

Student Services Fees Committee

Final Recommendations for 2007-2008 Funding

Unit: **Boynton Health Services – Year-Round Fee Request**

Committee Vote: 4 for, 0 against, 0 abstaining

*Note: The committee decided to vote on the issue of whether to grant Boynton a year-round fee separately from the operational budget. Boynton presented the request in such a way that success or failure of the fee did not affect the amount of funds requested.*

**Introduction to Issue:**

The Fees Committee heard a proposal from Boynton Health Service to eliminate the fee requirement for summer health care by increasing the per semester level of the fee. This proposal (“Year Round Fees”) would not change Boynton’s total revenue, but would increase Boynton’s portion of the semester student fee by an initial amount of \$6 per semester, beginning in Fall 2007. In exchange, all students would qualify for Boynton healthcare during the summer months, regardless of their payment of the summer student services fee. The Boynton portion of the summer student services fee would essentially disappear, and that income would be replaced through the increase in semester fees.

**Majority Rationale:**

**Some students may not be able to benefit from the Year Round Fee:**

The only significant problem the committee has with Year Round Fees is that there may be students who cannot use Boynton’s services during the summer. This is because only about 80% of students live on or near campus during the summer. The other 20%, possibly, couldn’t use Boynton’s services and making them pay for those services when they don’t have a choice to use them is inconsistent with the fees committee’s mission and historical decision-making. The committee views non-usage of a service provided by the student services fees as a choice and any group or service must be available to all fees receiving students. However, after much heated debate the committee did decide to grant Boynton their Year Round Fees request on a trial basis. This was based on the following reasoning.

**Year Round Fees make sense financially:**

The proposal for Year Round Fees would result in full-year coverage at a lower cost per month. Without Year Round Fees, Boynton would receive roughly \$205 in fee revenue per student for the following year (\$102.54 per semester). This amount averages out to a approximately \$23 dollars per month, for nine months of coverage. With Year Round fees, Boynton would receive approximately \$218 dollars in total fee revenue per student (\$109.23 per semester). This averages out to about \$18 per month, for coverage all year.

At the current rate, the total cost for Year Round Fees for a four-year student would be roughly \$53 (\$6.69 per semester times 8 semesters). The Boynton portion of the current summer fee, which Year Round Fees would eliminate, is currently several dollars higher than this cost. In other words, a student would only need to attend one summer session to more than recover the cost of Year Round Fees. Enrollment statistics suggest that 45% of seniors have enrolled in *at least one* summer session during their college experience. A principle of the Fees Committee has been pursuing the greatest benefits to students at the lowest cost, and the committee believes this may be a case where such logic applies.

### **Students support Year Round Fees:**

Several student-led boards have asked the Fees Committee to support Year Round Fees. The Graduate and Professional Student Association (GAPSA) has supported the idea for three years. After a vigorous debate in 2005, the Minnesota Student Association (MSA) gave its endorsement. Most recently, the Residential Housing Association (RHA) got on board in 2007. Boynton reports that students have requested that summer health services be supported by Student Fees, and their presentation suggested anecdotally that many students are surprised to learn that summer service is currently not provided by the fee. The Fees Committee is not bound by the decision of any of these boards, but notes that the listed endorsements represent the voice for various student populations on campus.

The committee notes that most students eligible for summer healthcare would be able to take advantage. Boynton indicated that four out of every five University students live in the Twin Cities area during the summer. The committee has confidence that Boynton could market Year Round Fees so students would know how to take advantage of them.

### **Year Round Fees are equitable:**

Eligibility for summer service under Year Round Fees would be based on payment of the spring semester Student Fee. However, the minority is pleased to note that students paying only fall fees would not be disadvantaged (i.e. fall graduates). The Year Round Fee proposal would offer a “buy-in” for students who do not pay the spring fee, allowing them to pay the Boynton-only portion of the fee in exchange for the same spring/summer coverage as other students

Year Round Fees also eliminates issues faced by graduating students and students with chronic medical needs. Graduating students paying the Student Services Fee would be eligible for health benefits in the summer after their graduation. Students with long term health concerns would not need to interrupt summer care due to increased fees, an issue Boynton has identified in the past.

### **Benefit to students not near campus during summer:**

Under the current system, semester coverage at Boynton begins on August 21<sup>st</sup> and ends on May 22<sup>nd</sup>. This causes overcrowding of Boynton’s services at the beginning and end of each school year. The May/August “bottleneck” is a disadvantage to all students. Year Round Fees would reduce this congestion and make end-of-year appointments easier to obtain, a benefit that extends to all payers of the Student Fee – *including students who could not utilize Boynton during the summer.*

### **The approval of the Year Round Fees request is on a trial basis**

The initial recommendation of the committee did not pass the Year Round Fees request for the reason stated before, that there may be students who cannot use the service. Based on the other argumentation, however, the committee did pass the request but on a trial basis. Our concerns and questions that should be answered by a trial period are as follows:

- Boynton argued that total costs will not increase because of the year round fee. Was this the case?
- How many people actually used the service in the summer compared to previous years?
- What improvements in efficiency were gained?
- What is the summer usage of the Student Health Benefit Plan?
- How many students take summer classes and benefit from the now reduced summer fee?

The committee also expects Boynton to continue submitting budgets that make it possible for the committee to vote on the Year Round Fees issue separately as it did this year. Thus, we expect the Year Round Fees issue to be budget neutral.

The committee would like to know that the student body supports Year Round Fees. We would like to see continued support from the organizations that represent the student body (MSA, GAPSA, RHA, etc.). The committee would also like to see more formalized support in the form of resolutions from some groups.

The committee reiterates that the Year Round Fees request approval is on a trial basis and must be re-evaluated by future committees when the appropriate data is available. The committee has strong concerns but feels they can only be effectively addressed by a trial period.

It should also be noted that approval of the Year Round Fees request was because of the change in opinion of two of the committee members and not merely the absence of the minority from the hearing.

Student Services Fees Committee

Final Recommendations for 2007-2008 Funding

Unit: **Boynton Health Services – Operational**

Amount Requested: \$7,301,330 Amount Approved: \$7,301,330

Committee Vote: 4 for, 0 against, 0 abstaining

Final Recommendations for 2007-2008 Funding

Unit: **Boynton Health Services – Operational**

Amount Requested: \$7,498,426 Amount Approved: \$7,498,426

Committee Vote: 4 for, 0 against, 0 abstaining

**Majority Rationale:**

For fiscal year 2007-2008, Boynton Health Services requested Student Service Fee funding of 7,301,330 and 2008-2009 Student Service Fee Funding of 7,498,426. In its initial deliberation, the Fees Committee voted to fund 100% of this proposal. The majority finds that this funding level offers a clear advantage to students and to the organization, and appreciates Boynton Health Services continued efforts to decrease dependence on Student Service Fee monies.

Student Services Fees Committee

Final Recommendations for 2008-2009 Funding

Unit: **Learning Abroad Center**

Amount Approved: \$94,600

The committee has reviewed the second year of this Unit's two-year request. They did not request additional funds for special projects or circumstances. The unit has also been fiscally prudent, keeping variance in check. Therefore the committee did not need to deliberate this budget and continues full support for the previous funding approval.

## Student Services Fees Committee

Final Recommendations for 2007-2008 Funding

Unit: **Minnesota Daily**

Amount Requested: \$550,000 Amount Approved: \$525,000

Committee Vote: 4 for, 0 against, 0 abstaining

### **Majority Rationale:**

The Student Service Fees Administrative Unit Committee has denied the amount of \$550,000 requested by the MN Daily. Instead we have decided to recommend the same amount as given last year: \$525,000. Though, we understand the rising cost of printing, we feel that the amount requested is too high, and that the Daily could find other ways to budget and run the newspaper on the same amount.

The committee also felt that the reserves the Daily is keeping are far in excess of what is recommended for student fees units. The committee understands that corporate advisors recommend a larger reserve, but the committee also discourages the Daily from comparing itself to larger, metropolitan newspapers. These comparisons, the committee felt, create goals and ideas at the Daily that are unrealistic and reckless when it comes to spending student's money. Members felt that if something "catastrophic" were to occur, this would warrant a special circumstance, and drastic cuts in expenditures would have to be made. Building massive reserves to prepare for huge disasters is not the intent of the Student Services Fee, they felt.

Since the Daily is run by students and provides a key employment opportunities, as well as, real life experiences to many, we agree that this is an important point to consider in the case of any future budget cuts.

Student Services Fees Committee

Final Recommendations for 2008-2009 Funding

Unit: **Radio K - Operating**

Amount Approved: \$147,400

The committee has reviewed the second year of this Unit's two-year request. They did not request additional funds for special projects or circumstances. The unit has also been fiscally prudent, keeping variance in check. Therefore the committee did not need to deliberate this budget and continues full support for the previous funding approval.

Student Services Fees Committee

Final Recommendations for 2008-2009 Funding

Unit: **Radio K – Studio K Refurbish**

Amount Approved: \$115,290

The committee has reviewed the second year of this Unit's two-year request. They did not request additional funds for special projects or circumstances. The unit has also been fiscally prudent, keeping variance in check. Therefore the committee did not need to deliberate this budget and continues full support for the previous funding approval.

Student Services Fees Committee

Final Recommendations for 2007-2008 Funding

Unit: **Recreational Sports – Capital, Debt, and Maintenance Fund**

Amount Requested: \$1,725,000 Amount Approved: \$1,725,000

Committee Vote: 4 for, 0 against, 0 abstaining

Final Recommendations for 2008-2009 Funding

Unit: **Recreational Sports – Capital, Debt, and Maintenance Fund**

Amount Requested: \$1,725,000 Amount Approved: \$1,725,000

Committee Vote: 4 for, 0 against, 0 abstaining

**Majority Rationale:**

For fiscal years 2008 and 2009, the Department of Recreational Sports has requested \$1,725,000 for the Capital, Depreciation, and Maintenance fund. The Fees Committee initial recommendation is to fully fund this account. Rec. Sports has demonstrated responsible use of the funds that are in accordance with committee guidelines.

**Background:**

The Capital, Depreciation, and Maintenance account supports the repair and improvement of facilities that belong to Rec. Sports. The account is allocated into three areas. The largest allocation is to Facilities Management, which completes upkeep for Rec. Sports. The remaining funds go towards minor maintenance completed by the Department, and to capital reserves.

**Justification:**

Rec. Sports demonstrated the need for full funding of this request. According to the studies presented to the Fees Committee, students feel that the care and appearance of facilities should be a high priority. The fact that over 65% of students at the University have used the Rec. Center is example of the need to support the maintenance of facilities. In addition, the University requires that Rec. Sports fund half of the Operation and Maintenance costs at its facilities. Money to meet this requirement is drawn from the Capital, Depreciation, and Maintenance fund.

In making its recommendation, the Committee wishes to acknowledge the steps that the Rec. Sports has taken to be accountable to students. Each year, the account has been allocated according to the guidelines established by previous committees. In addition, Rec. Sports is

seeking to invest part of its allocation in an interest-bearing account, which represents an additional source of non-fee income.

The Fees Committee's final recommendation is that the request for \$1,725,000 in the Department's Capital, Depreciation, and Maintenance account be funded in full for 2008.

Student Services Fees Committee

Final Recommendations for 2007-2008 Funding

Unit: **Recreational Sports - Operating**

Amount Requested: \$2,254,761 Amount Approved: \$2,254,761

Committee Vote: 4 for, 0 against, 0 abstaining

Final Recommendations for 2008-2009 Funding

Unit: **Recreational Sports - Operating**

Amount Requested: \$2,507,456 Amount Approved: \$2,507,456

Committee Vote: 4 for, 0 against, 0 abstaining

**Majority Rationale:**

For fiscal year **2008**, the Department of Recreational Sports has requested \$2,254,761 for its Operating Account. This amount represents an increase of \$155,041 from fiscal year 2007. The majority finds that this request is justified, and supports an initial recommendation for funding the full amount.

**Background:**

The Operating account supports day-to-day operations of Rec. Sports, including salary and benefits.

**Reason for Request:**

As outlined in the Fees presentation, the sole purpose of the new funding level in 2008 is to facilitate a staff re-organization. The re-organization includes several promotions, changes in job responsibility, and the addition of two new positions. Rec. Sports outlined several major goals of this change: retaining talented individuals, evenly distributing the current workload, improving current programs, and seeking out additional sources of income. The Fees Committee noted that Rec. Sports has not initiated any major re-organization since 1997, and has the support of University Administration for its new model. Except for the staff re-organization, all other cost increases for 2008 are being absorbed internally by Rec. Sports.

**Fees Committee Position:**

The Fees Committee recognizes the need for Rec. Sports to revise its staff model for greater efficiency. The committee would be particularly interested in seeing how the new model may allow for additional sources of income, including alumni gifts and sponsorship. As outlined in the presentation, 71% of undergraduates and 42% of graduate students use Rec. Sports, and 88%

of these students are satisfied with their experience. Given that students who are involved on campus are more likely to graduate, achieve academic success, and feel positively about their collegiate experience, the Fees Committee believes Rec. Sports can continue to build relations with alumni. As Rec. Sports looks towards some of its larger capital projects, the Committee wishes it to consider the possibility of sponsorships as well.

The Committee also appreciated the way that Rec. Sports has chosen to pursue its goals in a difficult time for construction on campus. As emphasized by several studies, students would like to see Rec. Sports add to its facilities. At the same time, University and community resources are heavily focused on the building of the new football stadium. The committee commends Rec. Sports for pursuing staff re-organization and a gradual capital buildup during these years, rather than immediately launching into construction that would occur simultaneously with the stadium. The committee believes students are best served when fee money can be partnered with other forms of support, and this may be much more possible once the stadium is complete.

**Other Considerations:**

The Committee's funding decision is also based on other factors related to the way that Rec. Sports serves students on campus. The Committee notes that approximately 60% of the Operating Budget is returned to students through employment, and that Rec. sports is able to run many programs with minimal reliance on student fees. For example, the Vehicle Leasing program, youth/community outreach programs, and Twin Cities Swim Club are all examples of programs that provide a student or community benefit while often generating more than enough revenue to cover their expenses. The Committee was also pleased to see that from 1989 to 2005, Rec. Sports doubled its sources of income. Rec. Sports has successfully kept non-obligatory costs to a minimum for several years while keeping an "always available" policy for its facilities during most of the year.

In consideration of all the factors listed here, the Fees Committee provides the final recommendation that the Department of Recreational Sports receive its full 2008 request of \$2,254,761.

For the **2009** Fiscal Year, the Department of Recreational Sports asked for an Operating budget of \$2,507,456. This amount represents an increase of \$252,695 from Fiscal Year 2008. The increase will cover 44% of the total cost of a 3.25% salary increase, as well as an increase to the University's cost pool. As Rec. Sports has already re-allocated to cover various inflationary increases, the Fees Committee feels it appropriate to cover the remainder of the need.

The 2009 Student Fee allocation of \$2,507,456 will ensure Rec. Sports continues to provide high quality services to students, and the Fees Committee recommends it be funded in full.

Student Services Fees Committee

Final Recommendations for 2007-2008 Funding

Unit: **Recreation Sports – Capital Planning Fund**

Amount Requested: \$350,000 Amount Approved: \$350,000

Committee Vote: 4 for, 0 against, 0 abstaining

Final Recommendations for 2008-2009 Funding

Unit: **Recreation Sports – Capital Planning Fund**

Amount Requested: \$350,000 Amount Approved: \$350,000

Committee Vote: 4 for, 0 against, 0 abstaining

**Majority Rationale:**

For fiscal years 2008 and 2009, the Department of Recreational Sports requested that the Capital Planning Account be funded at a level of \$350,000. In its final deliberation, the Fees Committee voted to fund 100% of this proposal. The majority finds that this funding level offers a clear advantage to students and to the Department.

**Background:**

The Capital Planning fund was created by agreement between the 2005 Student Fees Committee and the Department of Rec. Sports. The fund combined all Rec. Sports debt into a single account. As of summer 2006, Rec. Sports successfully retired all of its capital debt. The account presently holds money that will be used to fund large-scale facility improvement and construction costs.

**Need:**

The purpose of the Capital planning fund is to enable Rec. Sports to expand its facilities. During its presentation, Rec. Sports was able to demonstrate that this is a priority for students. According to a study conducted by Brailsford and Dunlavey, 61% percent of University Students believe improvement to recreational facilities should be a University priority. The study also indicated that students wanted less crowding, a greater variety of facilities, and convenient locations. Rec. Sports has identified a lack of space as its greatest unmet need, and the Fees Committee believes that meeting this need serves students' interest.

**Advantage to students:**

Although Rec. Sports is not requesting money for a specific project this year, building up the capital reserve account is a logical choice. By having money on hand for the planning and early

construction phases of large projects, Rec. Sports will be able to reduce its need for expensive loans by paying “up front.” Students experienced the benefit of this approach in the St. Paul Gym remodel, which avoided passing significant loan costs back to students. In addition, administrative changes at the University level now permit Rec. Sports to store this fund in an interest-bearing account, which represents an additional source of income to reduce dependence on student fees. Rec. Sports has ambitious goals for future construction, including a West Bank satellite facility and University Park, and funding the capital planning account now will reduce the strain on Student Fees when construction begins. Even students who do not use these facilities will benefit from the more efficient use of their fee money.

**Advantage to Rec. Sports:**

Funding the capital planning account will also give Rec. Sports a greater ability to fulfill its mission. As the University continues to grow, many departments are competing for space on campus. By having funds for capital improvement on hand, Rec. Sports has an advantage when asking University administration to support its facility-related projects.

The Fees Committee provides the final recommendation that the request for \$350,000 in the capital improvement account be funded in full.

Student Services Fees Committee

Final Recommendations for 2008-2009 Funding

Unit: **Student Conflict Resolution Center**

Amount Approved: \$211,058

The committee has reviewed the second year of this Unit's two-year request. They did not request additional funds for special projects or circumstances. The unit has also been fiscally prudent, keeping variance in check. Therefore the committee did not need to deliberate this budget and continues full support for the previous funding approval.

Student Services Fees Committee

Final Recommendations for 2008-2009 Funding

Unit: **Summer Cultural Programs**

Amount Approved: \$67,000

The committee has reviewed the second year of this Unit's two-year request. They did not request additional funds for special projects or circumstances. The unit has also been fiscally prudent, keeping variance in check. Therefore the committee did not need to deliberate this budget and continues full support for the previous funding approval.

Student Services Fees Committee

Final Recommendations for 2007-2008 Funding

Unit: **Student Unions and Activities – Operating**

Amount Requested: \$4,623,031 Amount Approved: \$4,623,031

Committee Vote: 4 for, 0 against, 0 abstaining

Final Recommendations for 2008-2009 Funding

Unit: **Student Unions and Activities – Operating**

Amount Requested: \$4,951,606 Amount Approved: \$4,951,606

Committee Vote: 4 for, 0 against, 0 abstaining

**Majority Rationale:**

The committee supports the valuable services that Student Unions and Activities brings to the student body.

The committee does hope that Student Unions and Activities can get a more advantageous position in the upcoming University-wide food and beverage contracts. We expect the University to support SUA through the food and beverage contract negotiations especially since the University is shifting significant costs to SUA.

The committee would also like to see SUA promote a reduction in student groups. The committee is concerned that the ease of starting a group spreads funds too thin and leads to over programming and group redundancy on campus.

Student Services Fees Committee

Final Recommendations for 2007-2008 Funding

Unit: **Student Unions and Activities – Bond Repayment**

Amount Requested: \$3,716,516 Amount Approved: \$3,716,516

Committee Vote: 4 for, 0 against, 0 abstaining

Final Recommendations for 2008-2009 Funding

Unit: **Student Unions and Activities – Bond Repayment**

Amount Requested: \$3,716,516 Amount Approved: \$3,716,516

Committee Vote: 4 for, 0 against, 0 abstaining

**Majority Rationale:**

Agreements already made between units and past Committees cannot be reneged.

Student Services Fees Committee

Final Recommendations for 2007-2008 Funding

Unit: **Student Unions and Activities – Capital, Depreciation & Maintenance**

Amount Requested: \$724,207 Amount Approved: \$724,207

Committee Vote: 4 for, 0 against, 0 abstaining

Final Recommendations for 2008-2009 Funding

Unit: **Student Unions and Activities – Capital, Depreciation & Maintenance**

Amount Requested: \$724,207 Amount Approved: \$724,207

Committee Vote: 4 for, 0 against, 0 abstaining

**Majority Rationale:**

The Committee remains committed to funding Student Unions and Activities in the amount necessary to keep its facilities in the best state of repair. As its facilities have extremely high traffic, the Committee feels that it would be lax in its responsibility to students to prevent SUA from having the funding to maintain its facilities.

Final Recommendations for 2007-2008 Funding

Unit: **University Student Legal Services**

Amount Requested: \$1,042,000 Amount Approved: \$1,042,000

Committee Vote: 4 for, 0 against, 0 abstaining

Final Recommendations for 2008-2009 Funding

Unit: **University Student Legal Services**

Amount Requested: \$1,076,000 Amount Approved: \$1,076,000

Committee Vote: 4 for, 0 against, 0 abstaining

**Majority Rationale:**

The majority voted on funding with student fees the requested amounts for year 2008 and 2009. Due to the fact that the University Student Legal Service (USLS) cannot fund its activities from other sources and the need for such activities, the committee decided that funding the unit was the best decision for students as a whole. The increase in the requests were well justified.