

Date: December 06, 2018

Code: TECHNICAL LETTER
HR/Benefits 2018-20

Supersedes: HR/Benefits 2009-07
HR/Benefits 2011-14
HR 2012-13

To: Human Resources Officers
Benefits Officers
Fee Waiver Coordinators

From: Beth Ryan 
Sr. Director, Benefits & Payroll Data Operations
Human Resources Management

Subject: Change to Fee Waiver & Reduction Program Taxation Reporting Instructions and Administrative Guide Update – Effective January 2019

Summary:

New effective with the 2019 tax year, all graduate/doctorate level courses taken by employees exceeding the \$5,250 threshold will be taxable and withheld from the employee's pay warrant. Graduate courses deemed job related, pursuant to Internal Revenue Code Section 132(d), will no longer be excludable from W-2 wages. Campuses will no longer be responsible for determining the taxability of employee fee waiver benefits under Internal Revenue Code § 132(d); working condition fringe benefits. Employees may consult a personal tax advisor to determine if courses taken are job related and include the deduction on their personal tax return.

In addition, policy and procedure contained in HR/Benefits 2009-07, HR/Benefits 2011-14 and HR 2012-13 have been superseded and are now codified in the attached Administrative Guide. The Guide represents the single source of information for the Fee Waiver and Reduction Program. All previous versions should be discarded.

Action Item(s):

Personnel responsible for administering the Fee Waiver & Reduction Program should use this updated Administrative Guide as a resource. This technical letter should be read in its entirety by staff responsible for administering and/or explaining the Fee Waiver & Reduction Program. Attention should be focused on the review of Sections 9, 10, and 11 of the Fee Waiver & Reduction Program Administrative Guide which have been updated in accordance with the taxation reporting changes.

Affected Employee Group(s)/Unit(s):

All employee groups that are eligible to participate. (Eligibility is noted in Section 2 of the Administrative Guide.)

Background:

Generally, undergraduate fees for employees are nontaxable (IRC Section 117(d)/Qualified Tuition Reduction). Graduate/doctorate fees for employees are nontaxable if expenses do not exceed \$5,250 (IRC Section 127/Educational Assistance Program).

Issue:

When the graduate/doctorate fees exceed \$5,250, they are taxable unless job related. To determine whether the fee waiver qualifies for the “job related” fringe benefit exception to taxation in IRC § 132(d), it requires a facts and circumstances analysis of the employee’s current job, the employee’s career plan, and the courses taken. Currently, the CSU Fee Waiver & Reduction Program delegates to the campuses the responsibility of determining whether graduate/doctorate courses taken by employees under the Program are *job related*.

Due to the complexity of determining the correct application of IRC 132(d), campuses will no longer be responsible for determining the taxability of employee fee waiver benefits for working condition fringe benefits.

Rather, all fee waivers for graduate/doctoral programs exceeding the annual threshold of \$5,250 will be reported as taxable wages, subject to withholding from the employees’ pay warrants, commencing with the spring 2019 academic term.

Details:

In summary, the change to the policy will include the following:

- Employees, in consultation with a personal income tax advisor, can evaluate whether the exception applies and if applicable, claim the deduction on an individual income tax return.
- Undergraduate fees for employees will remain nontaxable pursuant to IRC § 117(d).
- Graduate/Doctorate fees for employees will also remain nontaxable if expenses do not exceed \$5,250 (in a calendar year) pursuant to IRC § 127.
- Sections 9, 10, and 11 of the Fee Waiver & Reduction Program Administrative Guide have been updated in accordance with this change. The Guide supersedes the relevant Fee Waiver guidance contained in, HR/Benefits 2009-07, HR/Benefits 2011-14 and HR 2012-13.

CMS Processing Instructions

This technical letter has no impact on the CMS Baseline.

General Information

Questions regarding this technical letter may be directed to Human Resources Management at (562) 951-4411. All forms, attachments and information may also be found on the HRM CSYou Employee Benefits Program page. This document is available on the Human Resources Management’s Website at: <https://csyou.calstate.edu/Policies/HRPolicies/Forms/Default.aspx>.

BR/rk

Attachments

California State University

Fee Waiver and Reduction Program Administrative Guide

December 2018



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INTRODUCTION

The California State University (CSU) Fee Waiver and Reduction Program (Fee Waiver) was established in 1975 to provide eligible CSU employees with the opportunity to enroll in work-related courses necessary for improving skills applicable to existing employment with the CSU or necessary for advancement in the CSU in accordance with an approved individual career development plan as a career employee in the CSU. Additionally, the Fee Waiver and Reduction Program provides eligible dependents of CSU employees the opportunity to attend classes at CSU campuses at reduced rates.

The CSU Board of Trustees is granted the authority by Education Code 89710 to allow eligible employees to participate in an employee fee waiver benefit.

The Education Code cites the following:

“To enhance the opportunities for California State University employees to participate in training and career development the trustees may, subject to the rules and regulations they may establish, waive entirely or reduce any or all fees for employees who enroll in work-related courses offered by the California State University necessary for improving skills for existing jobs or advancement in accordance with a career development plan at the California State University.”

In addition, Section 41804 of Title 5 (Appendix A) establishes procedures for the administration of the fee waiver benefit, and CSU Executive Order 712 delegates authority and procedures for the administration of fee waivers and reductions for employee training and career development to the presidents of the CSU or their designees.

The establishment of the Fee Waiver Program carries no budgetary authorization for a campus to apply for or receive additional funding. It is the campus' responsibility to manage the Fee Waiver Program at a level which can be accommodated within existing campus resources.

This comprehensive Administrative Guide incorporates existing Memorandums of Understanding for represented employees and represents the single source of information for the Fee Waiver and Reduction Program.

Information in this Guide is based on Executive Orders (712, 1102 and 611), collective bargaining agreements (CBA).

SECTION 1 – GENERAL INFORMATION AND EXECUTIVE ORDERS 712, 1102 AND 611

Fee waiver applies to CSU state-supported (general fund) courses only, including state-supported courses that are offered through summer term. Courses in self-support (i.e., Extended Education) programs may not be taken through the CSU Fee Waiver program. In addition, fees for joint doctoral programs that are paid directly to the “partner” university cannot be waived under the CSU Fee Waiver Program.

Campuses are required to have an application form for employee fee waivers granted under Executive Order 712 or a CBA for each term (semester or quarter) that fee waiver is utilized. A sample form is included in the Appendices section of this Guide. Note: this form is not intended for use for fee waivers granted under Executive Order 611.

Executive Order 712 - Fee Waiver for Employees – Appendix A

Procedures for administering the Employee Fee Waiver and Reduction Program are outlined in Executive Order 712 (Delegation of Authority and Procedures for the Administration of Fee Waivers and Reductions for Employee Training and Career Development) dated October 7, 1999. These administrative procedures, for the most part, cover eligible non-represented and represented employees. However, some collective bargaining agreements (CBAs) have different eligibility criteria and fees subject to waiver, which are outlined in this Guide. It is important for campus staff to review appropriate collective bargaining agreements to ensure terms of any negotiated fee waiver benefit are followed. **In cases where provisions of Executive Order 712 are in conflict with the CBA, the CBA shall govern with regard to those conflicting provisions for individuals in that bargaining unit.** This Administrative Guide summarizes eligibility, along with the fee structure for all

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employee groups, and their eligible dependents, where applicable (see Section 6).

Fee waiver provisions also may be found in the collective bargaining agreements as follows:

- Unit 1 (Physicians) – Article 23
- Units 2, 5, 7, 9 (CSUEU) – Article 22
- Unit 3 (Faculty) – Article 26
- Unit 4 (Academic Professionals) – Article 16
- Unit 6 (Skilled Trades) – Article 27
- Unit 8 (Public Safety) – Article 20
- Unit 10 (IUOE) – Article 28
- Unit 11(UAW) – Article 9.1 – defers to EO 611
- Unit 13 (Lecturers – CSULA Only) – not referenced in agreement
- Unit 14 (CSUEU – CSU Monterey Bay Only) – not referenced in agreement

Fee waiver provisions for non-represented employees (MPP, Executives, Confidential and Excluded) are established by CSU Policy.

Executive Order 1102 – Appendix A

Executive Order 1102 (dated July 22, 2015) delineates CSU Student Fee Policy. Pursuant to Board of Trustee policy, this executive order updates the CSU Board of Trustees policies that comprise the CSU Student Fee Policy, incorporated a new voluntary Student Involvement and Representation Fee, provides clarification and new requirements for student success fees, incorporates the statutory requirements of the Working Families Student Fee Transparency and Accountability Act, addresses reallocation of future Campus Mandatory Fees, and identifies Cal State Online as subject to fee policy.

Applicability

Specific to the fee waiver program, Executive Order 1102 delegated the authority to CSU campuses to impose a per-unit fee for required courses taken by students enrolled in any of the state-supported, professional master of business degree programs that are subject to accreditation by the Association to Advance Collegiate Schools of Business International (AACSB International) and that are authorized by the trustees or chancellor to assess such fees.

The Graduate Business Professional Fee shall apply to required courses in the following degree programs: Master of Business Administration (M.B.A.); and Master of Science (M.S.) programs in Accountancy, Business Administration, Health care Management, Business and Technology, Information Systems, and Taxation.

Students in conditionally classified admission status in graduate professional programs shall be charged the Graduate Business Professional Fee on a per-unit basis for each prerequisite course taken in fulfillment of graduation requirements for these fee-authorized programs.

Assessment of Fee

This fee shall be in addition to the Systemwide tuition fees, applicable non-resident tuition, and any campus-based fees.

Establishing Fees in Applicable Programs

Upon request of a campus president, the chancellor is authorized to approve the assessment of a Graduate Business Professional Fee upon students enrolled in state-supported professional master's degrees in business that are subject to accreditation by the Association to Advance Collegiate Schools of Business International and that are not included in the original roster of fee-authorized programs.

See Executive Order 1102 for complete information.

Executive Order 611 – Appendix A

In general, student assistants are ineligible for employee fee waivers. This includes employees appointed in Unit 11 (UAW). However, Executive Order 611 delegates authority to campus presidents to approve fee waivers for graduate students employed as Graduate Assistants or Teaching Associates. Specifically, Executive Order 611 states: “Campus presidents or their designees may waive the State University Fee for individual students who are enrolled in a California State University graduate program as classified or conditionally classified graduate students and who are employed by the California State University as Graduate Assistants (Class Code 2355) or Teaching Associates (Class Code 2353 or 2354)”.

SECTION 2 – EMPLOYEE CATEGORIES ELIGIBLE/INELIGIBLE FOR FEE WAIVER

Eligibility - Employees

CSU Fee Waiver eligibility criteria for represented and non-represented employee categories vary and are based on CBA for represented employees and Policy for non-represented employees as summarized on the following chart:

Employee Category	Eligibility Criteria
Represented Employees	
Unit 1 (Physicians)	All Unit members
Unit 3 Faculty – Non-FERP	Tenured* and probationary faculty unit employees (excluding coaches), and temporary faculty unit employees with three (3) year appointments pursuant to Article 12 of the CBA. Coaches must have at least six (6) years of consecutive service in the department. One (1) year of service shall be considered employment of one (1) semester or two (2) quarters in the bargaining unit on a single CSU campus during a single academic year.
Unit 3 Faculty – FERP Only	FERP (Faculty Early Retirement Program) participants are considered tenured faculty and are eligible for fee waiver only during the semesters/quarters when they are actively employed in a FERP appointment. Timebase is not a factor.
Units 2, 5, 7, 9 (CSUEU) Unit 4 (Academic Professionals - APC) Unit 6 (Skilled Trades) Unit 10 (IUOE)	Full-time employees (i.e., permanent, temporary, & probationary) and part-time permanent employees
Unit 8 (Public Safety)	Full-time or part-time permanent employees, and full-time probationary employees (does not apply to temporary)
Unit 11 (UAW)	<i>Not eligible for Fee Waiver (except as provided under Executive Order 611)</i>
Unit 13 (CSULA Only) Unit 14 (CSU Monterey Bay Only)	<i>Not eligible for Fee Waiver</i>
Non-Represented Employees	
M98 (Executive)	Full-time or part-time permanent employees, and full-time probationary employees (does not apply to temporary)
M80 (MPP)	Full-time employees (includes temporary employees)
C99 (Confidential) E99 (Excluded)	Full-time or part-time permanent employees and full-time probationary employees (does not apply to temporary) Please note: C99 and E99 employees only attain permanent status in part-time positions as a result of completing a probationary period in a full-time position and, subsequently reducing their time-base.

Overall, in order to participate in the Fee Waiver Program, employees must have an active appointment that is eligible for Fee Waiver. Note: Please check applicable CBAs for provisions concerning the appointment of part-time, permanent employees. Also note that Executive Order 712 establishes the requirement that courses taken by employees participating in the Fee Waiver Program must either be job-related or part of an approved Career Development Plan.

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Fee Waivers or reductions may be authorized for employees who enroll in job-related courses which are necessary for improving skills for existing employment with the CSU, or which are necessary for advancement in accordance with a career development plan at the CSU (reference Title 5, Section 41804) and are generally classified under Employee Training or Career Development. (Please note: see individual CBAs for additional information.)

Career Development Courses

Career Development courses are classified as coursework established by the employee and an appropriate advisor of choice and shall be subject to approval by the appropriate administrator in the Human Resource Office. Admission for the purpose of enrolling in courses, as part of an approved individual career development plan, shall be with the approval of the President or designee. These employees shall be required to complete all the forms necessary for regular admission and matriculation at a campus of the California State University (via [CSU Apply](#)) if their career development objective requires a degree. The Office of Admissions and Records shall maintain the usual student records for employees admitted pursuant to this provision. If their career development plan does not require a degree, the same admissions regulations and procedures required for work-related courses shall apply. Admission shall be continuous as long as the employee remains in good academic standing pursuant to normal campus criteria applicable to this determination (refer to Executive Order 1038).

SECTION 3 – FEE WAIVER ELIGIBILITY FOR SPOUSE, REGISTERED DOMESTIC PARTNER OR DEPENDENT CHILD

Eligible employees may transfer their fee waiver benefit to a spouse, dependent child (within applicable age limits) or registered domestic partner, as noted in the following table:

Employee Category	Eligible Fee Waiver Dependents	Dependent Age for Child
Represented Employees		
Unit 1 (Physicians)	Spouse Dependent Child Registered Domestic Partner	Up to Age 23
Units 2,5,7, 9 (CSUEU) Unit 3 (Faculty) Unit 4 (APC) Unit 6 (Skilled Trades)	Spouse Dependent Child Registered Domestic Partner	Up to Age 25
Unit 8 (Public Safety) Unit 10 (IUOE) (Age 23)	Spouse Dependent Child Registered Domestic Partner	Up to Age 23
Unit 13 (CSULA Lecturers) Unit 14 (CSU Monterey Bay)	N/A	N/A
Non-Represented Employees		
C99 (Confidential) M80 (MPP) M98 (Executives)	Spouse Dependent Child Registered Domestic Partner	Up to Age 25
E99 (Excluded)	N/A	N/A

Please note: There are occasions where the dependent turns age 23 or 25 (depending on employee category) during the quarter or semester while they are enrolled in courses. When this occurs, it is acceptable for campuses to allow the dependent(s) to complete the semester or quarter because Fee Waiver benefits are not pro-rated. However, any future courses taken, once the age threshold has been met, would be ineligible for the Fee Waiver Program.

The following criteria are also applicable to the administration of Dependent Fee Waiver eligibility:

1. This Fee Waiver benefit does not apply to out-of-state tuition.
2. The spouse, registered domestic partner, or dependent child must be matriculated toward a degree or the attainment of a teaching credential in the CSU and the course(s) enrolled in on a fee waiver basis must be for credit toward completion of that degree or teaching credential.

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3. Campus administration must determine that space is available in the particular course offering before accommodating a spouse, registered domestic partner or dependent child who wishes to enroll in the course on a fee waiver basis.
4. The dependent fee waiver applies only to certain fees incurred by California residents. Thus, spouses, registered domestic partners and dependent children who do not meet established in-state residency requirements (and who do not qualify for classification as residents in accord with the provisions of Title 5, Section 41910, California Code of Regulations; see Appendix A) will be responsible for paying non-resident tuition charges based upon the total number of units in which they are enrolled.
5. In accord with the Education Code, the Student Body Association Fee (this is separate and distinct from the Student Body Center Fee/Student Union Fee) cannot be waived or reduced for a spouse, registered domestic partner or dependent child. A spouse, registered domestic partner, or dependent child taking courses in addition to the fee waiver courses shall pay any difference in fees, per applicable collective bargaining agreement, Executive Order 712, or Executive Order 1102. All other fees shall be at the regular rates.
6. Fee waiver eligibility may be transferred to only one person at a time per semester/quarter, and not used at more than one CSU at a time, regardless of whether that individual uses the full entitlement of 2 courses or 6 units. Dependents taking courses in addition to the fee waiver courses shall pay any difference in fees, per applicable collective bargaining agreement or Executive Order 712 or Executive Order 1102.
7. If both parents are employees and eligible to transfer their fee waiver benefit to a dependent child, each employee may transfer the benefit. Therefore, it is possible for one child to receive both benefits and be eligible for a full tuition waiver on a fee waiver basis. Alternatively, each employee could transfer his or her benefit to a different child, and each child would be entitled to up to 2 courses or 6 units of fee waiver eligibility. Dependents taking courses in addition to the fee waiver courses shall pay any difference in fees, per applicable collective bargaining agreement, and campus practice. Please note: the full-time Tuition Fee is waived if a dependent takes two courses that exceed 6.0 units.
8. Normal academic standards must be maintained by the spouse, registered domestic partner or dependent child in order to continue participating in the fee waiver program.
9. An employee who wishes to transfer his or her fee waiver benefit to a spouse, registered domestic partner or dependent child should be asked to formally transfer the benefit and certify that the individual using the benefit is in fact a spouse, registered domestic partner, or dependent child. The Dependent Fee Waiver Application is available in the Appendices section of this Guide.
10. Eligible spouses, registered domestic partners and dependent children may enroll using fee waiver at any CSU campus. This aspect of the program requires coordination between campuses. To provide adequate controls on the dependent fee waiver process, the campus of employment must provide the campus where the dependent will enroll with the following information:
 - Verification of the eligible employee's qualifying employment;
 - Verification that the dependent requesting fee waiver is the employee's valid dependent; and
 - Verification that the employee will not be using the fee waiver benefit during the semester/quarter at issue, and verification that no other family member has been previously certified as eligible to use the employee's fee waiver benefit during the semester/quarter at issue. This information should be captured on the Fee Waiver Application.

Please note: it is not a CSU requirement that an eligible fee waiver dependent also be enrolled as a dependent on health, dental, vision, etc., in order to be considered a dependent for fee waiver purposes. If the dependent is not currently enrolled in benefits, campuses may obtain other documentation to substantiate dependent eligibility (e.g., birth certificate).

SECTION 4 – CLARIFICATION OF COURSEWORK LIMITATIONS

Previous fee waiver technical letters and the Executive Order 712 indicate the following statement regarding course/unit maximums: “All eligible non-represented and represented employees may enroll in a maximum of two (2) courses or six (6) units, whichever is greater, per term (semester or quarter).” The purpose of this language was to provide a broader benefit in consideration of courses offered at campuses which may be weighted at four (4) or five (5) units, in comparison to the more common three (3) unit courses.

Since in most cases the part-time Tuition Fee is charged for enrollment in 6 or fewer units, and the full-time Tuition Fee is charged for enrollment in 6.1 or more units, an employee or dependent who receives a fee waiver for two courses that add up to 6 or fewer units would have the part-time Tuition Fee waived. An employee or dependent seeking a waiver for two courses that add up to more than 6 units would have the full-time Tuition Fee waived.

Examples:

- If an employee submits a fee waiver for two 1-unit courses, his/her part-time tuition is waived.
- If an employee submits a fee waiver for two 4-unit courses, his/her full-time tuition is waived.
- If an employee submits a fee waiver for more than two courses his/her part-time tuition is waived; the full tuition is not waived.
- If an employee submits a fee waiver for two 4-unit classes and one 1-unit class (three classes, totaling 9 units), then he/she is in more than 2 courses, the part-time tuition fee is waived and the employee would have to pay the difference between full and part-time tuition plus any other applicable fees.

When an employee submits a fee waiver for more than two courses, the maximum number of units waived is six (6).

Please note: the unit/course maximums outlined above are not applicable to the CSU Doctorates (Ed. D., DNP, DPT, AuD). A single tuition fee is charged for each of these Doctoral programs, regardless of number of courses taken, and part-time fees are not an option. Therefore, unit restrictions do not apply.

SECTION 5 – CSU FEE CATEGORIES

Each fee charged in relation to coursework taken at the CSU, whether state-supported or through extended education, is placed into one of six different categories. Systemwide tuition fee rates and campus mandatory fees are listed on the Calstate.edu website at: <https://www2.calstate.edu/attend/paying-for-college/csu-costs/tuition-and-fees>. Tuition fee rates and campus mandatory fees are subject to change by approval of the Board of Trustees. The six different fee categories are defined as follows:

- **Category I** – Systemwide mandatory tuition and other 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.
- **Category II** – Campus mandatory fees that must be paid to enroll in or attend the university.
- **Category III** – Fees associated with state-supported courses. Specifically for materials and services used in concert with the basic foundation of an academic course offering.
- **Category IV** – Fees, other than Category II or III fees, paid to receive materials, services, or for the use of facilities provided by the university; and fees or deposits to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property or as a security or guaranty.
- **Category V** – Fees paid to self-support programs such as extended education, Cal State Online extended education offerings, parking and housing including materials and services fees, user fees, fines, and deposits. Self-support programs are defined as those not receiving state general fund appropriations; instead, fees are collected to pay the full cost of a program. Cost of self-support instructional programs include support and development of the academic quality of the university.
- **Category VI** - Fees are Systemwide voluntary fees.

SECTION 6 – FEES ELIGIBLE FOR WAIVER OR REDUCTION

Fees waived or reduced under the CSU Fee Waiver Program vary for represented and non-represented employee categories and are based on collective bargaining agreements for represented employees and policy for non-represented employees as follows:

Employee Category	Fees Fully Waived	Fees Partially Waived**	Fees Reduced to \$1.00
Unit 1 (Physicians)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee • State University Tuition Fee* • Instructionally Related Activity Fee • Health Services Fee 	Equivalent of the Part-Time Graduate Tuition Fee for enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • Associated Student Body Fee • University Union Fee • Health Facilities Fee
Units 2,5,7,9 (CSUEU)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee (if mandatory) • State University Tuition Fee* • Instructionally Related Activity Fee • Health Services Fee • Professional Program Fee (Graduate Fee) <p>All other Category I and II fees as defined in Executive Order No.1102 (excluding the Doctoral Program Fee and the Non-Resident Tuition unless eligible through Title 5, Section 41910).</p>	Equivalent of the Part-Time Graduate Tuition Fee for enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • Associated Student Body Fee • University Union Fee/Student Body Center Fee • Health Facilities Fee
Unit 3 (Faculty)	<ul style="list-style-type: none"> • Application Fee • Health Services Fee • Identification Card Fee • Instructionally Related Activity Fee • State University Tuition Fee* <p>All other Category I and II fees as defined in Executive Order No.1102 (excluding the Doctoral Program Fee and the Non-Resident Tuition unless eligible through Title 5, Section 41910 provisions).</p>	Equivalent of the Part-Time Graduate Tuition Fee is applicable to enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • Associated Student Body Fee • University Union Fee • Health Facilities Fee
Unit 4 (APC)	<ul style="list-style-type: none"> • Application Fee • Health Services Fee • Identification Card Fee (if mandatory) • Instructionally Related Activity Fee • Professional Program Fee • State University Tuition Fee* <p>All other Category I and II fees as defined in Executive Order (EO) 1102 shall be waived for employees, except the doctoral program fee and Non-Resident Tuition fee</p>	Equivalent of the Part-Time Graduate Tuition Fee is applicable to enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • Associated Student Body Fee • University Union Fee • Health Facilities Fee
Unit 6 (Skilled Trades)	<ul style="list-style-type: none"> • Application Fee • Health Fee • Identification Card Fee (if mandatory) • State University Tuition Fee* • Instructionally Related Activity Fee 	Equivalent of the Part-Time Graduate Tuition Fee for enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • Associated Student Body Fee • University Union Fee • Health Facilities Fee
Unit 8 (Public Safety)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee • State University Tuition Fee* • Instructionally Related Activity Fee • Health Services Fee 	Equivalent of the Part-Time Graduate Tuition Fee for enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • Associated Student Body Fee • University Union Fee • Health Facilities Fee

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Unit 10 (IUOE)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee • State University Tuition Fee • Instructionally Related Activity Fee • Health Services Fee 	N/A	<ul style="list-style-type: none"> • Associated Student Body Fee • Student Union Fee • Health Facilities Fee
Unit 11 (UAW)	<ul style="list-style-type: none"> • State University Tuition Fee (per Executive Order 611), must be a Graduate Assistant or Teaching Associate enrolled in a CSU graduate program and be appointed in Class Codes 2355, 2353 or 2354. No other Fee Waiver is applicable. 	N/A	N/A
Unit 13 (CSULA Only) Unit 14 (CSU Monterey Bay Only)	N/A	N/A	N/A

Employee Category	Employee Fees Fully Waived	Fees Partially Waived**	Fees Reduced to \$1.00 for Employee
C99 (Confidential) E99 (Excluded) M80, M98 (MPP, Executives)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee • State University Tuition Fee* • CSU Doctorate Tuition Fee • Instructionally Related Activity Fee • Health Services Fee 	N/A	<ul style="list-style-type: none"> • Associated Student Body Fee • University Union Fee • Health Facilities Fee

*This includes the State University Tuition Fee charged during state-supported summer term. State University Tuition Fees include Undergraduate, Credential and Graduate/Post Baccalaureate Tuition Fees.

**Under a CSU Doctoral Program, employees pay the difference between the Doctoral Tuition Fee and the part-time Graduate Fee.

DEPENDENT FEES

Fees waived or reduced under the CSU Fee Waiver Program vary for dependents of represented and non-represented employee categories and are based on CBA for represented employees and Policy for non-represented employees as follows:

Employee Category	Dependent Fees Fully Waived	Dependent Fees Partially Waived	Dependent Fees Reduced to \$1.00
Unit 1 (Physicians)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee (if mandatory) • State University Tuition Fee* 	Equivalent of the Part-Time Graduate Tuition Fee is applicable to enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • None; all other fees paid at regular rates.
Units 2,5,7,9 (CSUEU)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee (if mandatory) • State University Tuition Fee* 	Equivalent of the Part-Time Graduate Tuition Fee is applicable to enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • None; all other fees paid at regular rates.
Unit 3 (Faculty)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee • State University Tuition Fee* 	Equivalent of the Part-Time Graduate Tuition Fee is applicable to enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • None; all other fees paid at regular rates.
Unit 4 (APC)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee (if mandatory) • State University Tuition Fee* 	Equivalent of the Part-Time Graduate Tuition Fee is applicable to enrollment in the CSU Doctoral Program	<ul style="list-style-type: none"> • None; all other fees paid at regular rates.
Unit 6 (Skilled Trades)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee (if mandatory) • State University Tuition Fee* 	Equivalent of the Part-Time Graduate Tuition Fee for enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • None; all other fees paid at regular rates.
Unit 8 (Public Safety)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee • State University Tuition Fee* 	Equivalent of the Part-Time Graduate Tuition Fee for enrollment in a CSU Doctoral Program	<ul style="list-style-type: none"> • Student Body Center Fee/Student Union Fee • Health Facilities Fee
Unit 10 (IUOE)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee • State University Tuition Fee* • Instructionally Related Activity Fee • Health Services Fee 	N/A	<ul style="list-style-type: none"> • Student Body Center Fee/Student Union Fee • Health Facilities Fee
Unit 11 (UAW)	N/A	N/A	N/A
Unit 13 (CSULA Only)	N/A	N/A	N/A
Unit 14 (CSU Monterey Bay Only)	N/A	N/A	N/A
E99 (Excluded)	N/A	N/A	N/A

C99 (Confidential) M80, M98 (MPP, Executives)	<ul style="list-style-type: none"> • Application Fee • Identification Card Fee • State University Tuition Fee* • Doctoral Tuition Fee • Instructionally Related Activity Fee • Health Services Fee 	N/A	<ul style="list-style-type: none"> • Student Body Center Fee/University Union Fee • Health Facilities Fee
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SECTION 7 – CLARIFICATION REGARDING MULTIPLE CAMPUS APPLICATION FEES

It is common practice for a dependent child (or spouse/domestic partner) of a CSU employee to apply to more than one CSU campus. However, each campus collects an application fee to apply. Under the Fee Waiver Program, only **one** set of fees is waived at the campus in which the employee/dependent enrolls. This includes only one waiver/reimbursement of one application Fee regardless of the number of applications. There are no exceptions to this policy and campus Fee Waiver Coordinators or designees are responsible for ensuring that employees/dependents are not erroneously reimbursed or provided additional waivers for multiple application fees. Application fees should be paid at the time the application is submitted; fee will be reimbursed once the applicant is enrolled.

SECTION 8 – FEE WAIVER APPLICABLE TO CSU DOCTORAL PROGRAMS

The CSU offers the following doctoral programs:

- Doctor of Education
- Doctor of Nursing Practice
- Doctor of Physical Therapy
- Doctor of Audiology

Enrollees in the CSU Doctoral Program are charged a specific doctoral-related Tuition Fee in lieu of the State University Tuition Fee as shown below:

CSU Doctoral Program	Corresponding Doctoral Tuition Fee
Doctor of Education	Education Doctorate Tuition Fee
Doctor of Nursing Practice	Doctor of Nursing Practice (DNP) Doctorate Tuition Fee
Doctor of Physical Therapy	Doctor of Physical Therapy (DPT) Doctorate Tuition Fee
Doctor of Audiology	Doctor of Audiology (AuD) Doctorate Tuition Fee

The Education Doctorate State University Fee reflects the University of California Graduate Student Fee rate in accordance with state law. However, the rates of the CSU Doctor of Nursing Practice (DNP) Tuition Fee, CSU Doctor of Physical Therapy (DPT) Tuition Fee and CSU Doctor of Audiology are all adjusted by the authority of the CSU Board of Trustees.

Eligible employees, spouse, registered domestic partner, or dependents that enroll in a CSU Doctoral program are required to take specified coursework (e.g., one, two or three courses) per term. The Doctorate Tuition Fee is a flat fee; there is no part-time rate. As this program has evolved, the waiver of the full Doctorate Tuition Fee for most employee groups has been replaced by the equivalent of the part-time Graduate Tuition Fee for eligible employees or dependents enrolled in the Doctoral program, and the enrollee is responsible for paying the difference between the Doctorate Tuition (or related) Fee and the part-time Graduate Tuition Fee.

Additional mandatory fees for CSU Doctoral Program are subject to regular fee waivers as stated in the CBA, Policy or Executive Order 712.

Joint Doctoral Programs

The CSU doctorates are distinct from joint doctoral programs. On occasion, a Joint Doctoral Program may be offered as the result of CSU partnering with another university. Please note that the structure of joint doctoral programs varies per program and are based on negotiations between the “partner” university and the campus. If fees for a Joint Doctoral Program are

established and administered (i.e., collected) by an educational institution partner other than the CSU, the CSU fee waiver does not apply. However, if the employee or dependent enrolled in a joint doctoral program is required to pay CSU Graduate Tuition Fees to the CSU, those fees would be potentially eligible for waiver, subject to the course and unit limitations previously described.

The CSU Fee Waiver Program is applicable only to CSU-related fees, in accordance with CSU Policy and/or collective bargaining agreement(s). In order for the CSU-sponsored Fee Waiver to be applicable to the Doctoral Program, the fees must be CSU-related and paid directly to a CSU campus.

SECTION 9 – TAX IMPLICATIONS OF FEE WAIVER

The Internal Revenue Code (IRC) excludes from taxable income some employer-provided training and educational assistance, including fee waivers and reductions, for example:

1. Qualified Tuition Reduction under IRC Section 117(d);
2. Educational Assistance Programs under IRC Section 127.

The following is a summary of the IRC sections applicable to the CSU Fee Waiver and Reduction Program:

Eligible Participant	IRC Code Sections
Applies to Employees of an Eligible Educational Institution, their Children and Spouse	IRC Section 117(d)/Qualified Tuition Reduction – Applicable to any reduction in tuition provided by an educational institution to either an employee for the education of an employee, or the dependent child or spouse of the employee. A qualified tuition reduction is tax-free only if it is for education <u>below</u> the graduate level, with an exception for graduate students engaged in teaching or research at the university. However, if the recipient of the qualified tuition reduction is required by the educational institution to provide teaching and/or research services to that institution in return for the tuition reduction, the benefit becomes taxable.
Applies to Employees Only	IRC Section 127/Educational Assistance Program – Applicable to educational assistance benefits, up to a maximum of \$5,250 per calendar year. Exclusion applies to both under-graduate and graduate level courses.

Please note that it is the level of the course and the purpose for which it is taken that determines taxability, not the education level of the employee. Also, there is no requirement that an employee work toward a degree in order to obtain the benefits tax-free. However, per Policy, eligible dependents under Fee Waiver must be matriculated toward a degree or attainment of a teaching credential.

If taxation of Fee Waiver is applicable, campuses are responsible for reporting imputed taxable income to the employee’s home campus. For example, if an employee’s spouse or registered domestic partner or dependent takes graduate courses under the Fee Waiver program, the fees waived are taxable. The amount of the waived fee that is determined to be taxable should be included as wages on the employee’s Form W-2 and applicable taxes should be withheld. Campuses are reminded that once the benefit is received (i.e., semester or quarter begin date) it is considered “constructive receipt” and must be reported by the 10th of the next month to the State Controller’s Office (SCO). Please note that the SCO has agreed to use the campus census date as “constructive receipt” of the fee waiver benefit to eliminate adverse tax reporting on imputed income when an employee’s dependent drops courses. Please refer to the Section 10 of this Guide, and the [SCO Payroll Procedures Manual](#), Section N120, N131, N151 and N170 for additional information regarding the taxation of fringe benefits.

Note: If the employee is a graduate student who performs teaching or research activities for the educational institution, Section 117(d) allows exclusion of the entire amount of the tuition reduction. However, the employee must include in his/her income any tuition reduction received that is in payment for services.

SECTION 10 – IRC SECTION 127 EDUCATIONAL ASSISTANCE ANNUAL EXCLUSION AMOUNT

The enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001 (HR 1836) impacted Section 127 Educational Assistance provisions. Effective January 1, 2002, the annual \$5,250 exclusion for employer-provided Educational Assistance for undergraduate, graduate, career related and upward mobility training was extended and then permanently extended as a result of the American Taxpayer Relief Act of 2012 (H.R. 8), which was signed by the President on January 2, 2013.

To qualify as an educational assistance program, the plan must be written and must meet other requirements specified in IRC §127(b). Tax-free educational assistance benefits include payments for tuition, fees and similar expenses, such as books, supplies, and equipment. Education generally includes any form of instruction or training that improves or develops the employee's capabilities, regardless of the level of education. The payments do not have to be for work-related courses or courses that are part of a degree program. All graduate level coursework, including the doctoral program, taken by an employee's spouse, domestic partner or dependent child through this program continues to be reported as taxable income to the employee.

SECTION 11 – GUIDELINES FOR DETERMINING TAXATION OF EMPLOYEES' FEE WAIVER

Taxable and Non-Taxable

Generally, undergraduate fees for employees are nontaxable. Graduate/Doctorate fees for employees are nontaxable if expenses do not exceed \$5,250 (in a calendar year) pursuant to IRC 117(d) and 127.

The table below summarizes taxable and non-taxable courses.

Eligible Participant	Course Level	Tax Status
Employee	Undergraduate	Nontaxable
	Graduate	Nontaxable up to \$5,250
Employee's Spouse or Dependent Child	Undergraduate	Nontaxable
	Graduate	Taxable

Campus Fee Waiver coordinators were previously responsible for determining whether graduate courses taken by employees under the Program were job related under IRC Section 132(d). When the value of graduate-level education exceeded \$5,250, some employees qualified for the working condition fringe benefit to be excluded from their W-2 wages.

Effective with the 2019 tax year, commencing with the spring 2019 academic term, all graduate/doctorate level courses taken by employees exceeding the \$5,250 threshold will be taxable and withheld from the employee's pay warrant. Employees may consult a personal tax advisor to determine if courses taken are job related pursuant to IRC Section 132(d) and submit the deduction on their personal tax return.

SECTION 12 – CALCULATING AND PROCESSING IMPUTED TAXES RELATED TO FEE WAIVER

Calculation of Imputed Tax Value of Fee Waiver

When the value of educational assistance meets the criteria for taxation (see Section 10) the Fee Waiver Coordinator is responsible for reporting this information to the State Controller's Office (SCO) for processing.

The flat rate tax method is used to determine the amount of imputed tax an employee would be subject to if the cost of educational assistance (Fee Waiver) exceeds the IRS limit for employees, or if the cost of educational assistance for dependents, spouse, or registered domestic partner is subject to taxation. The flat rate tax is comprised of:

- Federal Tax (currently 22%);
- State Tax (currently 6.6%);
- Social Security Tax (6.2%) (if the employee is subject to this tax on normal wages); and
- Medicare Tax (1.45%) (if the employee is subject to this tax on normal wages).

Currently, the **flat tax** rate is **36.25%**; and may be adjusted annually. This information is updated by the SCO in the [Payroll Procedures Manual \(PPM\)](#) (Section H102).

The flat tax calculation of the taxed portion of fee waiver benefits is as follows:

Value of Fee Waiver X Flat Tax Rate = Flat Tax Amount Deducted from Employees' Wages

Example: Fees in excess of \$5,250 were calculated at \$3,500. (Total Value of the Fee Waiver in this example is \$8,750.)

Total Fees = \$3,500

Flat Tax Rate = 36.25%

Calculation of Imputed Tax Value = **\$1,268.75**

The value of the fee waiver in excess of the Section 127 threshold is fully taxable; therefore, the flat tax calculated in the example, \$1,268.75, will be withheld from the employee's pay warrant. The tax withheld for fee waiver is in addition to any other taxes the employee is subject to have withheld from the pay warrant.

It is the campus' responsibility to determine the portion of fee waiver that is taxable to the employee, based on the employee's fee waiver usage or utilization by the employee's eligible program participant. This responsibility is typically handled by the Fee Waiver Coordinator or the campus' designee at the campus where the employee or eligible program participant is enrolled. Information regarding the amount of imputed taxes is communicated to the Fee Waiver Coordinator/designee at the campus where the employee is actually employed. The campus of employment submits required documentation of imputed taxes to the SCO for processing.

The taxable amount of fee waiver is reported to the SCO via the STD. 676V form, based on "constructive receipt" (when the employee or eligible program participant received the fee waiver).

To ensure that accurate amounts are reported to the SCO, the campus should submit the STD. 676V form(s) to the SCO in a timely manner, as the processing of imputed taxes will have a direct impact on the employee's net take-home pay. Please see the Instructions Sheet of the [STD. 676V](#) form, to determine which fields must be completed.

Completed forms are mailed to:

State Controller's Office
Personnel/Payroll Services Division
Attention: W-2 Unit
P.O. Box 942850
Sacramento, CA 94250-5878

SECTION 13 – EMPLOYEE NOTIFICATION REGARDING IMPUTED TAXATION OF FEE WAIVER

Due to the financial impact that imputed taxation of fee waiver benefits has on an employee's monthly salary, the campus Fee Waiver Coordinator should provide notification to the employee of the amount and date that the imputed value of the Fee Waiver was submitted to the SCO. This information can be sent via e-mail or mailed to the employee's address of record. Please see sample communications in Appendix F.

For employees that are attending classes at a CSU other than the campus of employment, the Fee Waiver Coordinator where the student is enrolled is responsible for reporting the taxation to the employee's home campus (Fee Waiver Coordinator). The Fee Waiver Coordinator at the employee's home campus is responsible for processing the imputed taxation of the fee waiver and also for notifying the employee of the taxation.

SECTION 14 – COORDINATION OF THE FEE WAIVER PROCESS

Each campus Fee Waiver Coordinator is responsible for collecting, reviewing and evaluating employee and/or dependent Fee Waiver requests. Depending on the campus' practice, upon approval, the Fee Waiver may be forwarded to the department that manages Student Financial Services, or the approved Fee Waiver can be provided to the employee. Coordination of Fee Waivers between campuses will require communication between the Fee Coordinators at the respective campus locations. A listserv of campus Fee Waiver Coordinators is maintained with Human Resources Management, Benefits.

Here is a general outline of the steps that campus Fee Waiver Coordinators typically follow:

- Establish and communicate deadlines for employees to submit Fee Waivers.
- Require completion of the appropriate Fee Waiver Application(s) in order to review the employee's eligibility and courses to be taken under the CSU Fee Waiver Program.
- Collaborate with employees' supervisor to determine whether or not coursework taken is job related or part of a Career Development Plan. Maintain copies of employees' approved Individual Career Development Plans.
- Verify employees' dependents in order to transfer Fee Waiver to eligible dependents only. It is not a CSU requirement that an eligible fee waiver dependent also be enrolled as a dependent on health, dental, vision, etc., in order to be considered a dependent for fee waiver purposes.
- Ensure that only one Fee Waiver is granted for the Application Fee, and that only allowable fees are waived under the CSU Fee Waiver Program.
- Establish campus procedures to ensure that the employee is taxed appropriately, per the IRS guidelines and this Guide.
- Submit imputed taxation requests to the SCO on a timely basis, and communicate information to the employee regarding the taxation. (Campus of employment.)
- Ensure that employees and/or dependents remain in good standing while taking courses through the CSU Fee Waiver Program (see Executive Order 1038).
- Stay abreast of changes to collective bargaining agreements, or Policy or legislation that have impact to Fee Waiver, as outlined in Benefits Technical Letters and/or subsequent updates to this Guide.
- Coordination with other CSU Fee Waiver Coordinators when required, if the employee or dependent is attending classes at a CSU that is not the home campus of employment.
- Questions regarding Fee Waiver can be forwarded to the specific campus contact at the Chancellor's Office, or e-mailed to the Fee Waiver Listserv or to the Benefits Insider at: csufeewaiverinfo@lists.calstate.edu; or BenefitsInsider@calstate.edu.

Appendix A – Reference Documents

- Title 5 Section 41804
- Title 5 Section 41910
- Executive Order 712
- Executive Order 1102
- Executive Order 611

**CALIFORNIA CODE OF REGULATIONS
TITLE 5. EDUCATION
DIVISION 5. BOARD OF TRUSTEES OF THE CALIFORNIA STATE UNIVERSITIES
CHAPTER 1. CALIFORNIA STATE UNIVERSITY
SUBCHAPTER 5. ADMINISTRATION
ARTICLE 3. FEES**

§ 41804. Waiver or Reduction of Fees for Employee Training and Career Development.

(a) Fees may be waived entirely or reduced for employees of The California State University enrolling in courses offered by The California State University in accordance with this section.

(b) Fee waivers or reductions may be authorized by the Chancellor or designee for full-time permanent or probationary employees or permanent part-time employees or Management Personnel Plan employees who enroll in work-related courses which are necessary for improving skills for existing employment with The California State University, or which are necessary for advancement, in accordance with a career development plan, at The California State University.

(c) Before such waiver or reduction may be granted, the Chancellor or designee shall approve the course as being work related and necessary for improving skills for existing employment or, as the case may be, shall approve the career development plan and the course as being work related and necessary for advancement in accordance with a career development plan at The California State University.

(d) The Chancellor or designee may authorize reduction, but not a full waiver, of student body association fees and fees authorized or required to be charged under the State College Revenue Bond Act of 1947 (Education Code Sections 90010 et seq.) and resolutions adopted thereunder.

(e) Full-time permanent or probationary employees or permanent part-time employees or Management Personnel Plan employees who are not admitted to a campus pursuant to the admission requirements of Subchapter 3 of this Chapter may be admitted to a campus for the purpose of enrolling in courses which meet the requirements of and are approved pursuant to this section subject to rules prescribed by the Chancellor or designee. Such admission shall be only for the purpose of enrolling in such courses.

(f) Full-time permanent or probationary employees," or "Management Personnel Plan employees" as used in this section, shall include full-time permanent or probationary employees or Management Personnel Plan employees who are on an approved full or partial leave of absence with or without pay.

(g) The appropriate campus authority may reduce the level of services, except instructional services, which may be provided to employees who enroll in work-related courses where the fees paid by such persons are below the fee levels normally charged.

NOTE: Authority cited: Sections 89030 and 89710, Education Code.
Reference: Section 89710, Education Code.

**CALIFORNIA CODE OF REGULATIONS
TITLE 5. EDUCATION
DIVISION 5. BOARD OF TRUSTEES OF THE CALIFORNIA STATE UNIVERSITIES
CHAPTER 1. CALIFORNIA STATE UNIVERSITY
SUBCHAPTER 5. ADMINISTRATION
ARTICLE 4. NONRESIDENT TUITION**

§ 41910. Employee Exception.

A student who is a full-time employee of the Trustees or of any state agency or a student who is a child or spouse of a full-time employee of the Trustees or of any state agency shall be entitled to classification as a resident for tuition purposes until he or she has resided in California the minimum time necessary to become a resident, as provided in Section 41909. This section does not apply to student assistants or employees who work all year on a part-time basis, or full time on a less than annual basis.

For purposes of this section, “employee of any state agency” is limited to a person employed by the State of California who is assigned to work outside of the state.

NOTE: Authority cited: Sections 68044 and 89030, Education Code Reference: Section 68079, Education Code.

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210

(562) 951-4700

Date: October 7, 1999

To: Campus Presidents

From: Charles B. Reed
Chancellor



Subject: Executive Order No. 712, Delegation of Authority and Procedures for the Administration of Fee Waivers and Reductions for Employee Training and Career Development

I am transmitting a copy to you of Executive Order No. 712. This executive order supercedes and updates prior Executive Order 491 related to delegation of authority and procedures for the administration of fee waivers and reductions for employee training and career development. This executive order adds the "Health Services Fee" and removes the "Student Services Fee" from the list of fees that may be waived. The Student Services Fee is no longer an existing fee.

In accordance with policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

Attachments

Distribution: Vice Chancellors
Campus Presidents

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4700

Executive Order No.: 712

Title: Delegation of Authority and Procedures for the Administration of Fee Waivers and Reductions for Employee Training and Career Development

Effective Date: January 1, 2000

Supersedes: Executive Order No. 491

Pursuant to Sections 1 and 2 of Chapter III of the Standing Orders of the Board of Trustees of The California State University and Section 41804 of Title 5, California Code of Regulations, I hereby delegate to the Presidents of The California State University or their designees the authority to admit for enrollment and to approve the waiver and reduction of fees for eligible employees who enroll in courses pursuant to the Procedures for the Administration of Fee Waivers and Reductions for Employee Training and Career Development which are amended, effective this date, for The California State University. The executive order adds the "Health Services Fee" and removes the "Student Services Fee" from the list of fees that may be waived. A copy of these Procedures is attached to, and made a part of, this executive order.



Charles B. Reed
Chancellor

Dated: October 7, 1999

Attachment

**PROCEDURES FOR THE ADMINISTRATION OF FEE WAIVERS
AND REDUCTIONS FOR EMPLOYEE TRAINING
AND CAREER DEVELOPMENT**

1. **Purpose:** These procedures are for the purpose of implementing an employee fee waiver and reduction program in accordance with the authority granted the Trustees by Education Code, Section 89710 and to establish procedures for administration of the program pursuant to the delegation of authority to the Chancellor provided in Section 41804 of Title 5, California Code of Regulations.
2. **Eligibility:** All full-time or part-time permanent, full-time probationary employees, and full-time Management Personnel Plan employees, regardless of HEERA designation, may participate in the fee waiver and reduction program subject to authorization by the campus President or designee pursuant to these procedures. Full-time or part-time permanent, full-time probationary employees, and full-time Management Personnel Plan employees who are on an approved full or partial leave of absence with or without pay are also eligible. Employees covered by Section 42703(g) of Title 5, California Code of Regulations, graduate assistants, student assistants, part-time and temporary full-time employees are not eligible. In cases where provisions of this Executive Order are in conflict with a Memorandum of Understanding entered into pursuant to the Higher Education Employer-Employee Relations Act, the Memorandum of Understanding shall govern with regard to those conflicting provisions for the individuals in the unit covered by the Memorandum of Understanding.
3. **Unit Limitation:** In order to achieve a reasonable balance between an employee's regular work assignment and the course load taken under this program, approval for a waiver and reduction of fees shall be in accordance with the following unit limitations.

An eligible employee working full-time may be granted approval to enroll under this program for two (2) courses or six (6) units, whichever is greater, per semester or quarter.

An employee who is on an approved leave of absence may enroll for units in excess of these amounts in accordance with the following schedule:

<u>Percentage of Leave</u>	<u>Maximum Semester or Quarter Units</u>
One-fourth but less than one-half	9
One-half but less than three-fourths	12
Three-fourths but less than full	15
Full	Not limited

4. **Admissions:** Employees who qualify for admission to a campus in accordance with established standards and criteria shall be processed by the Office of Admissions and Records as regular admissions except that the application fee will be waived. Employees

who do not qualify for regular admission to a campus may be admitted under the authority of Subdivision (e) of Section 41804 of Title 5, California Code of Regulations as implemented in these procedures.

- a. **Work-Related Courses:** Admission for the purpose of enrolling in courses deemed work-related shall be with the approval of the President or designee. An employee enrolling in an approved work-related course shall be required to fill out only the front part of "A" of the admissions application. The Office of Admissions and Records shall establish a file and Permanent Record Card for each employee admitted for this purpose, but the process associated with matriculation (i.e., provision of transcripts of previous college level work, test scores, the evaluation of transfer credit, etc.) need not be carried out unless the employee subsequently declares a career objective which requires completion of a university degree as part of an approved individual career development plan.
- b. **Career Development Courses:** Admission for the purpose of enrolling in courses, as part of an approved individual career development plan, shall be with the approval of the President or designee. These employees shall be required to complete all the forms necessary for regular admission and matriculation at a campus of the California State University if their career development objective requires a degree. The Office of Admissions and Records shall maintain the usual student records for employees admitted pursuant to this provision. If their career development plan does not require a degree, the same admissions regulations and procedures required for work-related courses shall apply. Admission shall be continuous as long as the employee remains in good academic standing pursuant to normal campus criteria applicable to this determination.
- c. **Intercampus Enrollments:** In some instances employees may need to enroll on their own time at a campus other than the campus of employment. In such cases the campus of employment shall provide an employee with written certification that enrollment is authorized in accordance with this Executive Order, and that the employee is enrolling for an approved work-related course or as part of an approved individual career development plan. The campus of enrollment shall then follow the admissions procedure outlined in (a) or (b) of this section, as appropriate.
- d. **Employees of the Office of the Chancellor:** The Chancellor or designee shall provide employees of the Office of the Chancellor with written certification that enrollment is in accordance with the requirements of this Executive Order and that the employee is enrolling for an approved work-related course or as part of an approved individual career development plan. The campus of enrollment shall then follow the admissions procedure outlined in (a) or (b) of this section, as appropriate.
- e. **Enrollment in Graduate Courses:** Employees may enroll in graduate level courses subject to the same requirements as provided in this Executive Order.

5. **Fees:** The following fees may be fully waived:

- Application Fee
- Identification Card Fee
- Instructionally Related Activities Fee
- Health Services Fee

The following fee may be fully waived up to the unit limitation indicated:

- The State University Fee may be waived for any number of units up to 5.9 units per term.

The following fees may be reduced to \$1.00:

- Student Body Association Fee
- Student Body Center Fee
- Health Facilities Fee

All other fees shall be at the regular rates.

The fees for any units taken other than or in addition to units for which a fee waiver or reduction has been approved, including any work-related or career development units in excess of the limits indicated in Section 3, shall be the difference between (1) the fees normally required for the total number of units for which the employee is enrolled, and (2) the fees which have been waived or reduced; provided that in no case shall the aggregate amount paid for a particular fee be greater than the amount which would have been charged if none of the units taken by the employee were under this program.

Example 1: This example applies to all campuses and all employees under the fee waiver program governed by this Executive Order.

The employee enrolls for two courses or six units.

The State University Fee is fully waived.

The following fees may be reduced to \$1.00 each:

- Student Body Association Fee
- Student Body Center Fee
- Health Facilities Fee

Example 2: This example applies to all campuses and all employees under the fee waiver program governed by this Executive Order.

The employee enrolls for three courses, or more than six units. Fees are waived for two of the courses that are justified as job-related or career development.

Employee takes three courses, University waives fee for two courses, employee pays ordinary tuition fee in effect at that time, either per semester or per quarter, for one course.

Other fees as listed above in Example 1 are reduced to \$1.00 each.

6. **Services:** The appropriate campus authority may reduce the level of services except instructional services, which may be provided to employees who enroll under this program where the fees actually paid are below the fee levels normally charged.
7. **Course Approvals:** The President or designee may approve the waiver and reduction of fees authorized by this Executive Order following determination by the President or designee that the course(s) for which the employee will enroll is (are) either directly related to the requirements of the employee's present position (job-related) or is (are) part of an approved individual career development plan. Courses taken on the fee waiver program shall be taken for credit and not audited.
8. **Records Requirement:** The President or designee shall maintain records concerning the utilization of the fee waiver program. These records shall include the ethnicity and sex of participants, their occupational group, their salary level and other pertinent information necessary for a cost analysis of the program or for other reporting requirements. Such records shall be maintained separately from the employee's official personnel records. Records of completed training activities should be retained in the employee's official personnel file.
9. **Funding:** The establishment of this program carries no budgetary authorization for a campus to apply for or to receive additional funding. It is the responsibility of the campus to limit enrollment under the fee waiver program at a level, which can be accommodated within existing campus resources.
10. **Supplemental Instructions:** The Vice Chancellor, Human Resources, shall be responsible for review and evaluation of this program and for issuing directives to amplify and interpret these procedures.
11. **Continued Program Participation:** In order for employees to continue to participate in this program, they must remain in good academic standing. This same criterion for program participation is applicable to both matriculated and non-matriculated participants.

THE CALIFORNIA STATE UNIVERSITY
OFFICE OF THE CHANCELLOR



BAKERSFIELD

July 22, 2015

CHANNEL ISLANDS

MEMORANDUM

CHICO

TO: CSU Presidents

DOMINGUEZ HILLS

FROM: Timothy P. White
Chancellor

EAST BAY

FRESNO

SUBJECT: California State University Student Fee Policy
Executive Order 1102

FULLERTON

HUMBOLDT

Attached is a copy of Executive Order 1102 relating to California State University Student Fee Policy. The executive order updates the California State University Board of Trustees policies that comprise the CSU Student Fee Policy, incorporates a new voluntary Student Involvement and Representation Fee, provides clarification and new requirements for student success fees, incorporates the statutory requirements of the Working Families Student Fee Transparency and Accountability Act, addresses reallocation of future Campus Mandatory Fees, and identifies Cal State Online as subject to fee policy. The referenced items make up the overall strategic framework and guidelines for administration of CSU fees.

LONG BEACH

LOS ANGELES

MARITIME ACADEMY

MONTEREY BAY

An index of CSU fees is available at: calstate.edu/budget/student-fees/fee-policy. The website also contains further details on fees. Subsequent modifications required for administration of this fee policy will be made via the website.

NORTHRIDGE

POMONA

In accordance with policy of the California State University, the campus president has the responsibility for implementing executive orders where applicable and for maintaining the campus repository and index for all executive orders.

SACRAMENTO

SAN BERNARDINO

If you have questions regarding this executive order, please call the Budget Office at (562) 951-4560.

SAN DIEGO

SAN FRANCISCO

SAN JOSÉ

TPW/jdw

SAN LUIS OBISPO

Attachments

SAN MARCOS

c: CSU Office of the Chancellor Leadership
Vice Presidents of Academic Affairs
Vice Presidents of Business and Finance
Vice Presidents of Student Affairs

SONOMA

STANISLAUS

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4560

Executive Order: 1102
Effective Date: July 22, 2015
Supersedes: Executive Order 1054
Title: California State University Student Fee Policy

This executive order is issued pursuant to Education Code Sections 89035, 66028, 89711, 89712 and Board of Trustees Standing Orders, Chapter II, subsection i.

Changes to California State University Fee Policy

This executive order updates the California State University Board of Trustees policies that comprise the CSU Student Fee Policy, incorporates a new voluntary Student Involvement and Representation Fee, provides clarification and new requirements for student success fees, incorporates the statutory requirements of the Working Families Student Fee Transparency and Accountability Act, addresses reallocation of future Campus Mandatory Fees, and identifies Cal State Online as subject to fee policy.

Student Involvement and Representation Fee (SIRF)

At the January 2015 Board of Trustees meeting, the Trustees voted to establish a new voluntary systemwide fee, the Student Involvement and Representation Fee, in an effort to expand opportunities for student involvement and representation on issues of importance. As the first voluntary systemwide fee, a new Category VI was created. Fee assessment commences in the fall of 2015. This fee will be managed by the California State Student Association.

Student Success Fees

At the January 2015 Board of Trustees meeting, the Trustees voted to make specific amendments to fee policy to incorporate clarification and new requirements for student success fees (Category II). These changes followed the formation of a working group to study the role, process, and enactment of category II campus-based mandatory student success fees, including their notification, accountability, and outcome reporting processes. The working group and subsequent fee policy changes were incorporated in response to Senate Bill 860, Education Code Section 89712, which required the chancellor to conduct a review of student success fees during fiscal year 2014-2015 and make recommendations to the trustees on changes to the fee policy.

Working Families Student Fee Transparency and Accountability Act

In September 2012, the governor signed into law the “Working Families Student Fee Transparency and Accountability Act,” Education Code Section 66028, which enacts specific requirements for increasing or establishing new mandatory systemwide fees (Category I). In March 2013, the Board adopted a list of factors for consideration when reviewing fee increases, which also have been included in the update.

Reallocation of Specified Future Campus Mandatory Fees

In September 2012 the governor also signed into law provisions for reallocation of campus mandatory fees (Category II). Education Code Section 89711 requires that any fee established by a majority vote of the student body after the effective date of this legislation must be brought back before the student body before it can be reallocated, unless the vote that established the fee authorized an alternative or automatic reallocation mechanism. Category II fees that do not fall under the purview of this law are exempt.

Cal State Online

At the January 2013 Board of Trustees meeting, the Trustees voted to make specific amendments to fee policy to incorporate Cal State Online into the nomenclature of Category V Fees, which are fines, fees and deposits paid to self-support programs.

Bureau of State Audit Report on California State University’s Extended Education

To effectively monitor and ensure that the campuses set self-support fees in accordance with state law and fee policy, responsibilities for the campus chief financial officer and president regarding development and consideration of revenue and expenditure statements before making a determination on self-support extended education program fees were added. These requirements previously applied only to Category II and III fees, but have been expanded to Category V extended education fees. Consultation requirements between the president and extended education dean also were included. Additionally, annual reporting on Category V extended education fees was clarified.

Reference documents supplemental to this update of CSU Student Fee Policy, including an index of fees, historical documents, and State Education Code information are available at: calstate.edu/budget/student-fees/fee-policy.



Timothy P. White, Chancellor

Dated: July 22, 2015

THE CALIFORNIA STATE UNIVERSITY STUDENT FEE POLICY
(*Fee Administration*)

I. Fee Policy Statement

The CSU makes every effort to keep student costs to a minimum. Fees listed in published schedules or student accounts may need to be increased when public funding is inadequate. Therefore, CSU must reserve the right, even after fees are initially charged or initial fee payments are made, to increase or modify any listed fees. All listed fees, other than mandatory systemwide fees, are subject to change without notice, until the date when instruction for a particular semester or quarter has begun. All CSU listed fees should be regarded as **estimates** that are subject to change upon approval by the Board of Trustees, the Chancellor, or the Presidents, as appropriate. Changes in mandatory systemwide fees will be made in accordance with the requirements of the Working Families Student Fee Transparency and Accountability Act (Sections 66028 - 66028.6 of the Education Code).

II. Fee Category Definitions

- A. Category I – Systemwide mandatory tuition and other 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.
- B. Category II – Campus mandatory fees that must be paid to enroll in or attend the university.
- C. Category III – Fees associated with state-supported courses. Specifically for materials and services used in concert with the basic foundation of an academic course offering.
- D. Category IV – Fees, other than Category II or III fees, paid to receive materials, services, or for the use of facilities provided by the university; and fees or deposits to reimburse the university for additional costs resulting from dishonored payments, late submissions, or misuse of property or as a security or guaranty.
- E. Category V – Fees paid to self-support programs such as extended education, Cal State Online extended education offerings, parking and housing including materials and services fees, user fees, fines, and deposits. Self-support programs are defined as those not receiving state general fund appropriations; instead, fees are collected to pay the full cost of a program. Costs of self-support instructional programs include support and development of the academic quality of the university.
- F. Category VI – Systemwide voluntary fees.

III. Authority

- A. The Board of Trustees provides policy guidance for all matters pertaining to student fees and has authority for the establishment of Category I and VI fees, and oversight and adjustment of Category I fees, pursuant to the Working Families Student Fee Transparency and Accountability Act (commencing with Section 66028 of the Education Code).
- B. The chancellor is delegated authority for the establishment, oversight and adjustment of Category II, Category III, and Category V Cal State Online fees extended education offerings. The chancellor also is delegated authority for the oversight and inflationary adjustment of the Category VI Student Involvement and Representation Fee. The allowance for inflationary adjustments shall not be considered automatic on an annual basis, but rather allowable should the chancellor deem it necessary following consultation with the California State Student Association (CSSA). The chancellor is not delegated authority for Category I fees, although the chancellor may approve individual campus tuition fee rates that do not exceed the maximum fee rates established by the Board of Trustees.
- C. The president is delegated authority for the establishment, oversight and adjustment of Category IV and Category V fees (with the exception of Cal State Online fees extended education offerings), and for the oversight and adjustment of Category II and III fees. The president is not delegated authority to establish Category I, or Category II fees, or to adjust Category I fees. The president does have limited authority to establish or adjust Category III fees only within a range established by the chancellor as shown below in Section VI.C.6 of this fee policy.

IV. Responsibility

- A. The president is responsible for assuring that appropriate and meaningful consultation occurs prior to adjusting any campus-based fee and before requesting that the chancellor establish a new Category II or Category III fee.
 - 1. The president shall establish a Campus Fee Advisory Committee comprised of student, faculty, staff, and administrative representatives to provide advice to the president. Membership of the Campus Fee Advisory Committee shall be established in consultation with the campus student body association and the campus faculty senate and shall include the president of the campus student body association and the chair of the campus faculty senate or their designees. The president shall appoint the chair of the Campus Fee Advisory Committee.
 - 2. The president shall appoint members to the Campus Fee Advisory Committee, excluding the student representatives who shall be appointed by the campus student body association. Faculty members shall be appointed consistent with normal campus

- processes for selecting faculty members to serve on similar committees.
3. Students appointed by the campus student body association shall constitute a majority of the voting members of the Campus Fee Advisory Committee.
 4. A statement of revenues and expenditures including a minimum of two years of projected revenue and expenditures and one year of actual costs for the fee revenue supported activity shall be developed by the campus chief financial officer and considered by the president prior to establishing or adjusting any Category II or III fee.
 5. The president shall consult with the Campus Fee Advisory Committee before adjusting or requesting that the chancellor establish any Category II or III fees (subject to his/her approval in writing).
 6. The Campus Fee Advisory Committee shall consider proposals for the establishment and adjustment of Category II or III fees, and shall then make a recommendation to the president.
- B. Appropriate and meaningful consultation with campus constituencies regarding Category II fees and the use of fee revenue is critical to assure that the delegated authority is exercised in a manner that is consistent with policies adopted by the board.
1. Appropriate and meaningful consultation includes consultation with bodies such as the campus faculty senate, the campus student body association and other constituencies affected by any proposed increase in an existing fee or establishment of a new fee.
 2. The policy presumes that a student fee referendum will be conducted before adjusting or establishing Category II fees. The president may waive the referendum requirement (unless it is required by education code or Student Success Fee policy Section VI.B) if he/she determines that a referendum is not the best mechanism to achieve appropriate and meaningful consultation.
 3. If a referendum is not conducted prior to adjusting Category II fees or requesting the chancellor to establish a new Category II fee, the president must demonstrate to the fee advisory committee the reasons why the alternative consultation methods selected will be more effective in complying with this policy.
- C. An advisory student referendum is expected in order to measure student support prior to adjusting a Category II fee or requesting the chancellor to establish a new Category II fee but is subject to the exception described in Section IV.B.2. The referendum may be conducted by the campus or the student body association. For referenda conducted by the campus, the following shall apply:
1. The president in consultation with the student body association and the faculty senate shall develop guidelines applicable to the student fee referendum process designed to

- assure that the referendum is open, fair, and objective.
2. The campus shall fund costs associated with the referendum.
 3. The fee advisory committee shall issue a voter pamphlet providing objective analysis of the proposed fee action and statements solicited by the committee for and against the proposed fee action.
 4. The fee advisory committee shall determine the specific statements that shall be included in the pamphlet.
 5. Copies of the voter pamphlet and ballot and information regarding the dates, times, and polling locations shall be available to students and published in the campus newspaper and in other public locations around campus at least thirty days prior to the referendum.
 6. The results of a referendum shall be considered favorable when a majority of students voting approve the fee action.
 7. The results of the referendum shall be advisory to the fee advisory committee and the president, unless the Education Code or Student Success Fee policy (Section VI.B) requires that the referendum pass.
- D. If it is determined that a referendum is not the best mechanism for appropriate and meaningful consultation, and is not required by the Education Code or Student Success Fee policy (Section VI.B), an alternative consultation process may be utilized. The following shall apply:
1. The president, upon deciding that a referendum will not allow for the best measure of student opinion, shall inform the fee advisory committee of his/her intent to begin alternative consultation.
 2. Alternative consultation strategies shall be developed with input from the student body association and the fee advisory committee to ensure that the process is transparent and meaningful, and shall solicit the input of a representative sample of the student body.
 3. A representative sample should include students in leadership positions as well as students who are not involved in campus leadership. Efforts should be made to include students from many aspects of campus life regardless of the type of fee.
 4. Any written material regarding the new fee, or fee increase should follow the same guidelines as the referendum voter pamphlet (Section IV.C above) to provide objective analysis of the fee or fee increase.
 5. 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.

6. If a Category II fee for a capital project (e.g., university union building or health services building) must be raised to meet minimum debt service revenue bond requirements that were not required when the fee was established, the president can make that adjustment without a full alternative consultation process, but must present the debt service requirements and revenue projections to the fee advisory committee prior to making the adjustment.
- E. Unless established prior to January 1, 2013, Category II fees established through an affirmative vote of the majority of the student body voting on the fee, but not specifically authorized by statute, shall not be reallocated to alternative purpose(s) without an affirmative vote of a majority of the members of either the student body or Campus Fee Advisory Committee voting on the reallocation. Category II fees established on or after January 1, 2013 through an affirmative vote of the majority of the student body voting on the fee, but not specifically authorized by statute, may be reallocated without an affirmative vote of a majority of the members of either the student body or Campus Fee Advisory Committee voting on the fee if the vote that established the fee authorized an alternative or automatic reallocation mechanism for that fee.
- F. The president shall consider revenue and expenditure statements reviewed and approved by the campus chief financial officer prior to making determinations on Category V extended education fees.
 1. Prior to making a determination on Category V extended education fees, the president shall consult with the dean of extended education, including consideration of revenue and expenditure plans developed by the dean or designee and in consultation with the campus chief financial officer.
 2. The president shall notify the Campus Fee Advisory Committee of his or her decision.
- G. The chancellor shall consult with the CSSA prior to any Category VI Student Involvement and Representation Fee adjustments. Any decision to adjust the fee shall be reported to the Board of Trustees prior to its scheduled adjustment.

V. Accountability

- A. The campus president shall provide to the fee advisory committee a report of all fees in Categories II, III, IV and V. New fees, fee increases, total revenue and unexpended balances should be included.
- B. Each campus shall report annually to the chancellor, for the most recently completed fiscal year, a complete inventory of all fees in categories II, III, IV and V, including current year fee rates, the total revenue collected in the past year for each fee, and the remaining balance for each fee. This reporting requirement includes a separate detailed

report on Category V extended education fees. The Category II fee report shall be presented to the board by the chancellor to allow the board to consider the level and range of campus mandatory fees charged to students.

- C. The CSSA shall prepare an annual report for the chancellor that includes information on how revenue from the Category VI Student Involvement and Representation Fee has been used to provide additional funding support for the development of student policy recommendations; participation in system, state, and national governance; involvement in leadership development activities; and, program support through student and professional staff administration. The annual report shall be provided by October 1.

VI. Additional Policy Regarding Specific Fees

A. Graduate Business Professional Fee (Category I)

1. Applicability

- a. The Graduate Business Professional Fee shall be charged on a per-unit basis for all required courses in state-supported professional master of business degree programs that are subject to accreditation by the Association to Advance Collegiate Schools of Business International (AACSB International) and that are authorized by the trustees or chancellor to assess such fees.
- b. The Graduate Business Professional Fee shall apply to required courses in the following degree programs: Master of Business Administration (M.B.A.); and Master of Science (M.S.) programs in Accountancy, Business Administration, Health Care Management, Business and Technology, Information Systems, and Taxation.
- c. Students in conditionally classified admission status in graduate professional programs shall be charged the Graduate Business Professional Fee on a per-unit basis for each prerequisite course taken in fulfillment of graduation requirements for these fee-authorized programs.

2. Assessment of Fee

This fee shall be in addition to the systemwide tuition fees, applicable non-resident tuition, and any campus-based fees.

3. Fee Waivers

Employee fee waivers and other fee waivers are authorized by statute. The terms of authorized employee fee waivers are subject to change and are agreed upon as outlined in collective bargaining contracts. Please consult current Human Resources Technical Memoranda.

4. Establishing Fees in Applicable Programs

Upon request of a campus president, the chancellor is authorized to approve the assessment of a Graduate Business Professional Fee upon students enrolled in state-supported professional master's degrees in business that are subject to accreditation by the Association to Advance Collegiate Schools of Business International and that are not included in the original roster of fee-authorized programs.

5. Fee Revenue

In accordance with Education Code Section 89721(1), revenue collected from all higher education fees shall be deposited in a local trust unless otherwise specified.

6. Provision for Financial Aid

Presidents are directed to set aside a minimum of 25 percent and not more than 33 percent of the Graduate Business Professional Fee revenue for need-based financial aid, with such funds to be used first to meet the demonstrated financial need of students in affected campus professional graduate degree programs in business; and that any part of the revenue that is not awarded to professional business master's degree program students be made available to meet demonstrated financial need of any other undergraduate or graduate students on the campus.

7. Modification of Existing Fees

For each adjustment made by trustee action to the tuition fee for graduate students, an equal adjustment will be made to the Graduate Business Professional Fee.

B. Student Success Fees (Category II)

1. A binding student vote shall be taken on implementation of any proposed new student success fee. All students who are eligible to vote in student government elections shall be eligible to vote on such student success fee proposals. A rigorous consultation process shall be undertaken to inform and educate students on the uses, impact and cost of any proposed student success fee prior to the binding student vote.
2. In the process of establishing new student success fees, and before the student vote occurs, it must be made clear to the students that if a portion of that fee is intended to support ongoing and/or long-term obligations, that portion of the fee will remain in place until the obligations are satisfied regardless of any subsequent vote to rescind the fee.
3. All student success fees enacted prior to January 28, 2015 shall remain unchanged, including any previously established increments. However, a campus that considers a net new addition to an existing student success fee shall proceed as described in paragraphs VI.B 1 and 2 above.

4. Any campus proposing a new student success fee or an increase not already scheduled to an existing student success fee will consult with the chancellor and must receive approval on the process that will be followed to obtain approval for the fee before proceeding.
5. Student success fee proposals may not be brought before the student body more frequently than once per academic year.
6. If the proposed student success fee is accepted by a simple majority of the students voting, imposition of the fee shall still be contingent on approval by the campus president and chancellor. If the proposed student success fee is for direct instructional purposes that historically were covered by tuition and state funding, then the chancellor shall consult with the chair of the Board of Trustees before final approval is granted.
7. Student success fees enacted after January 28, 2015 shall be in force for at least six years. Student success fees may be rescinded at any time after six years with another binding student vote wherein a simple majority of those students voting vote to rescind the fee. The campus decision to have a vote shall be made by the recognized student government. Rescission vote proposals may not be brought before the student body more frequently than once per academic year.
8. If a vote to rescind passes, the chancellor, in consultation with the chair of the Board of Trustees and the president, shall ensure that no ongoing contractual or other obligation/liability exists which will remain unsatisfied if the student success fee is rescinded. If any such obligations exist, that portion of the student success fee funding the obligations shall remain in effect and the obligations shall continue to be funded by the student success fee until the obligations are satisfied. No new contractual or other obligation which would be supported by the rescinded student success fee may be entered into following a vote to rescind the fee. In the process of reconsidering a student success fee, and before the student vote occurs, it must be made clear to the students that if a portion of that fee is intended to support ongoing obligations, that portion of the fee will remain in place until such time as the obligations are satisfied.
9. Student success fees enacted prior to January 28, 2015 may also be rescinded by a binding student vote under the same procedures described above for rescinding a fee, but no such student vote may be held until after January 1, 2021. If a vote to rescind passes, the chancellor, in consultation with the chair of the Board of Trustees and the president, shall ensure there are no ongoing, contractual or other obligations which will remain unsatisfied if the student success fee is rescinded. If any such obligations exist, that portion of the student success fee funding the obligations shall remain in effect and the obligations shall continue to be funded by the student success fee until the obligations are satisfied. No new contractual or other obligations which would be

supported by the rescinded student success fee may be entered into following a vote to rescind the fee.

10. Each campus shall be required to have a transparent, online accountability protocol that clarifies the decision process and allocation of student success fees, with annual reporting to the chancellor and public by October 15 each year. All campuses shall be held to this standard for any existing and new student success fees imposed in the future.

C. Miscellaneous Course Fees (Category III)

1. Miscellaneous course fees are defined as fees collected for materials, services or use of facilities used in concert with the basic complement of supplies needed for state-supported instruction. Miscellaneous course fees can only be charged for the actual cost of providing exceptional instructional materials, services or use of an off-campus facility. Students must have the option of attaining the materials or services required through alternative means; however, in cases where such alternative means are unavailable, students cannot opt out of utilizing the required material or service and must pay the miscellaneous course fee.
2. The following rules apply when determining if miscellaneous course fees can be charged for exceptional materials or services in the classroom:
 - a. Miscellaneous course fees can only be charged for the actual cost of the material, service or use of facility being provided.
 - b. A miscellaneous course fee **cannot** be charged for the basic complement of classroom supplies and materials required for instruction. These include but are not limited to: chalk, erasers, paper clips, pointers, classroom instructional equipment such as projectors (slide, overhead, computer, etc.) and associated supplies (bulbs, transparencies, software, etc.), or any other supplies deemed necessary to equip the instructional space for courses.
 - c. A miscellaneous course fee **cannot** be charged for the basic complement of laboratory supplies and instructional equipment necessary for classroom lab requirements identified in the course description. These include but are not limited to equipment, test tubes, work stations, computers or any supplies necessary to equip laboratory space to complement classroom course instruction.
 - d. Administrative charges and inflationary factors **cannot** be added to miscellaneous course fees. Only the actual cost of the material, service or use of a facility can be charged.
 - e. A miscellaneous course fee **cannot** be charged to fund the basic cost of instruction. Instructional costs are funded through marginal cost dollars, tuition fee revenue, and permanent base budget allocations.

3. Requests to establish fees above the approved ranges and requests to increase existing fees to an amount above the approved ranges must be forwarded to the chancellor's office for approval. If the requested fee or fee adjustment meets the policy guidelines, a coded memorandum shall be issued to authorize the campus to charge the fee.
4. Campuses must review all current miscellaneous course fees to ensure each one meets the requirements of the above described rules. If existing course fees exceed the approved ranges, campuses should review recent revenue and expenditure plans for that fee to ensure that the fee level is appropriate and make adjustments as necessary. All fees, including those that surpass the approved ranges that were previously approved by executive order prior to issuance of Executive Order 1034 in 2008 are grandfathered into this policy as long as they meet the policy guidelines above. Fees that do not meet the guidelines must be revised or eliminated.
5. CSU student fees are authorized, deposited, and refunded in accordance with applicable CSU policy, provisions of the law, and revenue bond indentures which may be outstanding.
6. Approved Fee Ranges:

\$0-\$150	Fees that supplement the basic complement of classroom and laboratory instruction by providing materials and services that would otherwise be unavailable to students, and which allow students to meet the educational objectives of a given course.
\$0-\$3,000	Fees for courses that require field trips or travel off-campus in order to meet the educational objectives of a given course.

D. Student Involvement and Representation Fee (Category VI)

1. Collection of the fee shall occur twice annually in the fall and spring academic terms, starting with the fall 2015 term.
2. Each time the fee is assessed, students shall be provided a clear and unambiguous means to decline the payment of the fee.

VII. References

Additional CSU student fee policy references including fee related laws and policies such as "Quality and Affordability: Policies for Pricing, Strategies for Paying" and "List of Factors for Future Considerations of Fee Changes," index of fees, definition of terms, and frequently asked questions can be found online at calstate.edu/budget/student-fees/fee-policy.

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
400 Golden Shore
Long Beach, California 90802-4275

(310) 985-2800

Date: October 27, 1993

To: Presidents

From: Barry Munitz 
Chancellor

Subject: Delegation of Authority to Approve Fee Waivers for Graduate Students Employed as Graduate Assistants or Teaching Associates — Executive Order No. 611

Consistent with the resolution approved by the Trustees in July 1993, this Executive Order delegates authority to campus presidents to waive the State University Fee for graduate students employed as graduate assistants or teaching associates. This authority is not associated with any additional funding at this time.

Campuses are encouraged to develop appropriate policies and procedures to implement the authority delegated.

In accordance with the policy of The California State University, the campus president has the responsibility for implementing Executive Orders, where applicable, and for maintaining the campus repository and index for all Executive Orders.

Distribution: Vice Presidents, Academic Affairs
Associate Vice Presidents/Deans of Graduate Studies
Chairs, Campus Academic Senates
Chancellor's Office Staff

THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
400 Golden Shore
Long Beach, California 90802-4275

Executive Order No.: 611

Title: Delegation of Authority to Approve Fee Waivers for Graduate Students Employed as Graduate Assistants or Teaching Associates

Effective Date: Fall Term, 1993

Supersedes: No Previous Executive Order

This Executive Order is issued pursuant to Section 89710 of the Education Code, Resolution RFIN 07-93-08 of the Board of Trustees of The California State University, and Sections 1 and 2 of Chapter III of the Standing Orders of the Board of Trustees of The California State University.

Campus presidents or their designees may waive the State University Fee for individual students who are enrolled in a California State University graduate program as classified or conditionally classified graduate students and who are employed by the California State University as Graduate Assistants (Class Code 2355) or Teaching Associates (Class Code 2353 or 2354).


Barry Munitz, Chancellor

October 27, 1993

Appendix B – Fee Waiver Eligibility Matrix

California State University Fee Waiver Matrix

	C99	E99	M80	M98	R01	CSJEU	R03	R04	R06	R08	R10	R11*	R13	R14
EMPLOYEE FEE TYPE:														
FULLY WAIVED FEES FOR EMPLOYEES														
APPLICATION FEE (FULLY WAIVED)	X	X	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
IDENTIFICATION CARD FEE	X	X	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
INSTRUCTIONALLY RELATED ACTIVITY FEE	X	X	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
HEALTH SERVICES FEE	X	X	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
STATE UNIVERSITY TUITION FEE	X	X	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
ALL OTHER CATEGORY I AND II FEES** (EO NO. 1102)	N/A	N/A	N/A	N/A	N/A	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A
DOCTORAL PROGRAM	X	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PROFESSIONAL PROGRAM FEE	N/A	N/A	N/A	N/A	N/A	X	N/A	X	N/A	N/A	N/A	N/A	N/A	N/A
PARTIALLY WAIVED FEE														
PART-TIME GRADUATE TUITION FEE (DOCTORATE)	N/A	N/A	N/A	N/A	X	X	X	X	X	X	N/A	N/A	N/A	N/A
FEES REDUCED TO \$1.00														
ASSOCIATED STUDENT BODY FEE	X	X	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
UNIVERSITY UNION FEE/STUDENT BODY CENTER FEE	X	X	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
HEALTH FACILITIES FEE	X	X	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
DEPENDENT FEE TYPE:														
AGE ELIGIBILITY - DEPENDENT CHILD														
UP TO AGE 23		N/A			X					X	X	N/A	N/A	N/A
UP TO AGE 25	X	N/A	X	X		X	X	X	X			N/A	N/A	N/A
FULLY WAIVED FEES FOR DEPENDENTS														
APPLICATION FEE (FULLY WAIVED)	X	N/A	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
IDENTIFICATION CARD FEE	X	N/A	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
INSTRUCTIONALLY RELATED ACTIVITY FEE	X	N/A	X	X	N/A	N/A	N/A	N/A	N/A	N/A	X	N/A	N/A	N/A
STATE UNIVERSITY TUITION FEE	X	N/A	X	X	X	X	X	X	X	X	X	N/A	N/A	N/A
ALL OTHER CATEGORY I AND II FEES (EO NO. 1102)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DOCTORAL PROGRAM	X	N/A	X	X										
PROFESSIONAL PROGRAM FEE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HEALTH SERVICES FEE	X	N/A	X	X	N/A	N/A	N/A	N/A	N/A	N/A	X	N/A	N/A	N/A
PARTIALLY WAIVED FEE														
PART-TIME GRADUATE TUITION FEE (DOCTORATE)		N/A			X	X	X	X	X	X	N/A	N/A	N/A	N/A
FEES REDUCED TO \$1.00														
ASSOCIATED STUDENT BODY FEE***	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
UNIVERSITY UNION FEE/STUDENT BODY CENTER FEE	X	N/A	X	X	N/A	N/A	N/A	N/A	N/A	X	X	N/A	N/A	N/A
HEALTH FACILITIES FEE	X	N/A	X	X	N/A	N/A	N/A	N/A	N/A	X	X	N/A	N/A	N/A

*Eligible for Fee Waiver under Executive Order 611 only.

**Excludes Non-Resident Alien Tuition unless eligible through Title 5, Section 41910

***Per the Education Code, the Associated Student Body Center Fee cannot be waived or reduced for dependents.

Appendix C – List of Fee Waiver Coordinators (Updated November 2018)



Benefits Insider ▾

[Email All](#) [Print List](#)
[+ new item](#) or [edit this list](#)
All contacts

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✓ Campus	First Name	Last Name	Job Title	Business Phone	Email Address
Bakersfield	Tina	Williams	Associate Director	(661) 654-3205	twilliams@csusb.edu
Chancellor's Office	Luz	Romero	Human Resources Analyst	(562) 985-8716	luz.romero@csulb.edu
Channel Islands	Janet	Korsmo	Human Resources Coordinator	(805) 437-3163	Janet.korsmo@csuci.edu , feewaiver@csuci.edu
Chico	Beverly	Gentry	Manager	(530) 898-6771	feewaivers@csuchico.edu
Dominguez Hills	Chris	Muller	Benefits Manager	(310) 243-3005	cmuller@csudh.edu
Dominguez Hills	Sonya	Winfield	Employee Recruitment/Staff Technology Specialist	(310) 243-3293	feewaiver@csudh.edu
East Bay	Codie	Howe	Human Resources Analyst	(510) 885-3769	codie.howe@csueastbay.edu
Fresno	Sarah	Confer	Benefits Analyst	(559) 278-8237	sarahconfer@csufresno.edu
Fullerton	Angelica	Perez	Benefits Manager	(657) 278-5311	anperez@fullerton.edu
Humboldt	Julia	Heatherwick	Training Specialist	(707) 826-5154	Julia.Heatherwick@humboldt.edu
Long Beach - Faculty	Catherine	Light	Faculty Affairs Administrative Analyst	(562) 985-5157	catherine.light@csulb.edu
Long Beach - Staff	Luz	Romero	Human Resources Analyst	(562) 985-8716	luz.romero@csulb.edu
Los Angeles - Last Names A-L	Jessica	Gonzalez	Benefits Coordinator	(323) 343-3663	jgonzalez@cslanet.calstatela.edu
Los Angeles - Last Names M-Z	Julie	Flores	Benefits Coordinator	(323) 343-3675	jflores2@cslanet.calstatela.edu
Maritime Academy	Barbara	Reece	Human Resources and Benefits Analyst	(707) 654-1021	breece@csu.edu
Monterey Bay	Toni	Uribe	Lead Customer Service Specialist	(831) 582-3626	turibe@csumb.edu
Northridge	Nikki	Valadez	Human Resources Services Administrative Analyst	(818) 677-2173	feewaiver@csun.edu
Pomona	Janet	Cain	Fee Waiver Coordinator	(909) 869-3727	jl Cain@cpp.edu
Sacramento	Scott	Oleinik	Benefits Manager	(916) 278-6009	feewaiver@csus.edu
San Bernardino	Lurdes	Valdez	Compliance Coordinator	(909) 537-5143	hrd-fw@csusb.edu
San Diego	Katie	Lentz	Benefits Coordinator	(619) 594-1144	chr.benefits@sdsu.edu
San Francisco	Yolanda (Lola)	Thomas	Senior Benefits Business Analyst	(415) 338-2683	ythomas@sfsu.edu
San Jose	Tracy	Vuong	Fee Waiver and Finance Coordinator	(408) 924-2454	fee-waiver@sjsu.edu
San Luis Obispo	Terizza	Miller	Admin/Analyst Specialist	(805) 756-7354	feewaiverslo@calpoly.edu
San Marcos	Melanie	Hobbs	Human Resources Manager	(760) 750-4433	mhobbs@csusm.edu
San Marcos (Main Contact)	Michelle	Buth	Human Resources Analyst	(760) 750-4438	mbuth@csusm.edu
Sonoma	Heather	Cain	Payroll and Benefits Manager	(707) 664-2983	heather.cain@sonoma.edu
Stanislaus	Kayla	Villarreal	Benefits Specialist	(209) 664-6730	kvillarreal4@csustan.edu

**Appendix D – Faculty and Staff Fee Waiver Application
(Updated November 2018)**

**FACULTY AND STAFF EMPLOYEE FEE WAIVER APPLICATION
CALIFORNIA STATE UNIVERSITY**

SECTION I - Employee Information (to be completed by employee for each term of enrollment)							
Name:		SSN:		Classification Title:			
Department:		Email Address:					
Campus, Campus Address & Phone:		Time Base: ____ Full time ____ Part time Status: __ Permanent __ Probationary __ Temporary (appt. exp. _____) Class Standing: __ Fresh. __ Soph. __ Jr. __ Sr. __ Credential __ Graduate					
Do you have an approved Individual Career Development Plan on file? __ Yes __ No If yes, please indicate major:					CSU Campus to Attend:		
SECTION II - Course Information							
Term and Year	Course Title	Level (Undergraduate or Graduate)	Course Subject, Number & Section	Units	Times	Hours Per Week	WR (Work-Related) or CD (Career Development)
(Example) Fall 2019	Art	Undergraduate	Art 108 Visual Tech	3	8-10 am	4 Hrs	CD
For work-related courses, please state how each course relates to your present assignment (attach sheets if necessary): _____ _____							
NOTE: Some courses taken through fee waiver may be subject to taxation.							
SECTION III - DEPARTMENTAL REVIEW (to be completed by employee's supervisor)							
1. Are you granting employee's request to take one fee waiver course during regularly scheduled work hours? __ No __ Yes (If yes, please list days and times: _____)							
2. Will the course require a change in the employee's work schedule? __ No __ Yes							
Supervisor Signature _____		Date _____		Dean/Dept. Head Signature _____		Date _____	
SECTION IV - EMPLOYEE VERIFICATION AND SIGNATURE							
My signature below is to certify that the information relevant to this request for Employee Fee Waiver is accurate and I acknowledge that I must submit a new form if I wish to request a change (e.g., a different class, adjusted work schedule, etc.). Also, as requested by CSU policy, I agree to provide information concerning my study program and grades received by hereby authorizing the Registrar's Office to release my transcript of the work completed to Human Resources. Further, I understand that CSU in no way guarantees that completion of this coursework will result in promotion or other advancements.							
Signature of employee requesting fee waiver _____						Date _____	
OFFICE USE ONLY							
EMPLOYEE'S EMPLOYMENT STATUS (See Technical Letter HR/Benefits 2018-xx for eligibility criteria):							
This employee is ____ Faculty or ____ Staff FLSA Status: ____ Exempt ____ Non-Exempt ____ Eligible for fee waiver benefits or ____ Not Eligible (Reason: _____)							
Number of units eligible for: _____ Undergrad Units or _____ Graduate Units (including Ed.D.)							
Courses are: ____ Career Development or ____ Work-Related (Confirmed? Y N)							
Position # _____ - _____ - _____				CBID: _____			
Additional Fees (e.g., extra unit fee, late fees) Total: _____				Budget Code: _____			
Fee Waiver Coordinator Signature _____				Date: _____			
Fee Waiver Coordinator Campus: _____				Phone Number: _____			

Appendix E – Dependent Fee Waiver Transfer Application
(Updated November 2018)

**DEPENDENT FEE WAIVER TRANSFER APPLICATION
CALIFORNIA STATE UNIVERSITY**

SECTION 1 - Employee Information		
Name:	SSN:	Classification Title:
Department:	Email Address:	
Campus, Campus Address & Phone:	Time Base: ____ Full time ____ Part time Status: __ Permanent __ Probationary __ Temporary (appt. exp. _____)	

SECTION II - Dependent Information			
Name:	Social Security *:	Email Address:	Phone Number:
Date of Birth: ____/____/____ (Month/Day/Year)	Mailing Address:		

Relationship to employee: ____ Spouse by Marriage ____ Dependent Child (Please specify by checking one of the below choices) ____ child or stepchild under age 23/25 who has never been married ____ child living with employee in parent-child relationship who is economically dependent upon employee, under age 23/25 who has never been married ____ child or stepchild age 23/25 or above who is incapable of self-support due to a disability that existed prior to age 23/25 ____ Domestic Partner (Declaration of Domestic Partnership is filed with the Secretary of State)	Is dependent applying for admission at this time? ____ Yes ____ No Has the \$55 application fee been paid? ____ Yes ____ No Is the dependent receiving financial aid? ____ Yes ____ No Student Status: ____ New Student or ____ Continuing Student ____ Undergraduate ____ Graduate ____ Ed.D. ____ Credential Campus to attend _____ California Resident? ____ Yes ____ No
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Term and Year	Course Title & Number	Level (Undergraduate or Graduate)	Units
(Example) Fall 2019	Art History 108	Undergraduate	3

NOTE: Some course taken through fee waiver may be subject to taxation.
 *The Social Security number is required of those who wish to participate in the Dependent Fee Waiver program. The number will be used as a common identifier for course enrollment and related purposes. Authority for such use is contained in Title 5 of the California Code of Regulations.

SECTION III - EMPLOYEE VERIFICATION AND SIGNATURE

I certify that the individual named above is my legal spouse, dependent child, or registered domestic partner and that the information provided above is true. I wish to transfer my fee waiver eligibility, as provided in appropriate policy or collective bargaining agreement, to the individual named above. I understand this transfer prohibits my personal use of fee waiver benefits during the period indicated. Further, I understand that my spouse, dependent child or domestic partner is responsible for meeting all registration and payment deadlines and informing the Human Resource office if any changes in approved fee waiver classes occur.

Signature of employee _____ Date _____

OFFICE USE ONLY	
EMPLOYEE'S EMPLOYMENT STATUS (See Technical Letter HR/Benefits 2018-xx for eligibility criteria):	
This employee is: ____ Faculty or ____ Staff	
Eligibility:	
____ Dependent is eligible for fee waiver benefits	
____ Dependent is not eligible for fee waiver benefits (Reason: _____)	
Number of units eligible for: _____ Undergrad Units or _____ Graduate Units (including Ed.D.)	
Position # _____ - _____ - _____	CBID: _____
Additional Fees (e.g., extra unit fee, late fees) Total: _____	Budget Code: _____
Fee Waiver Coordinator Signature _____	Date: _____
Fee Waiver Coordinator Campus: _____	Phone Number: _____

Appendix F – Sample Fee Waiver Communication Regarding Imputed
Taxation

**Sample Employee Fee Waiver Communication
Regarding Imputed Taxation**

Dear Employee,

This email is to notify you of the reporting of the following imputed income based on the value of fees waived for your XXX <semester/quarter> 20XX <e.g., Spring 2019> Fee Waiver Benefit for you/your dependent (spouse or domestic partner or dependent child):

\$\$\$

Imputed Income Subject to Tax for Employees with Dependent Fee Waivers

The value of fees waived for an employee's spouse or registered domestic partner or dependent child who takes graduate courses under the Fee Waiver program are taxable. The waived fee amounts are imputed taxable income to the employee. Imputed income is typically reported by the 10th of the month following constructive receipt. The State Controller's Office (SCO) uses the campus census date as "constructive receipt" of the fee waiver benefit to eliminate adverse tax reporting on imputed income when an employee's dependent drops courses. The additional tax withholdings are then deducted from the employee's first paycheck following this reporting. The tax withholdings are taken at the following rates: Federal (mandatory flat rate) 22%, State (mandatory flat rate) 6.6%, Social Security (6.2%) and Medicare (1.45%) taxes.

Please call me at (xxx) xxx-xxxx should you have any questions.

Sincerely,

[Your Name]
[Your Title]

Appendix G – Additional Links and Resources

Additional Links and Resources

Description	Links
State Controller's Office (SCO) Payroll Procedures Manual	https://www.sco.ca.gov/ppsd_ppm.html
STD. 676V Form: Non-USPS Adjustment Request – Values (Fringe Benefit/Employee Business Expense)	https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std676v.pdf
Tuition and Fees	https://www2.calstate.edu/attend/paying-for-college/csu-costs/Pages/default.aspx
CSU Apply	https://www2.calstate.edu/apply
Executive Order 1038: Minimum Requirements for Probation and Disqualification	http://www.calstate.edu/EO/EO-1038.html
SCO Personnel/Payroll Services Division (PPSD) Letters	
Payroll Letter #6 06-006: Constructive Receipt Reporting Requirement	https://www.sco.ca.gov/files-ppsd-letters/payr/2006_p06-006.pdf
Payroll Letter #99-007: Surge Reporting of Education Assistance Taxation	https://www.sco.ca.gov/Files-PPSD-Letters/payr/1999_99-007.pdf