Student Services Fees Committee
Administrative Units Committee

Final Recommendations for 2009-2010 and 2010-2011 Funding

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Please direct questions to:
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Student Services Fees Committee
2009 Final Recommendations

Unit: Boynton Health Services

Fund: Operating

Fiscal Year: 2009-2010

Amount Requested: $7,882,090

Initial Recommendation: $7,830,857

Final Recommendation: $7,830,857

Vote (Yes/No/Abstain): 7/0/0

Majority Rationale:

For fiscal year 2009-2010, Boynton Health Services requested Student Services Fees funding of $7,882,090. The Fees Committee final recommendation is $7,830,857. This amount reflects the committee’s decision to not fund the requested portion of the 5-8% reduction in Operations and Maintenance funding from the University. The committee has not funded this cost in other administrative budgets and in keeping with consistency did not fund this expense. The committee did approve the request of $45,000 for the MSA Express. MSA Express will explore expanding service to other geographic areas that will serve a larger population of both undergraduate and graduate students.
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Unit: Boynton

Fund: Operating

Fiscal Year: 2010-2011

Amount Requested: $8,209,626

Initial Recommendation: $8,087,421

Final Recommendation: $8,087,421

Vote (Yes/No/Abstain): 7/0/0

Majority Rationale:

For fiscal year 2010-2011, Boynton Health Services requested Student Services Fees funding of $8,209,626. The Fees Committee final recommendation is $8,087,421. This amount reflects the committee’s decision to not fund the requested portion of the 5-8% reduction in Operations and Maintenance funding from the University. This amount also reflects the committee’s decision to not fund the MSA Express for this fiscal year. The requested amount for the MSA Express for FY 2010-2011 is $45,000 and the committee believed that this service should be reviewed following the initial FY 2009-2010 funding. The MSA Express will explore expanding service to other geographic areas that will serve a larger population of both undergraduate and graduate students. This committee recommends the MSA Express be reviewed and considered as a separate funding item for the student group committee to consider.
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Unit: Boynton Health Service

Special Decision: Continue Year-Round fee funding mechanism?

Fiscal Year: 2009-2011 (decision holds for two years)

Decision Requested: Yes

Initial Decision: Yes

Final Decision: Yes

Vote (Yes/No/Abstain): 7/0/0

Majority Rationale:

The committee decided at last year’s deliberation to allow the Year Round Fee on a trial basis. Boynton Health Service was permitted to try the Year Round Fee as long as they showed that the total costs would not increase because of the year round fee. Also, they needed to show statistics on how many students used the service in the summer compared to previous years, and if improvements in efficiency were gained as well as the summer usage of the Student Health Benefit Plan. Boynton presented data for the Year Round Fee which proved to be more efficient and also showed to benefit students as a whole. We decided as a committee that the Year Round Fee was beneficial to the student body and that it would be continued for fiscal year 2009-2011.
Unit: Learning Abroad Center
Fund: Supplementary
Fiscal Year: 2009-2010
Amount Requested: $14,622
Initial Recommendation: $0* (see note)
Final Recommendation: $0*
Vote (Yes/No/Abstain): 7/0/0

Majority Rationale:

The Learning Abroad Center’s budget is approved every two years. The last approved request was for fiscal years 2008-2009 and 2009-2010. The Learning Abroad Center now requests that this Committee approve an additional amount. This type of supplementary request is rarely awarded. Such requests are awarded only for extenuating circumstances. The committee did not find extenuating circumstances to justify approving this supplementary request.

The Learning Abroad Center (“the Center”) is requesting this additional amount for a position which was filled in the middle of fiscal year 2008-2009. However, the Center is unfortunately tied to a hiring pause at this time. During a hiring pause, a program may not hire civil servants without approval from the program’s administration. The position in question is usually filled by a civil servant. The administration did not approve the civil servant hire. The Center then chose instead to hire a graduate assistant to fill the position, because the hiring pause does not prevent the hiring of graduate assistants. The $14,622 supplementary request represents the difference in pay between a civil servant and a graduate assistant. The Center requests the committee award the Center this difference. The committee declines to do so.

The Committee is pleased to see open positions being filled by students. The committee encourages and applauds student-hires for all units. Nevertheless, the Committee cannot approve the $14,622 request for several reasons.

First, the Committee will only approve supplementary requests for special circumstances. This was not such a situation. The program’s administration did not find the filling of this position to be a priority. The Committee respects the administration’s decision, as they are in the best position to assess such hiring situations. If the administration does not find this hire to be a priority, the Committee is inclined to likewise find that this situation is not extenuating, as required to approve supplementary requests.

Second, the Center overstepped the purpose of the hiring pause: to save money. By hiring a graduate assistant, the Center is not saving money, but spending $14,622 more. This is troubling considering the state of the University’s budget and the state of our economy. These times warrant the most fiscally conservative behavior.
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Third, the Center filled this position without first informing the Committee that such action would require additional funds. The Committee is concerned with such actions. The Committee is reluctant to award supplementary requests to units who spend money they do not have. It is not in the Committee’s best interest to fund after-the-fact expenses.

Fourth, the filling of this new position was an operating preference. The preference was taken in the middle of an already approved fiscal year. Accordingly, the Center should reallocate funds to support this preference instead of requesting the Committee to award additional funds. Units should work efficiently with their already approved budgets.

Finally, this Committee does not want to set precedent for approving Supplementary requests unless extraordinary circumstances exist. These requests should rarely, if ever, be given. If they are given, it is because special circumstances warrant it. The committee does not believe the current circumstances warrant this request.

*Note: As a result of this decision, the Learning Abroad Center will receive $106,422 in student fee funding for fiscal 2009-2010. This funding represents the amount approved for FY10 by the 2008 Fees Committee with no additional funding.*
Unit: Minnesota Daily
Fund: Operating
Fiscal Year: 2009-2010
Amount Requested: $600,000
Initial Recommendation: $566,500
Final Recommendation: $550,000
Vote (Yes/No/Abstain): 7/0/0

Majority Rationale:

With full respect to the expense reductions that the Minnesota Daily (“the Daily”) has undertook, and in acknowledgement of the vital role that the Daily holds in the University of Minnesota student community, the Committee denies the Daily’s request of $600,000, and recommends $550,000 in student service fees for 2009-2010.

The Committee rejected the Daily’s requested increase of $50,000 on the prior fiscal year in part because the Daily did not clearly illustrate how the newspaper arrived at that dollar total or how specifically the money would be spent. Fees-receiving organizations must justify every dollar they receive, starting at $0.

It is inappropriate for a fees-receiving organization to simply use the prior year’s allocation as its default base, particularly when the organization undergoes extensive restructuring. For example, between 2007-2008 and 2008-2009, the Daily requested and received an additional $25,000 allocation for rising printing costs. Although the Daily assumed this increase of $25,000 again in its 2009-2010 request, the Daily plans to reduce its printing expenses by $159,000 for 2009-2010.

The Committee would have appreciated a more concrete description of the impact of a 10 percent reduction in fees allocation in the Daily’s student services fees request. Accurate impact descriptions are necessary to help the Committee understand an administrative unit’s financial position. The Committee does want a generalized description of how a certain amount of money is currently used. Instead, the Committee requests an accurate projection of the programming changes an organization would actually make if that amount of money was cut from its fees request.

While the Committee recognizes the Daily’s efforts and progress in restructuring compensation packages, the Committee still believes that the Daily’s current staff compensation is excessive. The Daily’s highest pay rate is $16.09 per hour capped at thirty hours per week. This totals $24,135 per 50-week year. The Committee understands that even this compensation package is a substantial decrease from past packages which also included discretionary bonuses. In justifying the relatively high wages, it is misleading for the Daily to compare the compensation levels of undergraduate students working part-time to the compensation levels of degree-holding, full-
time professionals. The Committee recommends that future compensation restructuring occur in a more progressive manner. For example, a 5 percent across-the-board salary cut is more progressive than a $0.50 per hour wage cut which has a disproportional impact on Daily staff who are paid the lowest wages.

The Committee also raises questions about the Daily’s $549,149 reserve account. This reserve account represents approximately 28 percent of the Daily’s projected 2009-2010 operating expenses. The Committee voiced the same concerns about the large reserve account during its final recommendations in 2007-2008. The guidelines for fees-receiving units provide the following information for operating reserves: “Maintained at no more than 10 percent of the proposed operations budget of the organization. Any amount in excess of 10 percent would be used to reduce the next operating budget.” The Committee recognizes that the 10 percent rule may deserve to be reconsidered. However, the Daily’s 28 percent reserve account is by far the largest of any student fees-receiving administrative unit. Accordingly, the Committee advises the Daily to use some of its reserve funds to bridge the gap between its expenses and its decreased advertising revenue.

The Committee was troubled by the large increase in student services fees as a percentage of the Daily’s operating budget. Over the past 7 years student services fees accounted for, on average, 20 percent of the Daily’s total budget. This year, the $600,000 request would have represented 30 percent of the Daily’s total budget (the current allocation of $550,000 would be 28 percent of the Daily’s total budget). We recognize that this increase stems in part from the Daily’s overall budget reduction. However, with future advertising revenue uncertain, the Committee wonders if 30 percent is the new benchmark for the role of student services fees in the Daily’s budget. If the portion of student service fees as a percentage of the Daily’s total budget continues to rise, the Committee questions whether the Daily’s business model is sustainable.

As a postscript, the Committee recommends that the Daily work for greater continuity in leadership for the purposes of requesting student services fees. We respect the Daily’s democratic process of rotating through publishers annually. However, that arrangement does not build the experience in applying for student service fees that other fee-receiving administrative units enjoy.

1 Student Services Fees Request Handbook for Administrative Units, 13.
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**Unit:** RadioK

**Note:** Off-Year budget review only; no vote involved.

**Overview:**

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 been fiscally prudent, keeping variance in check. The committee continues to support the previously approved funding request of $219,458 for fiscal 2009-2010.

**General Comments:**

The Committee appreciated the way RadioK emphasized the results of its recent initiatives. For example, the unit showed how its graphic designer position has improved the unit’s marketing efforts. The committee is also pleased that the unit discussed the positive effects of the StudioK refurbishment, a renovation project that was funded by previous student fees committees.

In 2008, the Committee approved new funding for RadioK to support travel to conferences. The Committee appreciated the report about RadioK’s attendance at conferences, which included information on the type conferences attended, the cost of attendance, the activities at the conference, the type of training provided, and the benefit to students. The committee requests that RadioK provide this level of detail next year as well.
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**Unit:** Recreational Sports

**Fund:** Operational Fee

**Fiscal Year:** 2009-2010

**Amount Requested:** $2,307,456

**Initial Recommendation:** $2,307,456

**Final Recommendation:** $2,307,456

**Vote (Yes/No/Abstain):** 6/0/1

**Majority Rationale:**

For fiscal year 2010, the Department of Recreational Sports requested $2,307,456 for its operating budget, which the committee decided to fund in full. The $200,000 decrease from fiscal year 2009 represents $200,000 for the U of M cost pool that has been moved to the Facility Support fee.

The committee believes that Recreational Sports provides a great variety of programs and opportunity for involvement for the student body. They employ over 500 students annually and return over 55% of student fees money back to the students through employment. Over the years, the proportion of the total budget that comes from student fees has continued to decrease.

In addition to helping build a sense of community on campus, Recreational Sports has come up with innovative ways to generate income, such as starting the donor recruitment program. The committee appreciates their extra effort they have taken to secure funds to supplement their income. The committee values Recreational Sport’s concern for the effect of the economic times on students and therefore not asking for an increase in funding from the students.
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Unit: Recreational Sports
Fund: Operational Fee
Fiscal Year: 2010-2011
Amount Requested: $2,340,856
Initial Recommendation: $2,340,856
Final Recommendation: $2,340,856
Vote (Yes/No/Abstain): 6/0/1

Majority Rationale:

For fiscal year 2011, the Department of Recreational Sports requested $2,340,856 for its operating budget, which the committee decided to fund in full. This represents an increase of $33,400. This amount is 44% (the proportion of their budget supported by student fees) of a projected 2% salary/fringe benefit increase.

The committee felt this increase was justified. Recreational Sports is only asking for 44% of the proposed budget increase from student fees. The organization has been fiscally responsible and worked hard to generate income in a multitude of ways.
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Unit: Recreational Sports
Fund: Facility Support Fee
Fiscal Year: 2009-2010
Amount Requested: $2,275,000
Initial Recommendation: $2,275,000
Final Recommendation: $2,275,000
Vote (Yes/No/Abstain): 6/0/1

Majority Rationale:

For fiscal year 2010, the Department of Recreational Sports requested $2,275,000 for its facility support budget, which the committee decided to fund in full. This represents a $200,000 increase from fiscal year 2009, which is merely a shift of the U of M cost pool cost from the operational budget to the facility budget to the operational budget, and thus does not represent a net increase in funding.

The committee believes that Recreational Sports has been exploring all options to keep costs low for students and appreciates not charging students an increase in its facility fee to be used towards annual capital repair and improvements. Recreational Sports is planning for capital improvements that are not yet underway and looking to secure funds well in advance as to ask for the minimal amount possible from the students when it comes time to begin their projects, which the committee appreciates.
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Unit: Recreational Sports
Fund: Facility Support Fee
Fiscal Year: 2010-2011
Amount Requested: $2,303,409
Initial Recommendation: $2,303,409
Final Recommendation: $2,303,409
Vote (Yes/No/Abstain): 6/0/1

Majority Rationale:

For fiscal year 2011, the Department of Recreational Sports requested $2,303,409 for its facility support budget, which the committee decided to fund in full. This represents a $28,409 increase from fiscal year 2010. This increase accounts for 44% of the projected cost pool increase for fiscal year 2011. The committee believes this increase is justified.
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**Unit:** Student Conflict Resolution Center

**Note:** Off-Year budget review only; no vote involved.

**Overview:**

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. The committee continues to support the previously approved funding request of $235,000 for fiscal 2009-2010.

**General Comments:**

The presentation provided evidence that students believe the SCRC provides a valuable service on campus. The surveys reviewed by the committee indicate that students who use the SCRC give it very favorable ratings. The SCRC closed 607 cases in 2007-2008 and is also working on an academic civility initiative which will benefit all students.

Financially, the unit is currently spending down part of its reserves to pay for its operations. While reserves are sufficient for the coming year, future committees are advised to work closely with this unit to ensure that reserves remain adequate.
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**Unit:** Student Unions and Activities

**Fund:** Operating

**Fiscal Year:** 2009-2010

**Amount Requested:** $5,276,092

**Initial Recommendation:** $5,226,557

**Final Recommendation:** $5,226,557

**Vote (Yes/No/Abstain):** 7/0/0

**Majority Rationale:**

The Committee was unanimous in its opinion that Student Unions and Activities (SUA) was being responsible with its operating budget, and reasonable in its fiscal outlook. SUA showed it has taken steps to increase its visibility on campus, as well as effectively advertise and promote the multitude of benefits and services it provides to students.

The Committee felt that the FY10 fees request from SUA was acceptable and justified, except for their request that student fees fund 100% of the increase in FY10 Fringe Benefits (FB) Rates. The Committee was first set to vote on the full amount requested, but during pre-vote discussion it was pointed out that SUA was asking for student fees to cover the full amount of their FY10 FB expense increase, equaling $101,093. Because student fees account for 51% of the SUA budget, it was decided that this percentage should apply to the FB cost increase. Thus, only 51% ($51,558) of the FB increase was granted for the operating budget.

The Committee therefore approves a total of $5,226,557 for the Student Unions and Activities Operating Fee in FY10. This is the full amount requested, sans 49% of the Fringe Benefit Rate Increase.
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**Unit:** Student Unions and Activities  
**Fund:** Operating  
**Fiscal Year:** 2010-2011  
**Amount Requested:** $5,371,873  
**Initial Recommendation:** $5,322,388  
**Final Recommendation:** $5,322,388  
**Vote (Yes/No/Abstain):** 7/0/0

**Majority Rationale:**

The Committee believes the Student Unions and Activities (SUA) Operating budget is a fiscally responsible one. The Committee also believes that the services and amenities provided by SUA are important to the University of Minnesota’s student population.

The Committee deducted $49,535 from the FY10 SUA Operating Fees allocation to fund the Fringe Benefit Rate increase at what was voted an appropriate level. Because the prior year base allocation is used as a starting point for SUA Operating Fees budget request, the FY11 request began $49,535 less than originally planned.

Thus the Committee approves a total of $5,322,388 for the Student Union and Activities Operating Fee in FY11. This is the full amount requested for FY11, minus the adjustment from FY10.
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**Unit:** Student Unions and Activities  
**Fund:** Capital, Depreciation and Maintenance  
**Fiscal Year:** 2009-2010  
**Amount Requested:** $724,207  
**Initial Recommendation:** $724,207  
**Final Recommendation:** $724,207  
**Vote (Yes/No/Abstain):** 6/0/1  

**Majority Rationale:**  
The Committee voted to fund the full amount requested from Student Unions and Activities for capital, depreciation and maintenance. The Committee understands the need for funds to keep Student Unions and Activities’ facilities and equipment in a high state of repair. The Committee appreciates that Student Unions and Activities has not raised the amount they ask for in this category for many years, though some concern was expressed that Student Unions and Activities does not fully depreciate all of its assets, and therefore this amount may not be enough to cover all repairs and replacements in the future.  

Committee members also expressed concerns about some of the items on the Capital Request List provided for 2010. The Committee members understand that upgrades to certain technologies are necessary, especially for areas that are rented out to earn income for Student Unions and Activities. However, Committee members questioned the replacement of some technologies that are only a few years old and not used for highly technical purposes, such as the installation of LCD TVs in the elevator lobbies. The Committee understands that it is not our place to interfere with the operational decisions of the administrative units, but asks that Student Unions and Activities consider the Committee’s and other university students’ opinions as to the necessity of certain capital expenditures during this difficult financial time.
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Unit: Student Unions and Activities
Fund: Capital, Depreciation and Maintenance
Fiscal Year: 2010-2011
Amount Requested: $724,207
Initial Recommendation: $724,207
Final Recommendation: $724,207
Vote (Yes/No/Abstain): 6/0/1

Majority Rationale:

The Committee voted to fund the full amount requested from Student Unions and Activities for capital, depreciation and maintenance. The Committee understands the need for funds to keep Student Unions and Activities’ facilities and equipment in a high state of repair. The Committee appreciates that Student Unions and Activities has not raised the amount they ask for in this category for many years, though some concern was expressed that Student Unions and Activities does not fully depreciate all of its assets, and therefore this amount may not be enough to cover all repairs and replacements in the future.

Committee members also expressed concerns about some of the items on the Capital Request List provided for 2010. The Committee members understand that upgrades to certain technologies are necessary, especially for areas that are rented out to earn income for Student Unions and Activities. However, Committee members questioned the replacement of some technologies that are only a few years old and not used for highly technical purposes, such as the installation of LCD TVs in the elevator lobbies. The Committee understands that it is not our place to interfere with the operational decisions of the administrative units, but asks that Student Unions and Activities consider the Committee’s and other university students’ opinions as to the necessity of certain capital expenditures during this difficult financial time.
Unit: Student Unions and Activities  
Fund: Bond Repayment  
Fiscal Year: 2009-2010  
Amount Requested: $3,716,516  
Initial Recommendation: $3,716,516  
Final Recommendation: $3,716,516  
Vote (Yes/No/Abstain): 7/0/0  

Majority Rationale:

Given that the Committee can only alter this funding request amount under extraordinary circumstances, the Committee has voted to approve the amount requested in full.

Note: See Regents policy for “Student Services Fees,” Sec. IV, Subd. 6, “Capital Improvements.”
Unit: Student Unions and Activities
Fund: Bond Repayment
Fiscal Year: 2010-2011
Amount Requested: $3,716,516
Initial Recommendation: $3,716,516
Final Recommendation: $3,716,516
Vote (Yes/No/Abstain): 7/0/0

Majority Rationale:

Given that the Committee can only alter this funding level under extraordinary circumstances, the Committee has voted to approve the amount requested in full.

Note: See Regents policy for “Student Services Fees,” Sec. IV, Subd. 6, “Capital Improvements.”
Unit: Summer Cultural Programs

Note: Off-Year budget review only; no vote involved.

Overview:

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 been prudent in coping with various fiscal concerns. The committee continues to support the previously approved funding request of $75,000 for fiscal 2009-2010. In addition, the Committee wishes to provide some comments/recommendations related to the unit’s fiscal position.

Background:

The Office of Evening Classes and Summer Session provides oversight of the unit. SCP receives student fee funding only from students enrolled in a summer term. Variations in the summer enrollment multiplier mean that the amount of fee revenue actually received can vary significantly each year from what was approved by the committee.

Fiscal Comments:

• The Committee appreciates the unit’s efforts to cope with reduced revenue. These efforts have included a renegotiation with Northrop Auditorium, and supplementary funding from the Office of Student Affairs.

• The unit recently purchased a new bandstand, which accounts for their current low level of reserves. Levels of reserves have been a concern to past committees.

• Future committees are advised to work closely with SCP in finding a cost-effective storage solution for their equipment while Northrop undergoes renovation.

• The committee asks SCP to investigate the possibility of charging a fee to other units/colleges that benefit from SCP’s services. For example, colleges are currently not charged for using SCP’s tents at graduation ceremonies.
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Unit: University Student Legal Service (USLS)

Fund: Operating

Fiscal Year: 2009-2010

Amount Requested: $1,076,000

Initial Recommendation: $1,076,000

Final Recommendation: $1,076,000

Vote (Yes/No/Abstain): 7/0/0

Majority Rationale:

The Student Fees Committee appreciates the University Student Legal Services attempt to provide more services at less of a cost to students. The Committee voted unanimously to fund the USLS for the full amount, $1,076,000, requested for the 2009-2010 fiscal year. Also, the committee appreciates the efforts of USLS to be fiscally responsible, in this economic climate it is a refreshingly responsible approach to business. The University Student Legal Services stated in their request that if they incurred any increase to salaries for their employees they would seek these funds in their reserve.* The committee compliments University Student Legal Services example-setting actions. This action enables University Student Legal Services to keep their Student Services Fees Request flat for the next two fiscal years.

*see page 19 Line 25 of the University Student Legal Services Fees Request 2009.
Unit: University Student Legal Service (USLS)

Fund: Operating

Fiscal Year: 2010-2011

Amount Requested: $1,076,000

Initial Recommendation: $1,076,000

Final Recommendation: $1,076,000

Vote (Yes/No/Abstain): 7/0/0

Majority Rationale:

The Student Fees Committee appreciates the University Student Legal Services attempt to provide more services at less of a cost to students. The Committee voted unanimously to fund the University Student Legal Services for the full amount, $1,076,000, requested for the 2001-2011 fiscal year. Also, the committee appreciates the efforts of University Student Legal Services to be fiscally responsible, in this economic climate it is a refreshingly responsible approach to business. The University Student Legal Services stated in their request that if they incurred any increase to salaries for their employees they would seek these funds in their reserve.* The committee compliments University Student Legal Services example-setting actions. This action enables University Student Legal Services to keep their Student Services Fees Request flat for the next two fiscal years.

*see page 19 Line 25 of the University Student Legal Services Fees Request 2009.