Dear Vice Provost Rinehart,

We have carefully examined and provided recommendations to each of the four questions charged to our committee. Comprised of nine student leaders who collectively represent more than 50 student organizations, and two representatives appointed by your office who offered important institutional knowledge and historical perspective, our committee developed these recommendations from diverse viewpoints and at times heated debate. Our meetings were attended by several members of the public, who were often called on by committee members to speak. Members of the public were also given an opportunity to comment at the end of each meeting in a public comment period, and were invited to submit to the record written comments electronically before and after meetings. We also held two public comment forums, giving interested members of the public the ability to ask questions and provide feedback on the initial report submitted to your office.

Ultimately, we believe these recommendations serve to strengthen the Student Services Fees allocation process and help to preserve the necessity that this process be student-driven, while providing the essential checks and balances to ensure a fair and rational process. Our recommendations seek to reduce ambiguity for groups and minimize the necessity for groups to appeal directly to you to make modifications to fees allocations once recommended by the Student Services Fees Committee (hereafter SSFC).

In our final recommendations report, we present both the committee’s recommendations as well as any minority rationale available, in order to better present the issues and considerations we took into account in reaching a decision. We look forward to your thoughts on our final recommendations. If our committee can clarify or further expand on any area, please do not hesitate to ask. Thank you for your support of our efforts.

Sincerely,

Student Services Fees Review Committee
Charge One: Clarifying or establishing an appeals process for late applications, incomplete applications, and final recommendations which are lower than the initial recommendations.

Our committee presumed inherently different challenges associated with providing remedies for incomplete applications, late applications, and final recommendations which are lower than initial recommendations (or other grievances associated with reduced funding). We have divided our recommendations and rationale into three parts, respectively.

Late applications

Our general view is that applications submitted beyond the fees deadline are a result of inexcusable negligence on behalf of applicants. Although extenuating circumstances may arise, such as internal group conflicts or even acute illness, which may be cited as a reason for an application to be submitted late, these circumstances can be mitigated by even rudimentary time management controls and the collaboration of multiple group members. It was noted that the administrative units have never missed a fees deadline. As such, the policy recommendations that follow for this charge are meant to apply only to student group applications.

It seems counter to the University’s personal development outcomes to consider excuses for groups who have failed to meet a highly-publicized deadline that occurs months after most groups are able to complete their applications in full. We assert that groups not meeting the fees application deadline are procrastinating on their application, which is a behavior almost universally condemned by faculty at this institution.

Nevertheless, year after year, some groups miss this deadline. These groups are usually different each year. Although some groups missing the deadline are small in scope and present little complexity in a decision to deny funding, other groups constitute a significant component of student life on campus. The most visible recent examples of this are the Graduate and Professional Student Assembly (GAPSA) and the Minnesota International Student Association (MISA). Both of these groups submitted a late application during the 2009-2010 fees process, but subsequently received funding due to their roles in our campus community.

It would be easy to simply deny funding to all groups missing the deadline; this, in fact, would provide for the utmost in rigidity in the fees allocation process. Our committee feels, however, that such an approach fails to address the potentially substantial harm that could be caused to both existing and incoming students if vital student groups were unable to contribute to the University community as a result of the negligence of one or two student leaders supposedly responsible for filing the group’s application in a timely manner.

Our committee believes the solution to this recurring problem is best addressed prior to the application deadline. On point, the fees application process should be strengthened to make it even more impossible to miss the final deadline. This could be done by establishing a series of
optional fees application checkpoints, spread out over the course of at least one calendar month, that serve to divide up the fees application into several distinct parts. Applicants should be strongly encouraged to submit each piece of their application by the respective checkpoint deadline. Our committee recommends the final checkpoint -- by which a responsible group complying with the checkpoint process should have already submitted in full its application -- be at least 10 days prior to the final absolute fees application deadline.

If a group chooses not to follow the checkpoint process and misses all preliminary checkpoint deadlines, and then subsequently fails to meet the final deadline, it would be evidence suggesting that the applicant group has not even made a reasonable effort at applying -- a much stronger condemnation than simple negligence. As alluded to previously, it would be nearly impossible to consider providing funding for a group which has failed to meet several of the perhaps four or more deadlines. Our committee sees it unlikely that the trend of late applications will continue if such a checkpoint process is adopted.

The committee would leave the exact details and mechanisms of the checkpoint implementation up to the fees advisor and the Office for Student Affairs, but suggests that during initial student organization registration training, written suggestions of which portions of the application should be done by which point be provided to the groups, and also be included with the fees application itself. The submission of those portions could be electronic, to the fees advisor, and would not need to be reviewed for content unless the group missed the final deadline, at which point the fees advisor could provide the SSFC with the content of the submitted electronic documents. In making these suggestions, the committee is mindful of not creating excessive administrative burdens, and feels that this process would be relatively simple and would not overtax the current fees advising staff.

Nevertheless, it is possible that even with this added buffer system, one or more groups may persist in submitting late applications. In this case, we recommend the SSFC as a whole be vested with the authority to accept or deny the late application for consideration for fees.

If the SSFC decides not to accept the application for consideration for fees, we recommend the denied group be given the ability to appeal to an Appeals Committee (outlined in the next section). However, we assert that such an appeal must be completed before the end of the initial fees presentations, and most certainly before deliberations, to preserve the integrity of and prevent delays in the process.

The Appeals Committee should decide if the group should be allowed to present to the SSFC. If the Appeals Committee reverses the initial ruling of the SSFC, the SSFC must hear and make a recommendation on the group’s application. Should the Appeals Committee uphold the initial ruling of the SSFC, the group is not to be considered for fees through the SSFC process.

**Minority view:** For all the reasons stated in the rationale of implementing a checkpoint system, the minority does not see the justification for an appeals process for late applications. If our recommendations for a checkpoint process are implemented, there
should be no viable excuse for late applications. For this reason, the minority feels that late applications (with the checkpoint process in place) should not be heard by the SSFC and should not be a part of receiving funding through the student services fees process.

An appeals process for late applications only serves to confuse what are otherwise reasonable process requirements and opens a Pandora’s box of potential new grievances in the event the appeals outcome is unfavorable to a group submitting a late application. We note that a need to prevent the occurrence of precisely these grievances was a key reason our review committee was established.

**Incomplete applications**

Incomplete applications are in most cases a result of honest, reasonable mistakes, not negligence. What’s more, although an application may be complete according to the minimum requirements of the fees process, the SSFC may still wish to acquire additional information from the applicant group, which thereby renders an otherwise complete application incomplete.

Existing procedure enables the SSFC to request additional information from an applicant group at any point in the fees process. Applicant groups are asked to respond within 48 hours from the date of the request, and no evidence was provided to our committee that meeting this deadline has been a problem for applicant groups in the past. Therefore, by consensus, our committee believes this existing procedure is a common sense way to deal with incomplete applications. We understand the fees advisor is able to facilitate this flow of information.

Some discussion was had among our committee on the possibility that an applicant group may deliberately submit a materially incomplete application because their fees application was not complete by the deadline. The fees advisor reported to the committee that she will be available in a limited capacity to identify such grossly incomplete applications and notify the applicant group. Our committee believes that if an incomplete application is equivalent to a late application (as determined by the SSFC), then the application would simply be treated as a late application (for which we suggest an appeals process below).

**Final recommendations which are lower than the initial recommendations and other grievances associated an allocation lower than the requested amount.**

In a number of instances each year, groups receive an allocation in the final recommendation from the SSFC that is lower than the initial recommendation from the SSFC. The existing design of the fees process does not provide for adequate adjudication of grievances which almost universally arise from these late-term, last-minute reductions.

Understandably, applicants in this situation feel caught off-guard and disenfranchised, because during the time period the applicant group would have had an opportunity to request a follow-up meeting with the SSFC to discuss the request, the applicant group had presumed their fees
application had been funded at a higher level. Given a chance to correct any misunderstandings which may have led to the reduction in fees, the applicant group may have been able to present evidence that would have resulted in a more favorable outcome for their student group.

On this premise, we recommend that after final deliberations have occurred, but before the final recommendations are released to the public, the SSFC contact groups that have been awarded a final recommendation lower than the initial recommendation. Applicant groups should be given an opportunity to request a meeting with the SSFC to discuss the rationale for the reduction, and present evidence which may result in a more favorable outcome. Following this meeting, the SSFC would then deliberate on a final recommendation for the individual group. Once deliberations are complete, all final recommendations should be collectively released to the public on a single date.

We recognize it is likely that despite this intermediate process for student groups to appeal their recommendations, many groups may dispute their recommendation as unfair or misguided. Under the existing system, the only opportunity to appeal is provided by the Vice Provost for Student Affairs, who is able to personally intervene and reverse SSFC decisions.

There are several problems with this process. Primarily, the Vice Provost for Student Affairs is not currently provided with any appellate framework, which creates a perception that fees decisions are personal in nature. Members of the SSFC, who devote months of time to their work, may feel undercut. Perhaps most importantly, the unilateral nature of the decisions made by the Vice Provost for Student Affairs establishes a precedent for applicants, who may (mistakenly) feel that they can circumvent the fees allocation process and still receive funding.

To alleviate these pressures, the committee recommends the implementation of an Appeals Committee to hear all appeals filed after final recommendations have been announced. Such a committee would negate the need for initial involvement of the Vice Provost for Student Affairs, yet would allow the Vice Provost to retain his final review authority.

The Appeals Committee would be comprised of five voting members and one non-voting ex-officio member.

One voting member would be a special alternate from the student group SSFC, while another would be a special alternate from the administrative units SSFC. These alternates, who would be selected at the outset of the fees process, would go to all regular SSFC trainings and presentations, but would refrain from attending or participating in deliberations. By not participating in deliberations, the individuals would maintain an objective viewpoint when hearing an appeal. However, the individuals would still be fully trained and well-versed in the fees allocation procedure.

The three other voting members would be selected for to the Appeals Committee by their respective committees: two representatives from the student group SSFC, and one
representative from the administrative units SSFC. Regular alternates as well as faculty and staff are eligible for these positions.

The non-voting ex-officio member would be a representative from the Budget Office for the Senior Vice President for Academic Affairs and Provost. This representative would serve to provide an administrative perspective on appeals and offer guidance in understanding and interpreting financial information.

The Appeals Committee could be called upon at two distinct times. First, the Appeals Committee could be called upon during the fees process to hear appeals regarding late applications (see above). Second, the Appeals Committee could be called upon after final recommendations are released to the public, to hear and rule on appeals that arise about the final recommendations.

We believe it is essential that groups appealing final recommendations robustly justify their appeal. Groups should not file an appeal merely because they disagree with the decision made by the SSFC. Indeed, ample opportunities to sway the opinion of the SSFC are included in the existing process and our recommended changes.

Instead, groups filing an appeal should specifically point out the merit of their appeal and provide a preponderance of evidence in support of their appeal under one of three categories:

- Misapplication of a relevant rule (such as fees process rules, University policies, Regents policies, or state or federal laws).
- Misunderstanding of a material fact by the SSFC.
- Relevant misconduct by the SSFC.

The Appeals Committee should read the justifications submitted by appellants, and if the Appeals Committee deems the evidence and justification to be sufficient, it should invite the appellant group to be heard for a formal appeal. The Appeals Committee will then make final recommendations to the SSFC for all groups making an appeal. Both majority and minority rationales should also be issued following the announcement of a decision by the Appeals Committee. We believe the Appeals Committee should operate in a manner consistent with the rest of the fees process -- transparent, objective, and viewpoint neutral.

After exhausting all available options under the proposed appeals system, should a group still feel their application warrants further review, it would be able to directly appeal to the Vice Provost. The Vice Provost would then consult with the Appeals Committee, and be provided with the rationale of the SSFC as well as the Appeals Committee for the decisions made, and thus have a history of the steps leading to the final recommendation, rather than approaching a group’s appeal blindly, without any information. If upon appeal to the Vice Provost, the decision of the Appeals Committee is overturned, the Vice Provost should provide written justification for the reversal to the SSFC. This information should be included in the historical documents for that year’s fees process.
Charge Two: Establishing policies, rationale, and criteria regarding reserve fund requirements for student organizations (i.e., the 10% rule) and administrative units. Recommendations regarding reserve requirements for administrative units should incorporate the input of the University’s budget and finance staff.

Under the existing fees system, there are several groups exceeding the SSFC-established limit on the percentage of their budget allocated to financial reserves. There are also many other groups which do not maintain reserves at the maximum allowable level. Indeed, it seems that each student organization and administrative unit, responsive to its own operating risks, has established its own internal requirement for reserve funds. As noted, although most groups fall within the existing limit (under 10%), some groups continually clash with the SSFC in seeking to exceed the limit.

Despite these clashes, our committee understands the need for a generally accepted reserve limit. Without a framework for accepted budgeting practices, groups could zealously inflate their reserve requirements, and undercut the implied fiscal responsibility that is so necessary for the fees process to function. Additionally, since many groups do not require any special reserve allocation due to the simplistic, low-risk nature of their operations, it is important to have a generally accepted reserve framework to serve as a guide. We affirm the wisdom of an SSFC-established guideline for a financial reserve allocation.

However, we do not believe this guideline should extend to an arbitrary rule, which could have unintended consequences. Indeed, understanding that each student group (and administrative unit) has its own needs, risks, and budgeting practices, our committee holds that it is inappropriate to institute strict black-and-white rules with regard to financial reserves. The existing “10% rule” only frustrates the purpose upon which it was created -- to promote responsible budgetmaking. In addition, most administrative units go through rigorous University budgeting processes, based on already-established University policies. As administrative units are primarily service-providing entities with significant fiscal oversight, we do not recommend that the “10% rule” apply to administrative units. For student groups, we recommend that fiscally-responsible operating reserves be between 0-10%, but a minimum operating reserves percentage not be required.

With this change in policy, however, comes an added burden to all applicants. We note that the 10% limit enabled groups to simply make a fees request without justification. The only groups that justified their reserve requirement were those that sought to exceed the established limit. With our proposed recommendation, we assert that all groups should fully justify their fees request, including their financial reserve, whether it’s 1% or 15%.

In addition, we recommend that the handbook language be updated in order to clarify this rule, and it be highlighted during student organization registration meetings. Finally, we affirm that the SSFC has the ability to reduce financial reserves for any group -- administrative unit or student organization -- if proper justification is not found for the requested amount.
Charge Three: Determining if there should be restrictions on the percentage of an organization’s budget that can be spent on compensation for staff. If restrictions are recommended, should fringe benefits be included in the calculation of compensation? Should some organizations be exempted from this restriction? If so, what should be the criteria for granting exemptions?

What is provided to students from administrative units versus student organizations is generally quite different. Since administrative units are primarily dedicated to providing services to students, we do not recommend that there be an arbitrary restriction (such as 30%) on staff compensation for administrative units.

We recognize the hazards associated with student organizations using a substantial portion of their fees income to fund staff. The vast majority of student groups are student-led and run, while only a minority of groups engage paid staff. The fees system would be severely constrained if more groups began hiring staff instead of relying on student volunteers, and our committee in no way wishes to advance this outcome. Our committee reiterates that staff should only be used if they are a necessary component of a group’s ability to provide high-quality, relevant services to students.

It seems that the “30% rule,” which was codified in a resolution passed by a previous SSFC, aims to limit the ability to student groups to use fees money to fund overhead expenses, which can include staff compensation. The intent here is sound, because the rationale aims to preserve student services fees for their intended use -- student services.

In practice, however, the “30% rule” fails to achieve its goals. Since the most recent SSFC resolution provides an exemption for groups which spend the “vast majority” of their total income on staff, groups which most intensively utilize staff are not scrutinized on the issue. Furthermore, groups which allocate less than 30% of their income on staff are also not scrutinized on the issue. The result is a giant hole in the fees process: groups can seemingly spend 51% or more of their income on staff, or can spend 30% or less on staff.

We believe this framework establishes arbitrary limits which result in unnecessary conflict and likely create distorted budgets. It ignores the common sense solution, which is allowing groups to simply justify their use of staff to the SSFC. Therefore, we recommend the “30% rule” be removed. Instead, groups applying for fees should be required to justify their request to fund staff, regardless of the percentage of their budget used to fund staff.

Given that we have recommended removing the “30% rule,” the additional questions posed in this charge are moot.

Minority view: Having a limit on staff compensation helps to protect the students paying student services fees. By placing limits on salaries, there is insurance that the vast majority of money will be spent on programs for students, initiated by students. While groups that require the vast majority of their income to pay staff to operate (e.g.,
Boynton, Child Care Center, USLS) should be exempted, it makes no sense to allow student groups (which should be student-run) to have unlimited ability to fund staff. While groups may claim that their staff is dedicated to providing programming, this is a misuse of student services fees. Staff should solely exist in a student group setting to assist with, not to implement, programming. As such, a limitation on the pay of staff would make sense to ensure that student money is being spent to benefit students, not the professionals behind the scenes. While the majority focuses on a simple test of prudential use of student services fees, eliminating a ceiling on staff expenses does not convey a message of prudence. It instead conveys a message of a slippery slope where student groups can bunker themselves behind student money and empower themselves against budgetary fluctuations, regardless to the will of the student body.

**Charge Four: Articulating the purpose and status of “resolutions” passed by fees committees and determining a process for evaluating and responding to them. This process might include recommendations regarding how a resolution could become a requirement or restriction on the actions of future fees committees.**

In attempting to understand the true nature of resolutions and the role they play in the fees process, our committee first attempted to define the purpose of resolutions. After reviewing past resolutions as available in the most recent fees handbook, we noted that resolutions were either used to convey specific guidance for applicants (for example, the “30% rule”) or to convey internal operating considerations for the fees committee (for example, inclusion of minority rationale in recommendation reports).

Ultimately, given that resolutions are critical tools used by the fees committee to create clarity and consistency in the fees process, we affirm that the fees committee has the authority to pass resolutions, and that these resolutions should apply to future fees committees, until and unless they are overturned, with resolutions updating the committee procedures being incorporated into the fees handbook rules. We divide resolutions into two categories: resolutions that are non-material to the fees process and committee procedures, and resolutions that are.

As our committee explored the resolutions that have been passed in the last several years, it became clear that the fees handbook did not contain an accurate or complete list of past resolutions. It was suggested to the committee that certain resolutions were omitted to reduce paper usage. Regardless of the merit, we reject this suggestion and strongly recommend that all passed resolutions be retained in accessible electronic form. In the age of electronic documents, it is reasonable and cost efficient to provide a collectively exhaustive listing of all passed resolutions, especially those dating to years prior to 1999. Providing access to these resolutions allows future fees committees to understand the rationale of the committees that passed the resolutions, which better informs their understanding of the fees process, as well as provides examples of the scope of resolutions the committee may pass. We recommend that a fully searchable database be created, to include all resolutions passed, with exact language of the resolutions, as well as when they were passed. The database should be searchable, at minimum, by year, topic, and keyword. The committee recommends that the exact framework
and implementation of this public database be formulated by the fees advisor in consultation with the Office for Student Affairs.

The committee recommends that the following framework for passage, implementation, and inclusion of resolutions be created:

At the end of each annual fees cycle, the chair of each committee will prepare a written memorandum to the fees advisor and the following year’s SSFC. The memo will include any resolutions that materially affect the fees process, as well as resolutions that do not (but are simply instructions or suggestions for future consideration), and the committee’s rationale for the passage of these resolutions. The fees advisor will review the resolutions, and determine which should be deemed material and which should not. For those that are material, the fees advisor will provide the language and rationale to the Vice Provost for Student Affairs, who will review them for content and consistency with Board of Regents and University policy.

If the Vice Provost needs clarification on or would like to propose minor changes to the passed resolutions, communication and negotiation will occur with the chair of the current year’s SSFC. If the Vice Provost and chair agree on any proposed changes, the resolution will go forward with recommendation for implementation to the Student Service Fees Subcommittee of the Senate Committee on Student Affairs. If they cannot agree, regardless of whether the resolution is deemed “substantive” to the process, it will go forward to the Student Service Fee Subcommittee of the Senate Committee on Student Affairs for final determination.

Upon approval by the Student Service Fees Subcommittee of the Senate Committee on Student Affairs, resolutions that affect the fees process will be incorporated into the fees handbook rules. Resolutions that are merely suggestions or guidelines for individual groups will be provided in the memo to the following year’s SSFC for the committee’s use (e.g., the current year’s SSFC may have a recommendation for a specific student group to do something, and this memo would alert the future SSFC of this notice). All resolutions that are passed will take effect during the following fees cycle. All resolutions, including ones rejected by the Student Service Fees Subcommittee of the Senate Committee on Student Affairs, should be included, along with the SSFC memos, in the public electronic database.

Minority view: The minority believes that resolutions passed by the SSFC should not be subject to vetting, other than for legal reasons, with proper statutes, laws, policies, or rules clearly cited by the Vice Provost.

Issues Outside the Scope of this Committee

During the course of the review process, the committee identified several areas of the fees process that may be problematic but which are outside of the scope of the committee charges. During the committee meeting with Vice Provost Rinehart, we were encouraged to compile a list of issues that future fees review committees may wish to focus on. The committee did not
discuss or vote on any of these identified issues, and they are presented here for information only, without official committee recommendation on actions.

Ban on first year groups receiving fees
Currently, groups must be in existence for one academic year before they are able to apply for student services fees. This policy should be re-examined to determine whether it should continue.

Committee workload
Currently, the student organizations committee has a substantially greater workload than the administrative units committee. It may be possible to even the workload for the two committees by having the administrative units committee hear some student organizations presentations.

Coffman Memorial Union office space allocation
The fairness of the criteria used to determine which student organizations receive office space in Coffman Memorial Union, as well as the frequency of the review of these space allocations, should be re-examined.

The Minnesota Daily
The organizational classification of the Minnesota Daily as an administrative unit rather than a student organization should be re-evaluated.

Audit system
The current audit system for student organizations is inadequate and should be strengthened to provide more fiscal oversight over budgetary determinations and expenditures.

Solicitation for fees committee members
While it is understandable that the students chosen to serve on the fees committee must have enough time to be trained in the process, more time is needed to solicit applications. The process should either begin earlier or the deadline by which candidates must apply should be later.

Historical document accessibility
All historical documents related to the fees process should be available to the public on the OSA student services fees website. This includes, but is not limited to, past fees request, past fees recommendations and rationale, resolutions passed by past fees committees, appeals determinations by the Vice Provost for Student Affairs, past committee handbooks, historical audit results for individual groups, and reports and recommendations of past fees task forces (including the Refusible/Refundable Fee Committee and other committees that examined or restructured the fees process).
Fees process review
Currently, there is no set schedule for review of the fees process, and it is unclear how official review committees or task forces are created. Some review the entire process, some (like this current committee) review only specific parts of the process. There should be some sort of certain set review cycle or criteria for requesting general review, so that review does not only come after crisis, and potential and actual problems can be addressed before they spin out of control.