought. As of the writing of this report, Vice President of Student Affairs Gregory Blimling has arranged for the formation of a Student Fees Advisory Committee, comprised of student government representatives, to meet in late March 2007.

However, the report only gave specific recommendations as to seeking student input for Rutgers New Brunswick/Piscataway, and only noted a potential for such input in Camden.

Recommendation 1: As supported by the Student Fees Consolidation Task Force, student input regarding the fees structure should be regarded as “critical” to the process of fee setting. The Senate recommends that this notion should be extended beyond what the Task Force had specifically recommended for New Brunswick to include graduate students and undergraduate students on Camden, New Brunswick/Piscataway, and Newark campuses, particularly through soliciting the opinions of local student governments.

Student fees are levied from the students for the purpose of providing services for the students. Therefore, it is illogical to overlook the concerns of these students when it comes to evaluating the extent of student fees. With each department having to submit a budget to its respective Vice President or Provost, having this student input allows that Vice President or Provost additional information as to the proposed fees' appropriateness.

In addition, involving the student governments in the fee setting process creates an opportunity for students to understand the reasoning for setting fees at certain levels, and allows the student governments the information necessary to conduct outreach to students regarding student fees. Therefore, increased student involvement in the process may help to increase the transparency of the fee setting process as well as the fees.

B. Approval of the Student Fees Consolidation Task Force's Report

Recommendation 2: The Senate commends the work of the Task Force in developing a model for student fees, and recommends that the University adopt the Modest Consolidation model for student fees.

Of the three models presented, the Full Consolidation model presented condensed the fee structure too much, to the point where transparency in fee information would be significantly hindered. It can be assumed that such categorization will allow high levels of internal funds shifting. At this point, the accountability of the various budgets funded via student fees is at risk of being compromised.

The Modest Consolidation model essentially keeps the current system, albeit in slightly reduced form. However, it is probably best for the current fees to be categorized in a manner different than what currently exists, which is a difficult to comprehend chart spanning two pages. In addition, this model provides the least flexibility in terms of fee usage.

Furthermore, the Consolidation by Organization Model also provides for a system compatible with the notion of All Funds budgeting (A separate charge regarding All Funds Budgeting has been issued to the Senate Budget and Finance Committee), and for a better system of fund management as opposed to the current system. However, such a system should still be subject to scrutiny and proper oversight.

Given the three models presented, the Budget and Finance committee agrees with the Task Force's assessment.

C. Fee Usage

Also of concern is the notation within the Task Force's report regarding the usage of the "Olympic" sports fees, in that prior usage of the fee has been inconsistent with its description.

It is of concern that the University had been using fees in a manner which was inconsistent with its usage. To rewrite the fees, as had been recommended by the Task Force does not retroactively justify the actions taken. Any usage of students fees in a manner inconsistent with the explicit description of the fee is inappropriate, damaging and should be avoided.

Recommendation 3: The Senate recommends that all usage of student fees should explicitly conform to their descriptions as stated at the time of fee collection.

It should be noted that the Task Force's report states that "there will be reserves / carryover in various accounts funded through student fees." It is understood that while the Task Force declined answering this problem, citing that it may be beyond the scope of the committee, another group is considering the residual fees. Where and when possible, Recommendation 2 above should be applied to these residual fees. For any monies that do not fit into this condition, further examination is necessary before a conclusion can be reached.

D. Recommendations Regarding Dissemination of Information to Students

i. Electronic Placement of Fee Descriptions

One of the major charges presented to the Task Force was the issue of transparency for the student fees. The Budget and Finance Committee, as pursuant to its charge, offers the following recommendations as supplements to the Task Force's recommendations.

Recommendation 4: The Senate recommends that the fees descriptions should be placed electronically in an easily accessible location, and this location should be noted on the term bill. The Senate recommends that the complete breakdown of the fee components for each category should be discussed in an easily understandable manner.

Currently, a review of the current term bill shows no indication of where a student may seek information other than to call the Student Accounting Information Center. Having the description of the fees, or the breakdown of any student fees electronically placed allows for easier access by any students with questions. In addition, this information presented will not help the issue of

transparency unless it is presented in manner easily understandable to students and/or their parents.

ii. Refundable fees

It should be noted that on current term bills, special waivable/refundable fees exist as per Senate guidelines on Student fees levied via student referendum conducted every three years. Specifically, the current fees collected in this manner are the Targum and the NJPIRG fees. As the Task Force notes that these special fees are under the purview of the University, the Budget and Finance committee proposes the following:

Recommendation 5: The University should continue to list any waivable or refundable items as a separately on the term bill. The bill should continue to explicitly state whether any fees are waivable, and should provide a line item under the “Adjustments” section of the term bill for all such items. In addition, refundable items on the term bill should be noted as such and information regarding how to obtain such refunds should be noted on the term bill.

The term “waivable/refundable” implies that the student has a choice in paying that specific fee. However, it cannot be stated that the choice exists if the student does not have adequate knowledge regarding the fee. Therefore, placing the items on the term bill as recommended allows for a higher degree of transparency and for the student to understand their right to waive any such fees.

The current term bill specifically states the NJPIRG fee as waivable, and informs the student of the right to waive that fee. However, it does not mention to the student that the Targum fee is refundable, nor does it provide any information as to whom to contact about this fee. The committee feels that it is important that students know of the existence of any fees in the category mentioned above, and pertinent information related to such fees.