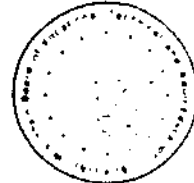


Wisconsin Board of Vocational, Technical and Adult Education

310 State Place PO. Box 7874 Madison, WI 53707 608-266-1207



Dwight A. York
State Director

Route to VPs

MEMORANDUM

DATE: April 28, 1994
TO: District Directors\Presidents
FROM: Dwight York
SUBJECT: Implementation of Act 101

Dwight A. York

Staff from a number of districts have asked for guidance in implementing 1993 Wisconsin Act 101 (Attachment I) relating to student participation in institutional governance. While this memo is intended to provide assistance in this regard, it must be recognized that issues will be resolved in practice at each institution and that responsibility for implementation is with each institution.

Statutory provisions (Attachment II) similar to those enacted by Act 101 have been in effect in the University of Wisconsin System for almost 20 years. The University's procedures have been shaped by long experience and the outcomes of litigation. They provide a perspective for implementation of Act 101.

Act 101 gives students, as a matter of law, certain rights to participate in governance and to have primary responsibility for the disposition of student activity and incidental fees. The sections that follow provide an overview of these provisions. In each section, the italicized language is taken from Act 101. The order of Act 101 sections has been rearranged for clarification purposes.

I. Governance

The students of each district may organize themselves in a manner they determine and select their representatives to participate in district governance.

The students of each district, subject to the responsibilities and powers of the board, the state director, the district board, the district director and the faculty, shall be active participants in the immediate governance of and policy development for the district and may participate in all matters affecting students interests to the extent not in conflict with the terms of any collective bargaining agreement. As such, students have primary responsibility for the formulation and review of policies concerning student life and services.

This section does not prohibit the board, the state director, the district board, the district director or the faculty from selecting students to participate in district governance but any students selected by those bodies or persons shall not be considered to be representatives of the students for the purposes of the student's right to select their representatives to participate in district governance.

Attachment III is a UW document outlining procedures for student governance. In general, the presumption is that student governments elected in campus-wide elections are the representatives of students for governance purposes at the institutional level. "Institutional level" means at the level of the entire institution. Students may participate in policy development at a division or departmental level, but representatives are chosen by students within the particular division or department.

Student governments have the power to decide who will participate at the institutional level. That is, they name the persons who will represent students for purposes of the statute. However, other students may also be named to policy development bodies. In the UW, primary responsibility has been interpreted to require that students have a majority on policy development bodies related to student life and services.

II. Disposition of Student Activity and Incidental Fees

Students in consultation with the district director and subject to the final confirmation of the district board have the responsibility for the disposition of student activity and incidental fees under s. 38.14(9).

Attachments IV-VI are UW procedures treating student segregated fees, the equivalent of our activity and incidental fees. General procedures call for an opportunity for student review of the budget of each activity and program funded primarily from student segregated fees (activity and incidental fees in the Technical College System). Student governments name the entities to conduct the student review. Nonstudents may be involved if student governments name them to the review entities. However, the institution may not determine the makeup of the student review entities.

Operating units are not subject to student management or direction. All funds flow through district accounts and are subject to the same legal restrictions as other district funds.

Student budget recommendations may be accepted in whole or in part by district directors/presidents. However, there is a presumption in favor of student decisions on the expenditure of activity and incidental fees. The district board, as the body with legal authority to set fees, has final responsibility. Students have the right to appeal district director\president decisions to the district board. ←

For accounting treatment and other fiscal issues, see Attachment VII which outlines guidelines for fiscal implementation of Act 101. Policy questions regarding this communication should be directed to Tom Fletemeyer (266-2318); fiscal questions to Pete Petersen (266-1933).

WHO ESTABLISHES THE BUDGET OF STUDENT ACTIVITY AND INCIDENTAL FEES

Student representatives are to review and approve expenditures from Student Activity and Incidental Fees. The process by which the review will take place will vary from district to district. Student representatives may seek the active participation of the district director or designee during the formulation of the budget. Conversely, the student representatives or the district director may prefer to wait until the budget has been essentially finalized before the director or designee makes recommendations.

After the student representatives, in consultation with the district director, have adopted a budget, the district board has "final confirmation." This authority includes rejection of the budget in part or in whole, but it is hoped that a cooperative effort between the student representatives and the district director or designee will eliminate the need for district boards to reject material portions of these budgets.

WHAT HAPPENS IF A DISTRICT BOARD REJECTS PART OR ALL OF A BUDGET

The district board or designee and the student representatives should attempt to find a budget which is acceptable to both parties. However, the final approval authority rests with the district board.

WHAT INCIDENTAL FEES ARE CURRENTLY CHARGED IN THE WTCS

Currently, there are no standard system-wide fees which are charged under the Incidental Fee authority of s. 38.14(9) Wisc. Stats. WTCS districts have independently established fees for goods and services such as parking, locker rentals, transcripts and graduation. Each district is to review any fees currently classified under 4570, 4572 through 4584, and 4590 through 4599 to determine if any of these fees are incidental fees, which are defined under s. 38.14(9) Wisc. Stats. as "*fees to fund, in whole or in part, the cost of services and activities offered as support services for regular instruction.*"

If this review identifies any of these fees as Incidental Fees, they are to be moved to an Agency Fund, under classification 4571, and are subject to the requirements of Act 101.

implementation of the statute. The guidelines in this document, which primarily represent an update of the 1974 Interim Guidelines, seek to fulfill that purpose.

The fundamental thrust of §36.09(5) is to insure that students are viable participants in university affairs. When the implementation plans were last reviewed in 1978, the reports indicated that each unit had implemented §36.09(5) in accordance with the Regents guidelines and judicial interpretations of the language. Plans at each institution operate in the ways envisioned in the Regent's Guidelines.

The Board recognizes that at some institutions the students may not be fully satisfied with the implementation plan. The plans are documents negotiated between students, faculty, academic staff and administrators and therefore may not be exactly what each party would want. Thus, Regent Policy Document 75-10 afforded students, faculty or administrators an opportunity to appeal any substantial difference of opinion involving the spirit or letter of §36.09(5) to the Board of Regents:

In the event an irreconcilable difference of opinion develops at any institution between or among student organizations, the faculty, and the Chancellor, over whether or not a particular campus policy or procedure meets the letter and spirit of Section 36.09(5), then any of the contending parties may request through the President's Office that the Regents review the dispute and take such action as may be appropriate to its resolution. The request for review should be made in writing, and should include the evidence and reasoning upon which the request for review is made. Upon receiving such a request through the President, the Board shall determine whether or not to provide a review.

This procedure has been used once since it was adopted in 1975. In 1977, the UW-Milwaukee Student Association appealed the segregated fee budget that was recommended by the Chancellor to the Board because it differed substantially from the students' own submission. The Board supported the Student Association's position. Based on evidence to date, System Administration has no reason to believe that this procedure has been inadequate to deal with disagreements about the implementation of the statute. Minor changes in the procedure are provided herein in order to provide more expeditious resolution of student concerns.

In general terms, the *nonallocable* charges represent claims on SUF revenue that are determined by contracts, personnel commitments, bond agreements, conference commitments, operation of physical plants, etc. The Chancellor shall assure that the annual budget proposals for the nonallocable portion of SUF will generate sufficient monies to cover these commitments. The *allocable* portion of the SUF includes monies designated for student activities, such as student organizations, concerts, some athletics and recreation. In making their allocations, students should recognize the need of the institution to maintain viable programs supported by the SUF in the fine arts, child care, athletics, and certain other programs traditionally supported by the SUF. More specifically:

1. The *nonallocable* portion of the SUF represents commitments to cover:
 - o debt service and approved capital projects.
 - o expense to enable all SUF facilities and activities to present an operational building ready for use.
 - o base operating funding of student centers/unions, arenas, stadia, etc., not covered by direct user charges, including municipal services, adequate funding to provide for deferred maintenance, debt service contingencies and operating contingencies (as defined in the reserve policy), and business services not centrally provided.
 - o athletic and intramural support, to the extent that athletic schedules and/or personnel commitments dictate SUF support for athletics and intramurals, at the levels previously approved by the SUFAC and the Chancellor for the two years after the current budget year (increases permitted).
 - o minimum student health program as determined by the Chancellor.
 - o other items as determined by the institution, consistent with this definition and System policies, such as personnel contracts, child care (See IV.B. below), textbook rental.
2. The *allocable* portion constitutes that part of the SUF which provides the major support for a variety of student activities and services. For example:
 - o student organization support;
 - o student activities;
 - o concerts and lectures;
 - o athletic and intramural support for the third year of a three year budget, and increases above the level of the first two years approved by the SUFAC and the Chancellor;
 - o student health services above the minimum module;
 - o other items consistent with this definition and System policies, as determined by the institution, such as child care (See IV.B.

3. Selection of student representatives.

Section 36.09(5) provides that students "shall have the right to organize themselves in a manner they determine and to select their representatives to participate in institutional governance." This language was interpreted by the Wisconsin Supreme Court to mean that the UW-Milwaukee Student Association, under its constitution, had the right to select representatives to institution-wide committees as the "students" in §36.09(5). UW-Milwaukee Student Association v. Baum (1976) 74 Wis. 2d 283. While this case is subject to various interpretations where the students have chosen forms of organization that differ from that at UW-Milwaukee, it is clear from the decision that the choice of representatives must rest with the students under a structure determined by and agreed to by the students. The statute was interpreted further by the Wisconsin Court of Appeals to mean that students cannot be required to submit more names into nomination than there are student positions to fill on committees. UW-Oshkosh Student Association v. Board of Regents (App. 1979) 90 Wis. 2d 79.


The form and procedure for assuring appropriate student participation representation ~~should~~ shall be determined by the students at each institution in consultation with the Chancellor, faculty and academic staff, with reference to the particular governance or policy making function being performed, and with attention to the most appropriate student constituency for achieving student participation. Under existing university laws and regulations, the agencies of shared or faculty governance are several, and the procedures for establishing membership on such agencies are varied, ranging from appointment, to ex officio designation, to election by a defined constituency. Where student membership on a given policy development agency is authorized by institutional rules, the procedures for establishing such membership ~~should~~ also shall be defined, with the right to select representatives vested in the appropriate student group consistent with judicial interpretation and using a method agreed to by the students. ~~Where existing rules do not authorize student membership in ways consistent with the spirit of §36.09(5), interim procedures for providing opportunity for student input should be established.~~ The size and diversity of the student body and the history of procedures for achieving student participation are important factors in the determinations to be made. Where students have organized for

participation and representation below the institution-wide level (such as colleges, schools, divisions, departments), the form and procedure for assuring appropriate representation in a unit shall be determined by the students in that unit.

4. Primary Responsibility.

Since Because §36.09(5) grants to students primary responsibility (subject to the responsibilities and powers of the board, the president, the chancellor and the faculty) "for the formulation and review of policies concerning student life, services, and interests," each institution, through consultation with its student government association, should identify the student agencies (organizations, committees, councils, etc.), or agencies with a preponderance of student membership to whom responsibility can be delegated for initiation and review of policies of a particular category. Where no formal student group exists in a particular area, procedures shall be devised by the student government association to address the appointment of student participants.

Primary responsibility means that ~~great weight shall be given by the faculty and chancellor to student-initiated recommendations in such areas,~~ and that students have the obligation and authority to initiate policies concerning student life, services and interests, and to review existing and proposed policies in these areas before they are amended or adopted by the other constituencies of the university. Where approval of such policies rests with the faculty or administration, the basis for changing or denying ~~such~~ the student recommendations shall be substantial and shall be communicated to the recommending student agency in a timely manner. Institutions, in consultation with the student government association, ~~should~~ shall define the area of "student life, services, and interests" with particularity, observing that this area cannot by definition include those areas assigned in 36.09(1), 36.09(2), 36.09(3), 36.09(4), and 36.09(4m) as primary responsibilities of the regents, president, chancellor, faculty, and academic staff. The fact that areas are not a primary responsibility of students does not, however, preclude their active participation. It is presumed that the membership of committees dealing primarily with formulation and review of policies concerning



student life, services and interests as defined by the institution will have a majority of students.

5. Segregated University Fees (SUF).

As a specific stipulation of the statute, ~~student recommendations should be sought on the uses to be made of allocable portions of the~~ students "shall have the responsibility for the disposition of" allocable portions of the revenue received from student fees. ~~Institutions, Chancellors, in consultation with the students,~~ shall define the allocable and nonallocable portions of the student fee with particularity, observing that this area should shall not and cannot without appropriate policy action by the institution and board include withdrawal of fee support from on-going fiscal commitments such as debt service, or the support of staff personnel on continuing appointments. Students, acting through the SUF Advisory Committee (SUFAC) or other designated institution-wide body, shall be responsible for formulation of the allocable SUF budget, subject to the responsibilities of the chancellor. Student recommendations shall be given great weight by the chancellor before forming his/her recommendations on the allocation of such funds, and forwarding these to Central Administration and the Regents. The basis for denying or changing the student decision shall be substantial and shall be communicated by the chancellor to the recommending student agency in a timely manner. The chancellor shall discuss any changes s/he recommends to the SUF budget for student consideration and decision before the chancellor forwards the institution's budget to System Administration and the Regents.

The chancellors are responsible for administering funds received from student fees. Specifically, no expenditure of such funds can be authorized except with the approval of the chancellor through the processes established for any expenditure of public funds held by the University System or its institutions.*

* UW System guidelines concerning the approval and administration of segregated fees are contained in current editions of the Financial Policies and Procedures Papers (FPPP) series (e.g., FPPP #37 "Segregated University Fee Policy.")

B. Appeal of Issues*

1. In the event an irreconcilable difference of opinion develops at any institution between or among student organizations, the faculty, the academic staff and the Chancellor, over whether or not a particular campus policy or procedure meets the letter and spirit of §36.09(5), and after institutional procedures have been exhausted, any of the contending parties may request ~~through the President's Office that the Regents~~ the President to review the dispute and take such action as may be appropriate to its resolution. The request for review ~~should~~ shall be made in writing, and shall include the evidence and reasoning upon which the request for review is made. If a decision is necessary, the President shall render the decision within 20 working days of receiving the request for review. Upon receiving the decision of the President, any of the contending parties may request a review of the President's decision by the Board of Regents by writing to the President of the Board. Upon receiving such a request ~~through the President~~, the Board shall determine whether or not to provide a review.

2. If irreconcilable differences of judgment on the uses of allocable student fee income develop between a chancellor and the student organization ~~for his/her institution~~ charged with responsibility for initiating recommendations in this regard, the views of both shall be brought to the regents through the President's Office in a timely manner and the regents shall determine the distribution of such resources for the particular institution. System Administration may attempt to mediate and resolve the dispute before it is forwarded to the Board.

*The former section "B. For action in October, 1974" was deleted. Section B.1. is taken from Regent Policy 75-10. Section B.2. is taken from Regent Policy 74-11.

ATTACHMENT I

STATE OF WISCONSIN

1993 Assembly Bill 155

Date of enactment: December 13, 1993
Date of publication*: December 27, 1993

1993 Wisconsin Act 101

AN ACT to create 38.145 of the statutes, relating to the responsibilities of students at vocational, technical and adult education schools.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 38.145 of the statutes is created to read:

38.145 Responsibilities of students. The students of each district, subject to the responsibilities and powers of the board, the state director, the district board, the district director and the faculty, shall be active participants in the immediate governance of and policy development for the district and may participate in all matters affecting student interests to the extent not in conflict with the terms of any collective bargaining agreement. As such, students have primary responsibility for the formulation and review of policies concerning student life and services. Students in

consultation with the district director and subject to the final confirmation of the district board have the responsibility for the disposition of student activity and incidental fees under s. 38.14 (9). The students of each district may organize themselves in a manner that they determine and select their representatives to participate in district governance. This section does not prohibit the board, the state director, the district board, the district director or the faculty from selecting students to participate in district governance but any students selected by those bodies or persons shall not be considered to be representatives of the students for the purposes of the students' right to select their representatives to participate in district governance.

* Section 991.11, WISCONSIN STATUTES 1991-92: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication as designated" by the secretary of state [the date of publication may not be more than 10 working days after the date of enactment].

ATTACHMENT II

UNIVERSITY OF WISCONSIN SYSTEM

36.09(5) STUDENTS. The students of each institution or campus subject to the responsibilities and powers of the board, the president, the chancellor and the faculty shall be active participants in the immediate governance of and policy development for such institutions. As such, students shall have primary responsibility for the formulation and review of policies concerning student life, services and interests. Students in consultation with the chancellor and subject to the final confirmation of the board shall have the responsibility for the disposition of those student fees which constitute substantial support for campus student activities. The students of each institution or campus shall have the right to organize themselves in a manner they determine and to select their representatives to participate in institutional governance.

UNIVERSITY OF WISCONSIN SYSTEM
GUIDELINES FOR STUDENT GOVERNANCE

November, 1986

Chapter 36 of the Wisconsin Statutes contains language giving students rights and responsibilities for participation in institutional governance. The Board adopted guidelines for implementation of section 36.09(5) in 1974 and 1975. Since the guidelines were issued, student government has evolved in the UW System universities and two Wisconsin courts have interpreted the statute. This document updates and replaces the Regents' earlier guidelines.

I. BACKGROUND

Wisconsin is one of a few states in the nation to provide students with a statutory role in university governance. Chapter 36.09(5), adopted in 1974, states:

36.09(5) STUDENTS. The students of each institution or campus subject to the responsibilities and powers of the board, the president, the chancellor and the faculty shall be active participants in the immediate governance of and policy development for such institutions. As such, students shall have primary responsibility for the formulation and review of policies concerning student life, services and interests. Students in consultation with the chancellor and subject to the final confirmation of the board shall have the responsibility for the disposition of those student fees which constitute substantial support for campus student activities. The students of each institution or campus shall have the right to organize themselves in a manner they determine and to select their representatives to participate in institutional governance.

The Board adopted "Interim Guidelines" for the implementation of §36.09(5) in 1974 (Policy Document 74-11) and a policy for implementation in 1975 (Policy Document 75-10) that interpreted the statutory language in the context of overlapping and sometimes conflicting interests of students, faculty and administrators of the System institutions. The policies outline a general

BOARD OF TRUSTEES
UNIVERSITY OF WISCONSIN SYSTEM

POLICY DOCUMENT 88-6

RESOLUTION # 4052

SUBJECT: Policy and Procedures for Segregated University Fees

DATE 5/6/88

Resolution 4052: That, upon the recommendation of the President of the System, the following recommendations included in the document entitled "Segregated University Fees Policies and Procedures" dated May 1988 be approved:

1. The Board reaffirms that the institutions are responsible for defining the allocable and non-allocable portions of the student fee with particularity, and that only allocable fee disputes may be brought before the Board for resolution, in accordance with the Student Governance Guidelines and FPPP 37;
2. The Board affirms that:
 - o students shall be given an opportunity to review and offer advice concerning the budget of each activity and program that is funded primarily with non-allocable SUF;
 - o every effort should be made to provide sufficient time for students to formulate allocable SUF budgets, and to review non-allocable SUF budgets as provided in institutional policies;
 - o all ad hoc systemwide committees and task forces formed to deal with issues of SUF support shall have student membership.
3. Any appeals to the Board for resolution of irreconcilable differences between the students and the chancellor on the recommended disposition of allocable segregated fees should be filed in the Office of the System President by April 1; and
4. The Board adopts the following criteria for appeals for inclusion in the "Student Governance Guidelines":

In considering an appeal, the Board will ask the following questions:

 - o Has the item been defined by the institution, in consultation with the students, as an allocable fee?
 - o Has the chancellor discussed the difference(s) with the students and provided an opportunity for the students to reconsider their recommendation?

Resolution 4052 (Continued):

- o Does the student-proposed budget item require the university to violate any statute, administrative code, policy or contract?
- o Is the basis for the chancellor's decision substantial? (i.e., are there significant policy or management reasons for differing from the students' recommendation?)
- o Is the expenditure related to a legitimate educational purpose within the meaning of section 36.27(1), *Wis. Stats.*?



The University of Wisconsin System

FINANCIAL POLICY AND PROCEDURE PAPER

Not 20-Rev (3)
Date Issued: June 8, 1987

Subject: "Guidelines For Expenditures From Student Segregated University Fees and Campus Activity Receipts"

I. BACKGROUND

A portion of the total fees assessed each student of the University of Wisconsin System is designated for the operation of various student services and organizations. Those designated fees are called Segregated University Fees (SUF). The Board of Regents of the University of Wisconsin System is granted authority to assess and regulate the use of SUF by Sections 36.09(3), 36.09(5) and 36.27(1) Wisconsin Statutes. The Board of Regents annually approves the SUF expenditure budgets proposed by the Institution Segregated University Fee Allocations Committees (SUFAC), the Chancellors and the President of the System. The total SUF budget of each Institution is divided into a portion allocatable to student program operations and a non-allocatable portion for retirement of debt service, capital projects, building maintenance, the minimum health care module, and other costs in accordance with the provisions of FPPP #37. SUF revenues are deposited to and expended from the Auxiliary Enterprises appropriation (UW Fund 128) in accordance with Section 20.285(1)(h) Wisconsin Statutes.

Section 36.09(3) Wisconsin Statutes outlines the responsibility of the Chancellor with respect to allocated funds "...administering associated auxiliary services; and administering all funds, from whatever source, allocated, generated or intended for use of their institutions." Section 36.09(5) Wisconsin Statutes provides "Students in consultation with the chancellor and subject to the final confirmation of the board shall have the responsibility for the disposition of those student fees which constitute substantial support for campus student activities."

II. POLICY

Only student organizations which meet the institutional qualifications for official recognition and are so recognized and University departments may receive SUF support. All student organizations receiving SUF support along with any student organization using University facilities, must agree as a condition of such support or use, to provide financial records, if requested, indicating specific revenues and expenditures for the particular event for which they received SUF support or the particular event they utilized a University facility. If SUF is received for ongoing operations of an organization, the organization must provide financial records of their entire operation, if requested by the SUFAC or the Institution. An organization's failure to comply with a request for financial information may result in the denial of SUF support and/or use of University facilities.

All SUF money must be deposited and maintained in the State Treasury. For all SUF funded events, organizations must initially use revenues to reimburse the SUF account. Any other revenues are available to the organization for their own use; the organization is not required to keep these excess revenues in the State Treasury. An organization using University facilities for an event for which no SUF support was received is not required to deposit those receipts in the State Treasury. Organizations may use Institution agency accounts, if available, for the deposit of their activity receipts. These are the minimum deposit guidelines for segregated fees, SUF-related receipts, and receipts generated using University facilities. Institutions may set more strict guidelines for such receipts where appropriate.

SUF money may only be expended for those items and activities which are related to the mission of the Institution and to the purpose of the organization. Expenditures of SUF must conform with existing Wisconsin Statutes, Attorney General's opinions, Board of Regents' regulations, UW System Policy Papers, and State Department of Administration and Department of Employment Relations regulations.

As appropriate, all students must have the opportunity to join any SUF funded organization. Membership must be open to all eligible or qualified students. Exceptions must be approved in advance by the SUFAC and the Chancellor or his/her designee.

The allocatable portion of the SUF budget must be approved by the SUFAC and Chancellor or his/her designee. Student Organizations requesting SUF support must make their financial records available to the SUFAC (meaning the process adopted by students at the Institution for determining segregated fee allocations).

III. GUIDELINES

These guidelines are intended to assist students and administrators in evaluating the propriety of expenditures from SUF funds. The following division of expenditures indicate those considered appropriate and those considered inappropriate.

A. APPROPRIATE SUF EXPENDITURES

1. Travel expenses (including admission and registration fees) incurred by UW staff or students to participate in events such as:
 - a. Attendance at educational, cultural, social, recreational, or University athletic events.
 - b. Recruiting students for musical groups, theatrical groups, publication writers, etc.

- c. Representing the Institution or the student group in the operation and fulfillment of the mission of the student organizations, student service operations, and student government. (These activities are subject to approval by the Chancellor or his/her designee.)
- d. Recruiting athletes, as allowed by conference or membership affiliation.
- e. Busing students within the campus. Payment for bus services which extend beyond the campus boundaries must be approved by the Chancellor.

All travel expenses must be in accordance with UW System Travel Regulations and guidelines established by the Department of Employment Relations.

2. Expenses Related to Educational, Cultural, Social, and Recreational Activities For:

- a. Personal or professional services (e.g., concert performers, bands, officials, lecturers, and other performers). Reimbursement for services provided by UW faculty or staff may be made in accordance with the provisions of FPPP #31 and Academic Planning Statement #4.
- b. Meals, receptions, and transportation incurred by UW faculty or staff or students while performing a host function for a guest speaker, performer, etc., brought to the campus for a SUF funded activity, if such expense was part of the budget approved for the activity.
- c. Production of the event (e.g., films, advertising, promotion, printing, facilities rental, ushers, and security guards). On-campus facilities (buildings and grounds) must be used whenever possible. Exceptions require the prior approval of the Chancellor or his/her designee.
- d. Trophies, medallions and other types of awards for student competitive functions, scholastic excellence, or outstanding school/community service, and funding of honor banquets or receptions subject to the following guidelines:

- 1) If the organization holding the banquet or reception or presenting the awards receives any SUF support, the Institution SUFAC must specifically approve the expenditure as part of the SUF budget prior to the event.
 - 2) Cash or product awards in excess of \$100 but less than \$500 may be given only upon prior approval of the Chancellor. Those in excess of \$500 must be approved by the Vice President for Business and Finance.
3. Student Media Expenditures For:
- a. Publishing student newspapers, yearbooks, magazines, paid admission event programs, and other print media. (Student publications are exempt from the state printing regulations per Section 35.012 Wisconsin Statutes. However, they are not exempt from the regular purchasing regulations in Section 16.70.)
 - b. Operating student radio and television facilities.
 - c. Student film and videotape productions.
4. Officially Recognized Athletic Program Expenditures For:
- a. Uniforms, athletic equipment, and personal services.
 - b. Athlete's housing and meals prior to opening of a semester or during vacation periods.
 - c. Grants-in-aid as allowed by conference or membership affiliation.
 - d. Medical expenses for an athletic injury incurred while participating in an officially recognized athletic event. Injuries related to intramurals, open gym periods, club sports, and student sponsored athletic events are not covered. (Information on student health insurance is available from the Institution's Risk Management Office.)

- e. Athletic banquets or receptions and awards subject to the following provisions:
 - 1) If the organization holding the banquet or reception or presenting the awards receives SUF support, the Institution SUFAC must specifically approve the expenditure as part of the SUF budget prior to the event.
 - 2) Cash or product awards in excess of \$100 but less than \$500 may be given only upon prior approval of the Chancellor. Those in excess of \$500 must be approved by the Vice President for Business and Finance.

- 5. Expenditures Relating to the Operations and Activities of: Student Organizations, Student Health Services, Day Care Centers, Union Student Center, Textbook Rental, Parking Utility, Stadium-Arena, Intramurals, and other student services for:
 - a. Salaries for students and other staff where related to the activity and in accordance with existing institutional and state wage rates and employment procedures. (Payments shall be made in accordance with the provisions of FPPP #31.).
 - b. Professional services.
 - c. Facilities, equipment, personal services, and supplies.
 - d. Organization membership fees in other related and non-profit organizations.
 - e. Debt service reduction.

- 6. Promotional items such as matchbooks, key rings, pencils, etc., used to promote an organization's single event or services, provided they are approved through the SUF allocation process.

- 7. Special and ceremonial campus activities in which students are primarily involved provided they are approved through the SUF allocation process.

B. INAPPROPRIATE SUF EXPENDITURES

1. Direct financial aid to an enrolled student; such as, scholarships, tuition, room and board, etc. This does not apply to child care payments.
2. Gifts, donations and contributions.
3. Awards to UW faculty or staff. Non-monetary de minimis awards are allowable, e.g., certificates, plaques, etc.
4. Costs of legal services. An attorney may be hired in connection with campus legal services, but the Governor's approval is required.
5. Lump sum payments to student organizations (as opposed to payments for specific purposes supported by invoices).
6. Activities which are politically partisan or religious in nature.

C. APPROPRIATE EXPENDITURES OF SUF-RELATED RECEIPTS

1. Receipts generated by SUF activities become part of the budget of that activity and may be used for the purposes described in Section IV.A. On occasions, such as the beginning of an academic year, where a ceremonial activity is merited but SUF-related receipt revenue has not yet been generated, it is permissible to pay the expenses of the activity from SUF and replenish the SUF account when the anticipated receipts are actually generated.
2. Gate receipts from Intercollegiate Athletics may be used for athletic scholarships in accordance with Wisconsin Statutes, University Policies and the official conference rules applicable to the respective Institutions.
3. Donations and scholarships if the activity generating the SUF-related receipts was conducted specifically for such purposes. Any SUF expenses for the activity must be returned to the organization's account from gross receipts. The remaining receipts may then be used for the purpose for which they were generated.

ATTACHMENT VII

ACT 101 Fiscal Implementation

1993 Wisconsin Act 101 created s. 38.145 Wisc. Stats., which in part states: "*Students in consultation with the district director and subject to the final confirmation of the district board have the responsibility for the disposition of student activity and incidental fees under s. 38.14(9).*"

On April 14, 1994, a WISLINE was held to discuss the Wisconsin Technical College System's (WTCS) implementation of Act 101. Subsequently, the Financial Accounting Committee, a subcommittee of the Administrative Services Committee, met and discussed the specific fiscal implementation details. Based on these discussions, the state office has made the following determinations regarding fiscal implementation of Act 101.

WHERE ARE STUDENT ACTIVITY AND INCIDENTAL FEES ARE TO BE RECORDED

All financial transactions related to Student Activity and Incidental Fees are to be recorded in one or more Trust Funds, using Cost Center 934 - Student Activities. All fees are to be recorded under classification 4571, the title of title of which (Student Activity Fees) will be changed to Student Activity and Incidental Fees.

WHO ESTABLISHES THE STUDENT ACTIVITY FEE AND INCIDENTAL FEE RATES

Act 101 gives students responsibility for the disposition of Student Activity and Incidental Fees, but does not grant students the authority to establish fee rates. S. 38.14(9) Wisc. Stats. specifically grants this authority to technical college district boards - "*The district board may establish student activity and incidental fees ...*"

However, the division of these authorities implies the need for cooperation between district boards and student representatives. Districts should make good faith efforts to establish fee rates which will support the budgets adopted by student representatives. However, district boards may establish fee minimums/maximums or limit the amount that fees may change from year to year.

WHO ARE THE STUDENTS WHO EXERCISE THIS AUTHORITY

S. 38.145 Wisc. Stats. does not explicitly identify which students shall exercise authority for the disposition of Student Activity and Incidental Fees, the presumption is that the student representatives selected by the student body to participate in district governance and policy formulation shall also exercise the authority regarding Student Activity and Incidental Fees. These student representatives may delegate this authority to a subcommittee composed of student representatives and/or other students. Also, the student representatives may chose to involve faculty and/or other district staff in this process in an advisory capacity. Such district staff shall only have such authority in this process as is granted to them by the student representatives

WHO ESTABLISHES THE BUDGET OF STUDENT ACTIVITY AND INCIDENTAL FEES

Student representatives are to review and approve expenditures from Student Activity and Incidental Fees. The process by which the review will take place will vary from district to district. Student representatives may seek the active participation of the district director or designee during the formulation of the budget. Conversely, the student representatives or the district director may prefer to wait until the budget has been essentially finalized before the director or designee makes recommendations.

After the student representatives, in consultation with the district director, have adopted a budget, the district board has "final confirmation." This authority includes rejection of the budget in part or in whole, but it is hoped that a cooperative effort between the student representatives and the district director or designee will eliminate the need for district boards to reject material portions of these budgets.

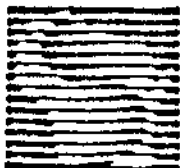
WHAT HAPPENS IF A DISTRICT BOARD REJECTS PART OR ALL OF A BUDGET

The district board or designee and the student representatives should attempt to find a budget which is acceptable to both parties. However, the final approval authority rests with the district board.

WHAT INCIDENTAL FEES ARE CURRENTLY CHARGED IN THE WTCS

Currently, there are no standard system-wide fees which are charged under the Incidental Fee authority of s. 38.14(9) Wisc. Stats. WTCS districts have independently established fees for goods and services such as parking, locker rentals, transcripts and graduation. Each district is to review any fees currently classified under 4570, 4572 through 4584, and 4590 through 4599 to determine if any of these fees are incidental fees, which are defined under s. 38.14(9) Wisc. Stats. as "*fees to fund, in whole or in part, the cost of services and activities offered as support services for regular instruction.*"

If this review identifies any of these fees as Incidental Fees, they are to be moved to an Agency Fund, under classification 4571, and are subject to the requirements of Act 101.



Subject: *Segregated University Fee Policy*

I. Overview

This review of current policies for determination and distribution of segregated university fees (SUF) in the University of Wisconsin System institutions recognizes the involvement in the determination of SUF by the students, chancellors, the UW System President and the Board of Regents as provided in Section 36.09 Wisconsin Statutes. It presents the objectives, constraints and rationale related to SUF and sets forth the basic systemwide policy.

Related policies:

- RPD 88-6 Policy and Procedures for Segregated University Fees
- RPD 86-4 Guidelines for Student Governance
- FPPP 20 Guidelines for Expenditures of Student Segregated Fee and Student or Campus Activity Receipts (Fund 128)
- GAPP 15 Specific identification of student services activities with GPR and non-GPR funding sources
- FPPP 42 UW System Auxiliary Enterprises Charging for Support Services
- FPPP 25 Chargeback of Physical Plant Services
- GAPP 38 Financing the immediate and long term needs of child care centers.
- FPPP 43 Auxiliary Reserve Policy

II. Background

A. Segregated University Fee

The term Segregated University Fee(s) (SUF) describes charges in addition to instructional fees assessed to all students for services, programs and facilities that support the primary mission of the university. Segregated university fees may only be used to support student services activities as defined by the UW System Uniform Chart of Accounts and further limited by GAPP #15.

HISTORY: This policy paper was first drafted, in consultation with students and administrators as biennial budget policy papers for the 1975-77 and 1977-79 biennia. FPPP 37 was adopted as System policy in 1978, and was last updated in 1984. This paper replaces the 1/20/78 version of FPPP 37 and its amendments.

The UW System recognizes the students' responsibility for the disposition of those student fees which constitute substantial support for campus student activities, and has designated those fees as "allocable" SUF. It recognizes other fees as "nonallocable" for policy and fiscal reasons. In general, allocable fees are those that support student activities, while non-allocable fees support fixed obligations, i.e., commitments for contracts, debt retirement, and university programs and campus missions requiring stable funding. The "nonallocable" distinction establishes that certain segregated fees are outside the meaning of "student activities" in the statutory delegation of responsibility to students in Section 36.09(5) Wisconsin Statutes and are not available for disposition through the SUF allocation process. The intent of this policy is to provide a balance between the responsibility of students to allocate the SUF to student activities and the responsibility of the administration to manage operations that rely on SUF funding for substantial support. This distinction and its implications for student participation in budget formulation and review are described more fully in Section III.

The distribution of SUF among various operations differs from campus to campus, reflecting the priorities of students and campus administration.

B. Constraints: Statutes and Regent Policy

Students are delegated certain responsibilities for student life, services and interests by Section 36.09(5) Wisconsin Statutes. That statute provides:

The students of each institution or campus, subject to the responsibilities and powers of the Board, the President, the Chancellor and the faculty shall be active participants in the immediate governance of and policy development for such institutions. As such, students shall have primary responsibility for formulation and review of policies concerning student life, services and interests. *Students in consultation with the chancellor and subject to the final confirmation of the board shall have the responsibility for the disposition of those student fees which constitute substantial support for campus student activities.* The students of each institution or campus shall have the right to organize themselves in a manner they determine and to select their representatives to participate in institutional governance. (Emphasis added)

The UW System Guidelines for Student Governance (*Guidelines*), approved by the Board of Regents in November, 1986 (RPD 86-4), discuss the responsibility of students for SUF allocations. Section 36.09(5) Wisconsin Statutes gives students the right to organize themselves to participate in institutional governance. Hence, the committee structure for allocating SUF varies among the institutions in accordance with their different histories and traditions. Segregated University Fee Allocations Committee (SUFAC) membership ranges from elected, all student committees, to standing committees of the Student Senate, to joint committees of students, faculty and staff with a majority of student members. Procedures for hearings on the various budgets are established according to the guidelines on each campus. Most of the committees report to the Student Senate, which then approves the budget for submission to the Chancellor.

The minimum level of student participation in the SUF budget process is determined by the students themselves. Students and administrators are expected to communicate and cooperate fully in the development of SUF budgets, policies and programs that will best serve the needs of the students and the university.

Budget information will be provided to SUFAC by the campus administration. SUFAC will be provided annually with information relevant to the SUF budget instructions on that campus, including, but not limited to, enrollment projections, SUF revenue projections, and reserve balances.

The *Guidelines* direct Chancellors, in consultation with the students:

to define the allocable and nonallocable portions of the student fee with particularity, observing that this area shall not and cannot without appropriate policy action by the institution and board include withdrawal of fee support from ongoing fiscal commitments such as debt service, or the support of staff personnel on continuing appointments. Students, acting through the SUF Allocations Committee (SUFAC) or other designated institution-wide body, shall be responsible for formulation of the allocable SUF budget, subject to the responsibilities of the chancellor. (p. 6)

The *Guidelines* also provide an appeals process for disputes over the allocable portion of SUF. If the Chancellor disagrees with the students' recommended disposition of the allocable portion of the SUF:

the basis for denying or changing the student decision shall be substantial and shall be communicated by the chancellor to the recommending student agency in a timely manner. The chancellor shall discuss any changes s/he recommends to the SUF budget for student consideration and decision before the chancellor forwards the institution's budget to System Administration and the Regents. (pp. 6-7)

If the students disagree with the Chancellor's determination on allocable fees, and the disagreement is not reconciled after further discussion at the institutional level, both the students' and the Chancellor's budgets are to be presented to the UW System President's Office by April 1. The President or his designee will attempt to mediate the dispute before forwarding it to the Board of Regents with a recommendation for its resolution. (Criteria for the Board's use in considering appeals are set forth in the *Guidelines*.) Such budget disputes will be considered by the Board only prior to action on the annual budget.

III. POLICY on the Allocable and Nonallocable Distinction Within SUF

The Board distinguishes between *allocable* and *nonallocable* portions of the SUF for the purpose of defining the student role in the SUF process. Students have primary responsibility for distributing the allocable fees, subject to the responsibilities of the Chancellor and the Board. Students have an advisory role in the budgeting of nonallocable fees; the final decisions are at the discretion of the Chancellor. The Board has the ultimate authority to determine the budgeting of Segregated University Fees.

In general terms, the *nonallocable* charges represent claims on SUF revenue that are determined by contracts, personnel commitments, bond agreements, conference commitments, operation of physical plants, etc. The Chancellor shall assure that the annual budget proposals for the nonallocable portion of SUF will generate sufficient monies to cover these commitments. The *allocable* portion of the SUF includes monies designated for student activities, such as student organizations, concerts, some athletics and recreation. In making their allocations, students should recognize the need of the institution to maintain viable programs supported by the SUF in the fine arts, child care, athletics, and certain other programs traditionally supported by the SUF. More specifically:

1. The *nonallocable* portion of the SUF represents commitments to cover:
 - o debt service and approved capital projects.
 - o expense to enable all SUF facilities and activities to present an operational building ready for use.
 - o base operating funding of student centers/unions, arenas, stadia, etc., not covered by direct user charges, including municipal services, adequate funding to provide for deferred maintenance, debt service contingencies and operating contingencies (as defined in the reserve policy), and business services not centrally provided.
 - o athletic and intramural support, to the extent that athletic schedules and/or personnel commitments dictate SUF support for athletics and intramurals, at the levels previously approved by the SUFAC and the Chancellor for the two years after the current budget year (increases permitted).
 - o minimum student health program as determined by the Chancellor.
 - o other items as determined by the institution, consistent with this definition and System policies, such as personnel contracts, child care (See IV.B. below), textbook rental.
2. The *allocable* portion constitutes that part of the SUF which provides the major support for a variety of student activities and services. For example:
 - o student organization support;
 - o student activities;
 - o concerts and lectures;
 - o athletic and intramural support for the third year of a three year budget, and increases above the level of the first two years approved by the SUFAC and the Chancellor;
 - o student health services above the minimum module;
 - o other items consistent with this definition and System policies, as determined by the institution, such as child care (See IV.B.

Both allocable and nonallocable fees are used to fund certain activities and services; often they are not clearly separable for the purposes of seeking student advice. Institutions must have policies delineating the role of students in the budget review process to ensure that students are given full information on the uses of non-allocable SUF and opportunities for input to the budget process. Final recommendations on nonallocable budgets and user charge-supported budgets rest with the campus administration.

IV. Regent and System Administration Policies

A. General Administrative Policies

The following statements summarize policy guidelines that have developed over time, and represent current Regent and System Administration policy.

1. The Board of Regents has final authority as to the recommended amount of SUF for any campus and its distribution.
2. Where allocable SUF supports personnel, any proposed reduction of SUF support due to student recommended alternative uses of allocable SUF must allow for proper employee notice and treatment, in accordance with Board approved policies.
3. SUF shall not be assessed or charged for 1) academic credit producing activities, 2) student services determined to be essential to the basic mission of the University and 3) normal campus-wide activities and functions that service the entire institution, such as campus-wide, centrally provided physical plant and institutional support. (See FPPP 42 and GAPP 15.)
4. All budgetary recommendations and subsequent collection and expenditure of SUF must follow State and UW System statutory and regulatory requirements. (See FPPP 20.)
5. Any proposed major remodeling or major new construction project as defined by Section 20.924(1)(a) Wisconsin Statutes that will increase the nonallocable portion of the SUF on any campus shall be reviewed by the Chancellor with appropriate student representation. There shall be specific action by the SUFAC on the project in question, which will be presented as part of the required information for the Regents at the time the project is advanced for approval.

B. Special Program Policies

In order to provide a basic level of stability in student health services, athletics and intramurals, and child care, the Board of Regents has approved special policies as follows:

Student Health. The Chancellor of each campus has responsibility for determining the minimum level of student health service. SUFAC may increase the level of service with allocable SUF funds. The Chancellor or designee will consult with SUFAC and/or the appropriate student health committee as to the appropriate programmatic level of student health care on the campus. Should the SUFAC desire to appeal the Chancellor's decision on the minimum level of service, a request must be made through the appeal process defined in the *Guidelines*, §II.B. (RPD 86-4).

Athletics and Intramurals. To the extent that guidelines for termination or non-renewal notice to personnel must be followed, and contracts for schedules exist, the SUF allocation for athletics and intramurals is nonallocable. A three-year budget review is required at the time the annual budget for athletics and intramurals is approved by SUFAC. Since the third year is normally beyond the time requirement of contracts or personnel notices, the budget for athletics and intramurals for the third year after the current budget year is allocable, except for any outstanding schedule commitments or personnel contracts.

The foregoing is not intended to prevent the students from approving an increase in the program level during the first two years of the three year cycle. It also is not intended to prevent a Chancellor from approving a decrease in the program level during the first two years of the three year cycle. The Chancellor's action must be accompanied by a redetermination by the SUFAC of the level of third year support.

Child Care. It is the policy of the Regents that:

as an alternative to community child care when it does not meet the needs of the institution or unit, each university should set a goal of seeing that top quality, low cost child care and extended child care services, preferably campus based, are available to the children of students, faculty and staff." (Equal Opportunities in Education Policy adopted April 12, 1974; amended October 7, 1983. RPD 83-5)

The Chancellors and SUFAC committees are encouraged to review with special care, funding requests for student child care services. Consideration should be given to utilizing nonallocable SUF funding or requiring a three year budget process comparable to that required for athletics and intramurals. Child care allocations derived from SUF funds shall be identified separately in the annual institutional budget review process. (See also: GAPP #38; SG 18.)