

University of Minnesota

STUDENT SERVICES FEES:
A STUDY IN PERSPECTIVE AND DIRECTION

Report of an Ad Hoc Committee
Office of the Vice President for Student Affairs
February 1981

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I. Introduction

Vice President Wilderson requested that an ad hoc committee from the Office for Student Affairs review the policies/procedures regarding student services fees on the Twin Cities Campus and make recommendations regarding student services fees policy for the future. Dr. Wilderson particularly asked the committee to review the fees funding pattern for OSA units and to advise appropriate changes in this fee structure or funding pattern. The Committee utilized the 1976 Report of the Task Force on Student Services Fees for reference, as well as Assistant Vice President Pillinger's position paper, "Mandatory Student Services Fees: A Statement of Philosophy" (to be published in the Journal of College Student Personnel, American College Personnel Association, March 1982). A summary of the Task Force Report recommendations and a copy of the Pillinger paper are included as Exhibit I and Exhibit II in the Appendix.

II. Definition of Student Services Fee

The Committee proposes the continuation of the fee definition as articulated in the summary report (Exhibit I):

"The Student Services Fee is a mandatory fee on each campus which is set by the Board of Regents through a process that includes recommendations from a student/staff fees committee with the students in the majority, the Provost on the Coordinate Campuses, and eventually the President. The fee provides for activities and services that are an integral part of a university education but are not within the academic curriculum. Some examples are student publications and governments, campus union programs and facilities, and cultural and recreational activities."

III. Mandatory Fee Philosophy

The Committee supports the statement of philosophy about mandatory fees as outlined in the Pillinger position paper -- essentially a taxation by representation for "the public good" (Exhibit II). The Committee felt that a weakness of the 1976 Task Force Report was its lack of solid rationale for mandatory assessment and a firm commitment to that philosophy (although this was not one of the principal questions the Task Force was asked to address). The Committee views other forms of fee assessment as unworkable, impractical, inequitable, and cumbersome at best. Therefore, the Committee recommends that the Board of Regents consider the adoption of a general statement regarding the nature of student services fees and their method of assessment. A proposed format for such a policy statement appears as Exhibit III.

IV. Future Directions for Fees Allocation

Vice President Wilderson asked the Committee to specifically review the Office for Student Affairs' departments or programs which are currently on the fees schedule and to formulate a recommended plan for their future disposition. The Committee's recommendations are represented in the following chart:

<u>OSA Department/Unit</u>	<u>Inclusion</u>	<u>Level</u>	<u>Other Funding</u>
1. Cultural Programs	Yes	Maintenance	Possible funding through OMSSA Legislative Special
2. Health Service	Yes*	Incremental	1) Shift the public health portion of this fee to tuition in Fall 1981 (current fee: \$4.43)** 2) Shift utilities and maintenance to O100 for <u>1983-85 Biennium</u> ***
3. International Reciprocal Student Exchange Program	Yes	Incremental	Foundation support
4. International Study and Travel Center	Yes	Decremental	Anticipated income from International Travel Agency
5. Minnesota Union	Yes	Maintenance	Shift utilities and maintenance to O100 for <u>1983-85 Biennium</u> ***
6. Recreational Sports	Yes	Incremental (new facilities)	David Winfield Recreational Sports Fund ****
7. Student Emergency Loan Fund	Yes	Maintenance	Phase out after five years (fund will then approximate a total of \$125,000)
8. University Student Legal Service	Yes	Incremental	

Notes:

- * -- Separate listing for 1981-82. Inflation is compounded in this area due to the high cost of quality health care, technology, and professional staff.
- ** -- The burden of this public health fee should be born by all students, not simply by those who are required to pay the student services fee. To include this cost in tuition will broaden the base and thus lower the per capita cost.
- *** -- Funding for utilities and maintenance is supplied to all other University buildings through O100 monies.
- **** -- Possible institution of a student fee for new facilities, dependent upon legislative support and consultation with students.

V. Perspectives on Fees Development: Planning and Evaluation

The Committee suggests that the next phase of fees development, following the proposed institutional commitment to a mandatory philosophy and assessment, be that of program evaluation of output (quantitative) and outcome (qualitative). The Committee recommends that each fees-receiving department, unit, or organization be required to submit an extensive annual report to the Student Services Fees Committee each Fall, a report which fully evaluates specific outputs/outcomes. The annual reports would also include an update of a five-year plan regarding program development and projected costs. Furthermore, the Committee recommends that the Fees Committee spend the fall quarter studying these various annual reports and discussing, in depth, the campus extra-curricular program priorities. Following this evaluative review (i.e., need, purpose, priorities, accomplishments), the Fees Committee would then be better able to make more informed budget recommendations -- financial decisions both sequential and congruent with extra-curricular program priority review. Such annual reports would include cost/benefit analyses -- typologies of costs, sources of support, and input/output variables. In essence, the Fees Committee needs to discuss and determine, in a time of diminishing resources, what the student services fees are intended to accomplish before making budget recommendations. Emphasis on program planning and accountability is crucial at this point in time.

VI. Summary of Ad Hoc Committee Recommendations

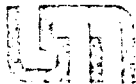
- A. That the health fee be listed as a separate fee on the student fee statement. This fee may, of necessity, need to be higher than the percentage increase designated by the Vice President for Student Affairs for the other fees-receiving organizations. Only in this manner can quality health care be assured to University of Minnesota students. "Consumer Review" would be continued, through both the Student Services Fees Committee and the Campus Committee on the Health Service. (September 1981)
- B. That the public health fee, currently charged only to students taking six credits or more, be shifted into tuition. (September 1981)
- C. That the 1983-85 Biennial Request include utility and maintenance support for Beynton Health Center, Coffman Memorial Union, and the St. Paul Student Center. (1983-85 Legislative Request)
- D. That the next phase of fees development concentrate on priorities for the extra-curriculum and on related organization or program performance review. (Fall 1981)

Respectfully submitted,

Barbara Pillinger, Chair

Carl Nelson

Paul Rupprecht



UNIVERSITY OF MINNESOTA

Office of the Vice President for Student Affairs
Morrill Hall
100 Church Street S.E.
Minneapolis, Minnesota 55455

February 18, 1977

MEMORANDUM

TO: University Provosts, Student Assemblies, and Student Services
Fee Committees,
FROM: Frank B. Wilderson, Jr., Vice President for Student Affairs
SUBJECT: Student Services Fee Task Force Guidelines

At their February, 1977 meeting, the Regents reviewed the recommendations of the Student Services Fees Task Force. They were informed that the Administration has accepted the report with minor changes as the general guidelines for the establishment of the Student Services Fee on each campus. I now forward them to all Provosts for information, distribution to others listed above, and action.

A. Student Services Fee Definition

"The Student Services Fee is a mandatory fee on each campus which is set by the Board of Regents through a process that includes recommendations from a student/staff fees committee with the students in the majority, the Provost on the Coordinate Campuses, and eventually the President. The fee provides for activities and services that are an integral part of a university education but are not within the academic curriculum. Some examples are student publications and governments, campus union programs and facilities, and cultural or recreational activities."

B. Guidelines for the Content of the Student Services Fee

1. All student services fees ought to be mandatory.
2. Fee supported services should be available to all students.
3. Additional debt service established through student services fee procedures are not subject to revision until the debt is paid.
4. Student services fees should not be used to fund courses or activities for which academic credit is offered within a department where credit is the primary focus of the course or activity.
5. Student services fee funding for intercollegiate athletics should be phased down wherever possible.

C. Guidelines for the Processing of the Student Services Fee

1. All campuses should have a committee that reviews and recommends the student services fees. That committee should have at least a student majority, and all members will vote.

2. All aspects of a process for dealing with student services fees should be left to the individual campuses. There was agreement that whether student services fees go through the Student Assembly or not should be determined by the individual campuses.
3. No executive of any organization that receives funds from student services fees shall be a member of the Student Services Fees Committee.
4. All fees committees should have staff assistance from the student affairs staff or the office that audits fee funded organizations.
5. All persons involved in development of the student services fee must recognize the relationship of fees to the total tuition and other costs of education for students.
6. All organizations or departments receiving any student fee funding must establish advisory committees which include students.
7. Every budget receiving funding from the student services fee should be reviewed annually.
8. The Fees Committee on each campus shall establish requirements for budget review, expenditures and pre-audit.
9. Organizations receiving funds from student services fees should demonstrate expenditures in general compliance with their submitted budgets.
10. A finite amount of funding should be recommended each year for each activity rather than funding on a per student basis. Exceptions might be made for services that have a direct relationship to enrollment.
11. The Student Services Fees Committee has the option to allocate funds on the basis of approval of specific request items within a total budget. However, extreme caution must be used in the process to avoid harm to important services.
12. The budgets and financial records of all units that receive student fees should be available to student inspection.
13. The interest and needs of students regarding student fees should be assessed in some form annually.
14. Summer Session Student Services Fees should be set at the same time as the regular session fee.
15. Continuing Education and Extension students should have the option of paying the Student Services Fee.
16. All reasonable attempts shall be made to develop a unified Student Services Fee report to the Regents on the part of the Provost, the central administration and student/faculty/staff committees.

Copies of the complete Task Force report are available in my office. A copy can be forwarded to the campus upon request. Questions or interpretations can be made to Assistant Vice President Donald Zander who co-chaired the Task Force.

/djs

Mandatory Student Services Fees:
A Statement of Philosophy

Barbara Baxter Pillinger
Assistant Vice President
University of Minnesota

Running head: Student Services Fees

Abstract

Much has been written of late regarding inflation and rising tuition costs. Yet little has been stated, at least in solid philosophical terms, regarding the rationale underlying the concept of mandatory student services fees, a cost also experiencing the deleterious effects of rampant inflation. The author suggests that a mandatory student services fee, a taxation derived through representation, serves a unique and vital purpose in enhancing the quality and diversity of campus life. She utilizes the case study method to illustrate her statement of professional philosophy and her argument for Pareto optimality (i.e., the greatest good for the greatest number).

Mandatory Student Services Fees:

A Statement of Philosophy

Much has been written of late regarding inflation's effect on rising tuition costs in higher education. Mandatory student services fees, a cost also experiencing the deleterious effects of rampant inflation, have frequently come under fire in such discussions. Yet little has been stated, at least in solid philosophical terms, regarding the rationale underlying the concept of mandatory fees. A major premise of this paper is that mandatory student services fees, a taxation derived through representation, serve a unique and vital purpose in enhancing the quality and diversity of campus life. In supporting this rationale for a mandatory student services fee system, this paper looks to both the origins and purposes of the fee system and to the method by which the fee is assessed and distributed. Both philosophic and pragmatic dimensions of this rationale will be explored using the University of Minnesota as a case study illustration.

The University of Minnesota Task Force on Student Services Fees (1976) affirmed the principle of mandatory student fees, citing voluntary funding as "unworkable." The Task Force argument was that a voluntary fee system would lead to incompatible ends--avoidance of the fee, but continued demand and need for the services. As further support of its position, the Task Force cited the Student Life Studies report (Matross and DeGidio, 1976), which indicated a majority of students supporting the mandatory fee concept and structure.

The issue of mandatory fees has again been questioned by students and others at the University of Minnesota in response to the publication of a controversial, so-called "humor" edition of the Minnesota Daily, a fee-supported student newspaper. These parties argue that students have been forced, through a mandatory fee, to support a program to which they object and with which they philosophically disagree. They argue that this "forced" payment to an "objectionable" entity through a University-sanctioned system of fees constitutes a violation of their individual rights as students and as citizens.

While this issue is particularly visible at this time, a similar argument could be and undoubtedly has been made by other constituents from time to time. Student government support for unpopular causes, health center practices on abortion referral and birth control, Minnesota Union sponsorship of controversial social, educational, and cultural programs--all of these might be perceived by those who oppose the program in question as an unfair compromise of individual rights. In effect, some students have been compelled, through a mandatory fee system, to financially support a program or cause with which they disagree.

Such controversy based on the premise of individual rights seems inherent in a mandatory fee system. As long as this system is maintained and the organizations which it supports provide programs containing something more than "Pabulum," some resultant dissonance or student objection to the fee on grounds of unfair taxation is inevitable.

The University's task, therefore, must be to provide sufficient rationale for a mandatory fee system, which outweighs this inherent compromise of individual rights. In so doing, the University must look to both the origins and purposes of the fee system and to the methods by which the fee is assessed and distributed. The University's argument, it would seem, has essentially two dimensions--philosophic and pragmatic.

The philosophical position principally revolves around the issue of the locus of determination for the student activity fee and the University's involvement in its mandatory nature. The concept of mandatory versus voluntary fees is, to a large degree, "a straw man" created by proponents of an individual rights position in order to enhance their argument. The fact is that the mandatory fee is only mandatory once it has been voluntarily recommended by a supposedly representative group of students and faculty, after considerable deliberation in an open setting. The real difference, therefore, between mandatory and voluntary fees is the method of voting for them--the former uses a representative or group system, the latter a poll of individual students at each registration. In effect, the fee represents, and traditionally has represented, a decision by students, through their representative body, to tax themselves for the common and community good. The fee, then, represents at its inception, a voluntary commitment to assess the general population for services which enhance and enrich the student community.

This interpretation finds support both in historical and current perspective. The Task Force on Student Services Fees Report (1976) indicates that: "From the earliest fees charged for the Union, the Daily, and the Band, the records show that the fees have been instituted on the basis of recommendations from the student body" (n.p.).

In the early days of the fee, new fees were added on the basis of petition, since no formal fee committee then existed. A recent example of a student request for additional services provided through increased taxation is the University Student Legal Services program, for which students requested and received permission to add a quarterly fee in order to provide a pre-paid legal service to the student body.

This system is grounded in the best tradition of taxation by representation, by vote of representative bodies chosen by those being represented. At their inception, student services fees are not mandatory at all. If students disagree with the fee, one presumes they must attack the fee at its voluntary point--in essence, seek a political solution. If the argument can be proven, by those opposed to certain fee-funded entities, that those systems which provide protection for individual rights (i.e., a representative decision-making system) are not accessible or are unfairly biased and therefore render the fee involuntary, then the University must be obligated to intervene.

Until that time, however, the University's response to charges of unfair taxation must be to direct those complaints or complainants to the source of the decision regarding which

organizations are to be included in the fee structure. It would seem that political solutions must be sought to answer essentially political problems.

Obviously this process does not completely absolve the University of responsibility to monitor the entities funded by student fees. It would seem, however, that the institution's principal responsibility rests in safeguarding the system from wanton use of funds to support organizations which fundamentally violate clearly held principles of the University and the State. Funding of patently racist or sexist organizations would seem to fit into this category. In these cases, however, the decision has to do with inclusion or exclusion from the fee, not the method of assessment.

These philosophical principles, to be sure, do not by themselves argue for the mandatory fee. Even if one accepts the basic volunteerism of the present fee system, the question of its efficacy compared to a check-off system (i.e., students check off, and thus, financially support only activities of which they approve) still remains. In other words, what is it about the mandatory fee system which gives it inherent advantages over the check-off system?

The answer to this question is principally pragmatic. The Task Force on Student Fees expressed legitimate concern over the hypothesized circumstance of demand for student services unsupported by "voluntary" check-offs.

The basic principle behind the fee system is to spread the cost of expensive services to all students, in order to keep the cost from being prohibitive to individual users. In some cases, student fee payers bank their money (i.e., take out "insurance") against the time when they might need a specific service.

Clearly, Student Legal Services and the Health Center are such entities. Other services are in the form of community fees--programs such as the Daily, student union, and recreational sports. These services represent, then, the collective assumption of cost, based on the principles:

- 1) That the provision of such services is an asset to the health and vitality of the community as a whole.
- 2) That the cost spread over all students is manageable; paid only by users, such cost is prohibitive, and therefore, exclusive.
- 3) That the collection of individual fees for individual services and determination of eligibility for such services is unmanageable on a large campus.

This is not to imply that voluntary funds are inappropriate. Indeed, they are collected continually on the campus by various student organizations in the form of dues, program event fees, admission charges, etc. On a micro-level, students routinely tax themselves for services and programs on a voluntary basis as they participate in events and in organizations. That process is duplicated on a macro-level via the student services fee for programs and organizations which have community-wide impact and for which the cost only to users would be unfeasible. For that reason, fee-funded activities more closely resemble a public golf course than a country club, a public swimming pool than a health spa. This distinction seems important for several reasons:

- 1) Elimination of institutional discrimination based on financial considerations in the University community.

- 2) Availability of opportunity for social, recreational, and educational development for all students, in keeping with the consistent application of educational principles. If one subscribes to the notion that the University environment is constructed as an arena for testing new talents, making new contacts in a heterogeneous community, and developing life-long interests, it seems impossible to justify those opportunities only for those who can or will pay fees. Furthermore, such fees would undoubtedly increase substantially, both in number and in potential dollar amount, under any voluntary check-off system.
- 3) Provision of services which may be necessary, but not immediately so, for all students, so that emergency care is not contingent upon ability to pay.

Another very pragmatic argument for maintaining mandatory student fees stems from the University's liability for the activities supported through this system; such liability is based on the institution's role in assessing and collecting the fee. The mandatory fee system presents both a burden and a tool for the University, since it inevitably strengthens the University's hand in controlling the activities and programs included under fee support. A check-off system quite likely does little to absolve the University of this liability for the behavior of organizations, since it still is an active participant in the fee collection, but quite clearly diminishes the University's ability to affect the direction of the services funded in this way. If anything, the mandatory system provides an effective accountability tool for those

opposed to a particular organization's behavior, one which would be far less effective in any check-off or voluntary system.

Implicit in all of these arguments is the long-held principle of student development through participation, both in the programs funded by fee-receiving organizations and in the fee-setting decision process per se. The reduction or elimination of substantial opportunities for student participation due to establishment of alternative funding methods clearly compromises this important educational tenet of the University.

It seems clear, then, that a system of mandatory fees inevitably submerges some student individual freedom for the good of the collective community. Students do not have a free will in their contribution to particular entities; the assumption, therefore, has to be that these entities are instruments of a broad-based community good--either necessary or desirable services for the potential welfare of all students.

The conclusion to remain with a mandatory fee system, therefore, implies that the University and its students have generally accepted the principle that certain community advantages outweigh the rights of individual students. This position appears to be justified by the following principles which have been cited throughout this paper:

- Mandatory fees spread costs for services over a large population, making available services which would otherwise be unattainable under a "fee for usage" funding system.

- Mandatory fees assure equality of opportunity for student involvement, a basic tenet of an egalitarian educational community.
- Mandatory fees avoid the seemingly impossible task of sorting out student eligibility for services based on an individual fee system.
- Mandatory fees assure a core program of non-curricular educational opportunities for student development by meaningful involvement.
- Mandatory fees provide prepaid group insurance, primarily legal and medical, for a population unlikely to be able to fund such services individually.
- Mandatory fees are established through an open representative system and represent, in both present and historical perspective, a conscious decision by students to tax themselves for the common good.
- Mandatory fees provide the University with control over programs and organizations thusly funded, which would not be available in alternative funding systems.

The University of Minnesota's conclusion is to maintain mandatory student services fees, not because it endorses all the specific policies and programs carried out by the organizations funded through this system, but because it broadly endorses their collective usefulness to the community as a whole and to the quality, vitality, and diversity of campus life. The mandatory fee system appears to provide the fairest, most egalitarian, fundamentally voluntary process available for funding these student services and programs.

References

Matross, R. and DeGidio, C. The 1976 survey on Twin Cities campus student services fees. Minneapolis: University of Minnesota, Office for Student Affairs Research Bulletin, 1976, 16 (13).

University of Minnesota Task Force on Student Services Fees. The report of the Task Force on Student Services Fees. Minneapolis: University of Minnesota, 1976.

REGENTS' STATEMENT ON STUDENT SERVICES FEES

Much discussion and debate have recently been generated regarding the issue of student services fees and their use within the University of Minnesota. This debate has occurred both within the institution and external to the University. The Regents recognize this concern and support continued public discussion of all aspects of the institution which affect the campus community and citizens of the State.

In February, 1977, the Regents reviewed the recommendations of the Task Force on Student Services Fees. These recommendations have been adopted by the University students and administration as guidelines for regulating the annual student service fee-setting process. The Board of Regents hereby endorses these guidelines and directs the students and the administration to continue to conduct their fee-setting procedures in a manner consistent with the recommendations of the 1977 Student Services Fees Task Force.

Specifically, the Board of Regents approves the following understandings with respect to the Student Services Fee at the University of Minnesota.

1. The Student Services Fee is a mandatory fee on each University Campus which is collected for all students who register for six or more credits in an academic quarter.
2. The Student Services Fee support student activities and services that are an integral part of a University education. These activities and services are generally considered extra-curricular in nature.
3. The procedure for determining student services fees is an open and representative process which includes students, faculty, and administrators who have the responsibility to formulate recommendations regarding student services fees for final action and approval by the Board of Regents.
4. It is within the prerogative of the Board of Regents to authorize exceptions to the mandatory nature of the student services fee when unusual circumstances suggest that such an exception is appropriate. Exceptions which have been made by the Board of Regents (e.g., MPIRG) shall not be interpreted as lessening the Board's fundamental commitment to the mandatory fee concept.

With these understandings, the Regents of the University of Minnesota reaffirm the importance and integrity of the student services fee process and recognize the continuing contributions of the fee-funded programs to the vitality and diversity of the University community.