

COMMITTEE ON FINANCE

Admission Application Fee Proposal

Presentation By

Steve Relyea
Executive Vice Chancellor and
Chief Financial Officer

April Grommo
Director of Enrollment Management Services
Student Academic Services

Summary

This information item presents a proposal to increase the application fee for the California State University (CSU) from \$55 per application to \$70 per application. The revenue raised by this increase would be used systemwide and shared with campuses to improve the applicant experience through investments in Cal State Apply; to adjust the criteria for the application fee waiver, enabling more applicants to qualify and better aligning with the University of California (UC); and to provide additional funding to campuses to offset the financial impact of fee waivers, support the implementation of the new Board of Trustees redirection policy and acknowledge cost increases in outreach and admission over the last 30 years.

Adjustment to this fee requires amendment to Title 5 of the California Code of Regulations. Action will be proposed at the July Board of Trustees meeting.

Background

The CSU currently charges applicants a \$55 application fee for each campus to which they apply. The application fee was last raised from \$45 to \$55 in May 1989. The increase was intended to support campus admission staffing to process paper applications for admission and was necessary due to state reductions in funding for the CSU.

The university collects approximately \$35 million in application fees annually after granting approximately \$20 million in undergraduate application fee waivers. Through the application process, California undergraduate applicants can apply for a fee waiver based on self-reported financial information. The application fee waiver can be used for up to four campuses. For fall 2019, the CSU received 902,517 applications. Of those applications, 415,659 qualified for a fee waiver, approximately 46 percent. Additional applications and associated fee revenue and waivers for the winter and spring 2020 terms will round out the academic year.

While much of the application process has shifted to the online application for admission, currently the application fees are used to support campus admission reviews, and not the centralized online application for admission or other costs related to its administrative processes at the Office of the Chancellor. With the migration from CSU Mentor to Cal State Apply, application fees are collected centrally and then distributed to the campuses net of credit card processing fees.

Application Fee Proposal

The proposal to increase the application fee by \$15 is estimated to yield approximately \$7 million in new revenue per application cycle. This estimate is based on current application numbers and an estimation of fee waivers. The additional revenue would be used to support three areas:

- Funding to offset adjustments to the criteria for the application fee waiver;
- Investments in Cal State Apply; and
- Implementation of the new redirection policy and systems.

Adjustments to the Criteria for the Application Fee Waiver

The current income criteria for the waiver is 125 percent of the annual poverty guidelines established by the U.S. Department of Health and Human Services for single and married students. The criteria for students with dependents or dependent students are based on a \$1,000 expected family contribution (EFC) as calculated for federal financial aid. The proposed expansion would use the Department of Agriculture Free and Reduced Lunch guidelines as a second option for students to qualify for a waiver.

Adjusting the income criteria also will align to the criteria used by the University of California to determine fee waivers, which will send a consistent message to prospective students and high school and community college counselors on income levels that are and are not eligible for application fee waivers. Today, UC and CSU income criteria do not fully align between the systems, which creates some confusion for applicants and families.

The percentage of applicants who receive an application fee waiver varies by campus. CSU campuses range from 23 percent application fee waivers to 71 percent. This impacts the amount of funding that campuses receive for the same work of processing and evaluating applications. A portion of the increased revenue will be used to offset the disproportionate impact of application fee waivers on campuses.

Investments in Cal State Apply

Prior to 2018, CSU Mentor was the online application for admission. The application was used for approximately two decades; however, the technology became increasingly outdated and was unable to provide the flexibility necessary to meet the needs of CSU applicants. Last year, the CSU shifted to Cal State Apply as the online application. As the CSU admission process becomes increasingly multifaceted, the CSU will need to continue to expand application tools, data and campus, student and counselor support within Cal State Apply.

A portion of the revenue from the application fee increase would be dedicated to the ongoing development and improvement of Cal State Apply to support the applicant experience. This includes future projects, such as a community college transfer planner, college and high school transcript integration, and Advanced Placement test score matching and campus sharing. It also includes activities within the Office of the Chancellor to better support the application, campuses and internal and external communications.

Implementation of the New Redirection Policy

Revenue will be used to expand Cal State Apply to better support the new Board of Trustees systemwide redirection policy, which requires the redirection of all CSU-eligible undergraduate applicants who have not been admitted to a CSU campus. The current redirection process is taking place within the Cal State Apply application – everything from collecting the applicant responses to the Chancellor’s Office staff redirecting the application from the original campus to the redirection campus. While initial updates to Cal State Apply have taken place, additional updates will be needed to improve the process for applicants, campuses and the Chancellor’s Office.

Revenue will also be used to support campuses that are receiving redirected applications. Campuses that receive redirected applications must process these applications almost the same as for someone that has applied to their campus. Application review, transcript and test score requests must all be completed before the applicant can become a fully matriculated student.

Comparator Institutions

A review of application fees from other colleges and university systems show that the proposed CSU application fee aligns with other institutions. The tables below provide current application fees for the campuses:

California Comparators

College/University System	Application Fee
Biola University	\$45
Chapman University	\$70
Claremont McKenna College	\$70
Loyola Marymount University	\$60
Pepperdine University	\$60
Pomona College	\$70
Stanford University	\$90
University of California	\$70
University of San Diego	\$55
University of San Francisco	\$65
University of Southern California	\$85

National Comparators

College/University System	Application Fee
Arizona State University at Tempe	\$85
Cleveland State University	\$40
George Mason University	\$70
Georgia State University at Atlanta	\$85
Illinois State University	\$50
North Carolina State University	\$85
Rutgers University	\$70
State University of New York at Albany	\$50
University of Connecticut	\$80
University of Maryland, Baltimore County	\$75
University of Colorado at Denver	\$50
University of Nevada at Reno	\$60
University of Texas at Arlington	\$90
University of Wisconsin at Milwaukee	\$50
Wayne State University	\$25

Proposed Title 5 Revision

The proposed Title 5 amendment removes language setting the application fee at \$55 and replaces it with language indicating that the CSU Board of Trustees shall set the application fee amount. An item will be presented at the July meeting for board action to adopt the following recommended amendment to Title 5.

Title 5. California Code of Regulations
Division 5. Board of Trustees of the California State Universities
Chapter 1. California State University
Subchapter 5. Administration

Article 3. Fees

§ 41800.1 Application Fees

(a) Definitions.

(1) Semester and Quarter. As used in this section, the words “semester,” and “quarter” shall include any semester or quarter other than a special session semester or quarter for which tuition fees are required pursuant to Education Code Section 89708.

(2) Application for Admission. As used in this section, the phrase “application for admission” shall include an application for readmission as well as an application for initial admission to a campus for undergraduate or post-baccalaureate study.

(b) Imposition of Fee. All applications for admission to a campus shall pay an application fee ~~of fifty five dollars (\$55.00)~~ for set by the CSU Board of Trustees to support the application system and the processing of the application by the campus.

(c) Time of Payment. Application fees shall be submitted with applications for admission, and no application shall be considered complete unless accompanied by said fee.

(d) Exclusions. This section shall not apply:

(1) to applications for enrollment in extension courses or as an auditor without credit.

(2) to applications for admission submitted by persons enrolled at the campus to which application is made during either of the two semesters or any of the three quarters, as the case may be, immediately preceding the semester or quarter with respect to which the application is submitted, unless such person was enrolled at another institution subsequent to such previous semester or quarter.

- (3) to an application transferred at the request of the applicant to a campus by the campus at which it was originally filed, provided that the application fee was paid at the latter if required by this section, and provided further, that the applicant did not enroll at the campus at which the application was previously filed.
- (4) to applications for admission which are restricted to certain special programs as designated by the Chancellor.
- (5) to applications for admission from individuals as to whom, in the judgment of the president or designee, payment of the fee would constitute undue financial hardship. The Chancellor shall establish appropriate guidelines for implementation of this exclusion.
- (6) in the case of a student returning from an authorized planned student leave granted by appropriate campus authority where the principal purpose of the leave was related to the student's educational objective, provided that the conditions of the leave have been met.

Note: Authority cited: Sections 89030 and 89700, Education Code. Reference: Section 89700, Education Code.