

Attachment 1

The following proposal outlines the key decision points required in considering the establishment of systemwide opt-out fees for the UC Student Association (UCSA) and the UC Graduate Professional Council (UCGPC).

Proposal**1. Fee Structure**

- a. The fee will be established as two separate opt-out fees: one fee for UCSA and one fee for UCGPC. Each fee will be charged only to the corresponding student population (e.g., the UCSA fee will be assessed to undergraduates and the UCGPC fee will be assessed to graduate and professional students). The fees will be called the “UC Student Association (UCSA) Fee” and the “UC Graduate Professional Council (UCGPC) Fee.”

2. Fee Authority & Future Fee Adjustments

- a. The Regents can exercise their authority to approve or not approve the fees, and they can maintain authority to approve future fee adjustments, including the ability to increase, reduce, or eliminate the fee.
- b. The fees may be assessed beyond the multi-year period covered by the initial proposal but not in excess of the levels specified in the final year.

3. Fee Type

- a. The UCSA and UCGPC fees will be considered non-mandatory systemwide University fees.

4. Fee Implementation

- a. Students will have a clear and unambiguous means to decline the payment of the UCSA or UCGPC fee, each time the fees are assessed.
- b. Students will have the option to opt-out of paying the UCSA or UCGPC fee prior to each academic term (quarter or semester). Campus deadlines for a student to opt-out will mirror those of the student health insurance waiver process.
- c. Once a student has elected to opt-out of the fee, their opt-out status will remain in effect for the duration of student’s undergraduate or graduate (whichever is applicable) academic career at the campus. The student will not be required to opt-out of the fee prior to each term or academic year, but will be required to opt-out once again when beginning a new academic career or transferring to a new UC campus. For example:
 - i. If an undergraduate student elects to opt-out of paying the UCSA Fee at the beginning of their first year, they will remain in the opt-out status for the remainder of their undergraduate career at that campus.
 - ii. If a student elected to opt-out of the UCSA Fee as an undergraduate, and later enrolled as a graduate student, they will need to separately opt-out of the UCGPC Fee.
 - iii. If a student were to opt-out of the fee at one UC campus and later transferred to another UC campus, they will need to opt-out of the fee once again at their new campus (if they continue to wish to opt-out).
- d. A student may elect to reverse their opt-out status, and begin paying the fee once again.
- e. When a break in enrollment occurs, any student who has elected to opt-out of paying the fee will have their opt-out status resumed without requiring further action to opt-out once again.

5. Billing and Fee Payment

- a. The fees will be in accordance with standard accounts receivable procedures at each campus (including the University of California Business and Finance Bulletins and Accounting Manuals, etc.).
- b. The fees will be itemized on the billing statement with other fees and included in the total amount due for that billing period. The fees will be designated on the billing statement as “UCSA Fee” and “UCGPC Fee.” The billing statement will include an annotation noting that a student can opt-out of the fee and will refer to additional information (e.g., campus website) about the fee and opt-out process.
- c. All requests for refunds received by the University will be directed to UCSA or UCGPC.
- d. Students who do not elect to opt-out of the fee in accordance with the opt-out deadlines will be billed for the fee. If a student underpays their fees, the UCSA or UCGPC fee will be included on late bills sent to the student. If a student pays the total amount due except the UCSA or UCGPC fee, the student will be billed for that amount.
- e. Failure to pay the UCSA or UCGPC fee in any given academic term shall not be interpreted as failure to pay required fees for registration purposes. Therefore, a student's registration will not be held up, nor will a student be dropped from classes, because he or she did not pay the UCSA or UCGPC fee. In the absence of an official opt-out by the student, failure to pay the UCSA or UCGPC fee shall not be interpreted as an intention to opt-out of the fee.

6. Administrative Costs

- a. The opt-out system will be designed for compatibility with campus registration and billing processes and operated with cost efficiency and transparency as the primary goals.
- b. Start-up costs: [TBD] will be deducted from the UCSA and UCGPC fees in the entire amount for the 2022-23 academic year.
- c. Maintenance costs: Administrative costs associated with the actual collection of the fees in the amount of [TBD] per fee billed will be withheld by the University before remitting the fees collected to UCSA and UCGPC.
- d. The University will issue a check to UCSA and UCGPC each [Date TBD] for the amount of the fees collected that academic year, less administrative fees. Included with the check will be a receipt showing the number of students currently registered at each campus, and the number of students by campus who have elected to opt-out of the fee.
- e. Unanticipated costs: Additional unanticipated costs incurred in the processing and collection of the fees, which would normally be passed onto the campus unit for whom the fees are being collected, such as the correction of student identification numbers in the verification process, will be billed to UCSA and UCGPC on an actual hourly cost basis.

7. Fee Amount

- a. The UCSA fee will be set at an annual fee of \$7 per undergraduate student and the UCGPC fee will be set at an annual fee of \$7 per graduate student.

8. Student Consultation

- a. UCSA and UCPGC will be required to document that they have consulted with student leadership at each campus regarding the proposed UCSA and UCGPC Systemwide Fees, including the opt-out nature of the fee, the fee amount, and proposed UCSA and UCGPC budgets.

9. UCSA and UCGPC relationship status to the University and Affiliation Agreement

- a. In order to facilitate the collection of fees on behalf of UCSA and UCGPC, the University will recognize UCSA and UCGPC as “Affiliated Organizations” via written agreement, consistent with Regents Policy 5203.
- b. As part of the affiliation recognition an Affiliation Agreement (“Agreement”) will be entered into between the University and each of UCSA and UCGPC to document how the University will charge, accept, and disburse the systemwide opt-out fees. The Agreements will also set forth terms and conditions for UCSA’s and UCGPC’s acceptance and use of the fees including, but not limited to:
 - i. Requirements for UCSA and UCGPC to each separately engage a firm of independent certified public accountants to audit the financial statements and accounting records of UCSA and UCGPC on an annual basis; and
 - ii. Indemnification, information sharing, and use of funds (i.e., for exclusively 501(c)(3) purposes) and prohibited use of funds (including using the funds for any activity that is prohibited for UC).
- c. UCSA and UCGPC will each be required to inform the University of any change in its status as organizations qualified under Section 501(c)(3), including modification or revocation of such status; and 2) upon receipt of such notice, the University shall have the right to terminate the agreement immediately, which shall include termination of distribution of funds to UCSA and UCGPC, and return of any unspent funds by UCSA and UCGPC to the University.

10. UCSA and UCGPC Staff

- a. For the fee proposal to move forward, UCSA and UCGPC staff will be required to become UC employees. Employment as University employees will be memorialized via the affiliation agreement.

11. Retirement of Campus and UCOP Allocations to UCSA and UCGPC

- a. All existing campus allocations to UCSA and UCGPC as part of their membership dues will be retired in advance of the proposed fall 2022 implementation of the systemwide fees. Likewise, existing UCOP contributions to UCSA and UCOP will be retired. This includes UCOP travel reimbursements for UCSA and UCGPC board meetings, UCOP meetings, Regents meetings, and state or federal advocacy trips.