



HUMBOLDT STATE UNIVERSITY

Office of the President

19 April 2019

Jazmin Sandoval

Chair, Student Fee Advisory Committee and President, Associated Students, Inc.

Dear Jazmin:

Thank you for providing the results of the Student Campus Union (Student Body Center) Fee Referendum. Congratulations on the impressive turnout you had for this vote. With a majority of both students who voted in the referendum and the members of the Student Fee Advisory Committee (SFAC) supporting the fee increase, I approve the increase with the following modification.

Following the recommendation of the SFAC, I approve raising this fee over two academic years, as outlined below. This phased implementation recognizes the already-approved phased increase in the Student Health Center and Health Facility Fee and the importance of minimizing year-to-year impact of fee increases to students who are already managing fiscal challenges.

Academic year	Total fee	Fall/Spring semester
2018-19	\$185	\$93/\$92
2019-20	\$246	\$123/\$123
2020-21	\$306	\$153/\$153

After the recommended increase is fully implemented in 2020-21, the fee will be eligible for consideration for adjustment by the Higher Education Price Index (HEPI) beginning in 2021-22. To increase the fee by HEPI, the University Budget Office, in collaboration with University Center, will provide an analysis and justification to the SFAC as early as possible in the spring semester; SFAC will then forward its recommendation to the President for approval.

I understand that Sandy Wieckowski, Jenessa Lund, and Kay Libolt will be consulting in the near future about addressing potential changes in the policy and description of responsibilities of the Student Fee Advisory Committee.

Sincerely yours,

Lisa A. Rossbacher, Ph.D.
President

**Cc: Amber Blakeslee, University Budget Office
Wayne Brumfield, interim Vice President for Student Affairs
Doug Dawes, Vice President for Administration and Finance
Dave Nakamura, University Center
Sandy Wieckowski, Student Financial Services**

Student Fee Category: Category II (Mandatory campus fees) Category III (Course fees)

In accordance with the provisions of the California State University (CSU) Executive Order 1102, the President is responsible for assuring that appropriate and meaningful consultation occurs prior to adjusting any Category II or III fees and must consult with the campus fee advisory committee prior to establishing or adjusting these fees.

To facilitate this process, please provide the information requested below.

Required documents for submission of proposal:

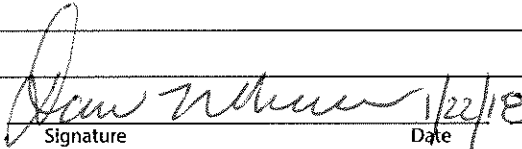
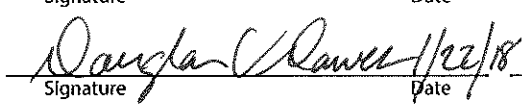
Part 1 - Fee Request Form for appropriate fee category, signed by Requestor, Dean/Director and the divisional Vice President

Part 2 - Fee Request Narrative

Part 3 - Financial Data Sheet

I.	Request to:	<input type="checkbox"/> ESTABLISH a Campus Fee	<input checked="" type="checkbox"/> ADJUST a Campus Fee
II.	Name of Fee:	Student Union Fee	
III.	Current Fee:	\$ 185	per Semester
	Proposed Fee:	\$ 220, 235, 250 plus inflation %	per Semester
IV.	Proposed Effective Date:	Fall 2018, 2019, 2020 Respectively	

Routing Order:

1. Submitted by:	Dave Nakamura		1/22/18	x6004
	Dept. Representative Name	Signature	Date	Phone
2. Approved by:				
	Dean / Director Name	Signature	Date	Phone
3. Approved by:	Douglas Dawes		1/22/18	
	Vice President Name	Signature	Date	Phone
4. Approved By:	Sandra Wieckowski			
	Manager, Student Financial Services	Signature	Date	Phone
5. Recommended by:				
	Chair - SFAC	Signature	Date	Phone
	<input type="checkbox"/> Recommend approval <input type="checkbox"/> Recommend approval w/modification <input type="checkbox"/> Recommend Denial			
	Comments from SFAC (if needed)			
5. Reviewed By:	Lisa A. Rossbacher			
	President	Signature	Date	Phone
	<input type="checkbox"/> Fee Approved <input type="checkbox"/> Fee approved with modifications <input type="checkbox"/> Fee Denied			
	Comments from the President (if needed):			
7. Form with President's signature sent to Manager, Student Financial Services.				

For questions regarding fees proposal, call Sandra Wieckowski, 826-4937.

1. Clearly list all assumptions used when creating this proposal.

The University Center is proposing a fee adjustment for the Student Union Fee. The Union Fee has not increased since 1987, and the Student Recreation Center Fee has not increased since its inception in 2001. Since those times the cost of providing programs, paying wages, and maintaining equipment and facilities has risen dramatically. According to the Higher Education Price Index (HEPI), cumulative inflation since 2001 is 49%, and a whopping 103% since 1987. In addition, both of these fees are amongst the lowest, if not THE lowest, in the CSU system. The average union fee in the system is \$446, the current UC fee is 41% of this average.

2. Clearly state the expenditures that will be funded by this proposed revenue source.

The proposed revenue will support current student programs, access to facilities and other program support that the UC currently performs for the campus. Center Activities and CenterArts are the primary areas that will be negatively affected by limited funding going into the future. These programs provide important recreation, student leadership, performances and event management for the campus. Many HSU programs are supported directly or indirectly by UC Operations, this is especially true for Clubs & Activities, and Associated Students. Many academic departments, campus functions and more also receive support from UC Operations.

3. Clearly state the reason(s) why this fee or fee increase is necessary (include references to executive orders, CA law, etc.)

The primary reasons are ever increasing operational costs that include:
 Significant increases in the California minimum wage - The UC employs over 800 hourly employees over the course of an academic year. The upcoming minimum wage increase to \$15 an hour by 2022 will result in a rise of \$1 million in student hourly wages alone.
 Wage / Benefit Increases - The rise in the minimum wage also creates upward pressure on salary wages. In addition, the costs for employee benefits such as retirement and health insurance continues to escalate.
 Equipment Renewal - There is a significant amount of equipment that will need replacement over the coming years. One example is exercise equipment in the Student Recreation Center, a large percentage of which was put into service more than ten years ago and is past its expected life span.
 Deferred Maintenance - The UC is financially responsible for maintenance of the UC building itself. The current estimate is that there is over \$9 million in facility renewal and deferred maintenance projects that could be done over the next ten years. Some of the larger projects are critical systems such as elevators for access, fire alarm and suppression for safety, and HVAC controls for energy efficiency. There are also many smaller renewal projects that could support program efficiency such as the Clubs and AS office areas.

4. Clearly articulate why the level of fee proposed is the appropriate amount to charge.

The five-year financial projections for the UC clearly show that erosion in purchasing power will eventually make it impossible to maintain student programs, student employment, and wages at their current levels. These projections were closely reviewed in the Fall by the UC Finance Committee and the UC Board of Directors. The amount for the proposed increase was carefully considered from a long term financial standpoint, needs for future program and facility development, and the desire to propose the lowest possible fee while maintaining the financial viability of the organization.
 In addition to deferred maintenance projects, over the next 3 -5 years the campus will be planning a number of projects that the UC will likely be involved with for both capital funds and programmatic support. An example includes new initiatives directly supporting student organizations. This will be especially critical as many of these programs are housed in older buildings that are slated to be retired and the desire to co-locate programs in order to increase collaboration and efficiency. Potential new Housing development will require an unknown financial commitment from the UC for new Dining venues and other infrastructure. Financial flexibility created by the fee increase will allow the UC to have financial reserves to support these future campus improvements.

5. Time line Information:

At its December 2017 meeting, the University Center Board of Directors unanimously approved a motion to propose a fee adjustment using a gradual three year model. This proposal is an annual adjustment of \$35, \$50, and \$65 per semester beginning in Fall 2018, plus an annual inflation increase using the HEPI Index.

Name of Fee: Student Union Fee

Current Fee	Proposed fee		
	Year 1	Year 2	Year 3
185	227	248	271

Current # of participants	Estimated # of participants that will be assessed this fee		
8,024	7,623	7,775	7,931

Fiscal year	Historical Data (for fee increase proposal)	Prospective Data (2 years for fee increase; 3 years for new fee)		
	2017-18	2018-19	2019-20	2020-21

Fee Adjustment Proposal: Enter ONE complete year of historical actual revenue and expenditure data and TWO years of prospective data.
 New Fee Proposal: Enter THREE years of prospective revenue and expenditure data.

Fee Revenue Type:

Student Union Fee	970,000	1,227,326	1,431,358	1,648,046
Program Revenues and Other	2,127,180	2,090,995	2,153,725	2,218,337
Total Revenue: \$	3,097,180	3,318,321	3,585,083	3,866,383

Expenditure Type: (List typical categories of expenditure costs that the fee proposed will cover - salaries, travel, supplies, rental of meeting room, etc.)

Salary and Wages	1,465,490	1,568,074	1,677,840	1,795,288
Payroll Taxes and Benefits	522,630	548,762	576,200	605,010
Building, Equipment and Other Occupancy	477,500	491,825	506,580	521,777
Supplies and Services	287,380	296,001	304,881	314,028
Instructor & Artist Fees	729,000	750,870	773,396	796,598
Other and Miscellaneous	80,220	82,627	85,105	87,659
Total Expenditures: \$	3,562,220	3,738,159	3,924,002	4,120,360
Net (Revenue minus Expenditures)	-465,040	-419,838	-338,919	-253,977

Please note below the chartfield string where the existing revenue fee and actual expenditures are recorded for this program.

FUND	DEPT ID	PROGRAM	CLASS	PROJECT

Objective Statement & Rationale Statement

Statements in Support of the Campus Union Fee Increase

1. The fee will be used to partially support operations and maintenance of the University Center (UC) facilities and programs. This includes many high-profile student programs such as Center Activities, the Student Recreation Center, the Recreation & Wellness Center, CenterArts, and the University Center building and operations.
2. The current Campus Union Fee has not been adjusted since 1987 and the Student Recreation Center Fee has not been adjusted since 2004. The effects of general inflation and rising labor costs make this an unsustainable financial model.
3. The current Campus Union Fee is the 3rd lowest in the 23-campus California State University (CSU) system. If approved, the fee of \$306 per year will still be significantly lower than the 2018-19 CSU system average of \$466.
4. Many other campus programs and departments are supported by the UC through direct support or facilities that the UC operates. Examples include: Athletics, Sport Clubs, Intramurals, OhSNAP! student food program, Health Center Peer Education, Academic classes, Clubs & Activities, Associated Students, AS Presents, and various campus departments.
5. The fee proposal has been fully vetted and supported by the University Center Board of Directors and UC Finance Committee, both of which have significant student representation.
6. UC programs and facilities aid the campus in recruitment and retention of students, staff and faculty.

7. There are a significant amount (more than \$9 million) of critical deferred maintenance projects within the UC building that the organization is financially responsible for.

Statements against the Campus Union Fee Increase

1. Increasing the cost of attendance decreases the affordability of higher education and may add to issues surrounding basic needs and student loan debt.
2. College education should be better supported by the State of California budget rather than student fees.
3. Students who don't involve themselves with UC programs and facilities may benefit less from the proposed fee adjustment.

Rationale Statement

Description and Rationale

The University Center (UC) is proposing a fee adjustment for the Campus Union fee. The Union Fee has not increased since 1987, and the Student Recreation Center Fee, which also supports UC facilities, has not gone up since its inception in 2001. Since then, the cost of providing programs, paying wages, and maintaining equipment and facilities has risen dramatically. According to the Higher Education Price Index (HEPI), cumulative inflation since 2004 is 43%, and a 107% since 1987. In addition, the UC fee is the third lowest in the CSU system. The current UC fee is 41% of the system average of \$446. Even with the proposed increase the UC would be well below the system average.

The University Center and its programs are central to student life on campus. The proposed revenue will fund current student programs, access to facilities and other program support that the UC currently performs for the campus. Center Activities, CenterArts, and UC Operations are the program areas that will be

negatively affected by limited funding going into the future. These areas offer many programs central to student life at HSU by providing recreation, student employment and leadership opportunities, performances and event management for the campus. These services are also critical for recruitment and retention of students, staff, and faculty.

In addition to offering its own high-quality recreation courses, Center Activities manages the Student Recreation Center, the Recreation & Wellness Center, and the Humboldt Bay Aquatic Center. These facilities help to support many student programs such as Athletics, Sport Clubs, Intramurals, Health Center programs (OhSnap!, Health Center Peer Education), Clubs & Activities, and academic courses.

CenterArts produces high quality cultural events including concerts, speakers, and special events. Also, CenterArts provides critical advice and production elements for AS Presents, technical expertise for programs all over campus, and ticketing and event management for academic departments and other campus organizations. Many HSU programs are supported directly or indirectly by UC Operations, especially Clubs & Activities and Associated Students. Many academic departments, campus functions and more also receive facilities support from UC Operations when using the Kate Buchanan Room and other areas in the UC, Nelson Hall East, and the UC Quad.

Purpose of the Increase

The primary reasons for the proposed Campus Union Fee adjustment are increasing operational costs that include:

Significant increases in the California minimum wage - The UC employs more than 100 student employees at any given time. The minimum wage will increase to \$15 an hour by 2022, a 20% increase over the current \$12 an hour and result in a rise of over \$100,000 in student wages alone.

Wage / Benefit Increases - The rise in the minimum wage also creates upward pressure on salary wages. Also, the costs for employee benefits such as retirement and health insurance continue to escalate.

Equipment Renewal - A significant amount of equipment will need replacement in the coming years. One example is exercise equipment in the Student Recreation Center, a large percentage of which was put into service more than 10 years ago and is likely past its expected lifespan.

Deferred Maintenance - The UC is financially responsible for maintenance of the UC building itself. The current estimate is more than \$9 million in facility renewal and deferred maintenance projects that could be done over the next 10 years. Some of the larger projects include critical systems such as elevators for access, fire alarm and suppression for safety, and HVAC controls for energy efficiency. There are also many smaller renewal projects that could support program efficiency in the Clubs and AS office areas.

Future Student Programming Facilities - The campus will likely undergo a significant change in student programs and facilities in the coming years. Some facilities that house student programs are past their useful life, and there's also a desire to co-locate programs for more synergy and efficiency. As plans develop, the UC must remain financially prepared to participate in projects that will meet these goals.

Communication Plan:

UC Board of Directors - February 7

Associated Students Board of Directors – February 11

Student Athlete Advisory Council – TBA

Sport Clubs General Meeting – February 26

Residence Halls Association –

Campus Open Forum – TBA

Student Affairs Council -

University Senate -