SFAC Recommendation

To: Mark R. Kennedy – President, University of North Dakota
From: Erik Hanson – Student Body President – Chairman, Student Fee Advisory Committee
CC: Kaieb Dshaak – Student Body Vice President, Dr. Cassie Gerhardt – Student Government Advisor, Dr. Tom Dilorenzo – Provost, Dr. Cara Halgren – VP for Student Affairs & Diversity, Jed Shivers – VP for Finance & Operations, Cindy Fetsch – Associate Director of Resource Planning & Allocation

The Student Fee Advisory Committee (SFAC) convened on Thursday, February 14th, 2019 to formulate a recommendation for the allocation of student fees for the 2020 fiscal year. Listed below is the committee’s detailed recommendation for each department that submitted a request for funding from student fees. The committee recommends a decrease in the per credit fee (maximum of 12 credits) from $44.00 to $39.20, a decrease of 7.83%. This recommendation includes a match for institutional merit-pool increases, up to 3.0% for student fee funded staff. This recommendation also includes funding for an anticipated increase in health insurance costs up to 13.0% for student fee funded staff. The recommendation was approved with unanimous consent from the committee with all members present and voting.

A major factor in the SFAC deliberations was the addition of the $14.00 per credit fee for the new Memorial Union beginning with the spring 2020 semester which students voted affirmatively to approve in November 2018. Student leadership educated students on the proposal by advocating that if the vote was in the affirmative, we would propose priority reductions to offset a portion of the increase in fees for the priority investment. From what would be a 31.81% increase, or a 23.64% increase after eliminating the Capital Reserve fund created last year, the committee worked to create a scenario that would reduce overall student fee funding to a level that would increase student fees by 15.00% in the Spring of 2020 when the fee for the new Memorial Union begins, the goal of student leaders at the start of planning for the $80 million Memorial Union project.

Certain recommendations for reductions from student fees were made with the intent to reduce the size of departmental budgets to align with student priorities. Others were made to support re aligning department funding from student fees to either tuition or appropriated dollars, based on their core purpose. The committee believes student fees should be used for the purpose of enhancing the lives of students through non-academic purposes; whereas, departments that enhance the academic opportunities of students should be funded utilizing other revenue sources.
Student Affairs & Diversity

- **Student Health Services:**
  - $1,720,727 Total Allocation
    - Reduction of $80,000 from base funding for FY20
    - Increase of $37,801 for staff merit-pool increases*
    - Increase of $6,804 for fringe benefit increases
    - Increase of $19,320 for anticipated health insurance increase**

- **Wellness & Health Promotions:**
  - $1,994,309 Total Allocation
    - Reduction of $10,000 from base funding for FY20
    - Increase of $19,424 for staff merit-pool increases*
    - Increase of $3,496 for fringe benefit increases
    - Increase of $21,252 for anticipated health insurance increase**

- **University Counseling Center:**
  - $1,233,945 Total Allocation
    - Reduction of $185,000 from base funding for FY20
    - Increase of $25,014 for staff merit-pool increases*
    - Increase of $4,503 for fringe benefit increases
    - Increase of $25,116 for anticipated health insurance increase**
  - While the committee voted to reduce the base funding, there was consensus that the
    department should cautiously approach any revenue generating models that may have
    adverse impacts on the overall mental health resources available to students on campus.

- **Memorial Union:**
  - $672,242 Total Allocation
    - Approved base funding for FY20
    - Increase of $9,152 for staff merit-pool increases*
    - Increase of $1,647 for fringe benefit increases
    - Increase of $7,728 for anticipated health insurance increase**

- **Student Diversity & Inclusion:**
  - $490,897 Total Allocation
    - Reduction of $88,182 from base funding for FY20
    - Increase of $6,536 for staff merit-pool increases*
    - Increase of $1,176 for fringe benefit increases
    - Increase of $3,864 for anticipated health insurance increase**
• Student Involvement & Parent Programs:
  o $561,911 Total Allocation
    ▪ Increase of $18,329 to base funding for FY20
      ▪ Based on request for inter-departmental reorganization
    ▪ Increase of $8,841 for staff merit-pool increases*
    ▪ Increase of $1,591 for fringe benefit increases
    ▪ Increase of $11,592 for anticipated health insurance increase**

• Office of Student Rights and Responsibilities:
  o $93,044 Total Allocation
    ▪ Approved base funding for FY20

Finance & Operations

• Athletics:
  o $3,473,962 Total Allocation
    ▪ Approved base level funding for FY20
    ▪ Rejected request for additional $138,958 corresponding to the annual rate of
      increases in tuition
  o The committee recommends that Athletics no longer come to SFAC with an anticipated
    increased request at the level of tuition increases as they are the only department that
    operates like this. The only expenses that go up directly at the rate of tuition are student-
    athlete scholarships, which are not in the purview of student fees; therefore, we
    recommend that the base level requests stop including an increase relative to the rate of
    tuition moving forward.
  o The committee also recommends that Athletics continue to seek opportunities for reductions
    of student fees to better match peer institutions’ student fee requests. We further
    recommend assessing the potential cost savings that may be recognized in the coming
    fiscal year due to conference changes, and potentially use this as an opportunity to better
    align student fee requests with those peer institutions. This is not a recommendation to
    lower funding levels of Athletics overall budget in the future; rather, to shift the burden to
    other revenue sources.

• Shuttle Bus Service:
  o $269,780 Total Allocation
    ▪ Approved base funding for FY20

• DSS Shuttle:
  o $12,580 Total Allocation
    ▪ Approved base funding for FY20
• Student Fee (bad debt, collection fees, etc.):
  o $160,000 Total Allocation
    ▪ Reduion of $100,000 from base funding for FY20
    ▪ Based on request from Resource Planning & Allocation Department

Academic Affairs

• Career Services:
  o $341,283 Total Allocation
    ▪ Reduction of $141,107 from base funding for FY20
    ▪ Increase of $5,287 for staff merit-pool increases*
    ▪ Increase of $952 for fringe benefit increases
    ▪ Increase of $5,796 for anticipated health insurance increase**
  o The committee recommended this reduction to refine the existing structure of Career Services to better align with student priorities. Many services being offered by Career Services were found to be offered by other segments of campus and many suggestions for cost savings, efficiencies, and innovative opportunities were addressed during the conversation that led to this recommended reduction.
  o There was no recommendation from the committee for this reduction to be covered by other revenue sources.

• Chester Fritz Library:
  o $0 Total Allocation
    ▪ Complete reduction of $340,527 from base funding for FY20
  o The committee demonstrated consensus that while the library is an important aspect of the University and its educational mission, it is strictly academic in nature; therefore, it should no longer be funded by student fees.
  o The committee did acknowledge and recommend that the library being funded adequately is still a priority for students as it pertains to goal 4 of the One UND Strategic Plan, but that it should be prioritized via other revenue sources.

• Writing Center:
  o $18,841 Total Allocation
    ▪ Approved base funding for FY20

Student Government

• Student Government:
  o $517,582 Total Allocation
• Reduction of $4,593 from base funding for FY20
  • Based on request from department

• Dakota Student:***
  o $55,388 Total Allocation
    • This is a Student Government contract; therefore, no changes can be made by SFAC
    • Total enrollment x $0.08 x 50 issues
    • Recommend Student Government assess this contract and the number of issues being made per year

General & Bond Funds

• Capital Reserve:
  o $0 Total Allocation
    • Complete reduction of $1,096,788 from base funding for FY20

• Student Union Bond (Old):***
  o $359,370 Total Allocation (Approximate)
    • Student Government resolution for $1.21 per credit

• Wellness Fee Bond:***
  o $1,354,320 Total Allocation (Approximate)
    • Student resolution for $4.56 per credit

• Memorial Union Bond (New):***
  o $2,079,000 Total Allocation (Approximate)
    • Student resolution that is implemented in Spring 2020 at $14.00 per credit****

• Technology Fee (Approximate):***
  o $1,782,000
    • Mandatory Fee for $6.00 per credit

• Connect ND Fee (Approximate):***
  o $1,633,000
    • Mandatory Fee for $5.50 per credit

• North Dakota Student Association Fee (Approximate):***
  o $11,880
    • Mandatory Fee for $0.04 per credit

Total Recommended Student Fee Allocations

• $11,616,791 Total Allocation
  o Reduction of $2,169,062 from base funding for FY20 (7.83% decrease)
- Reduction of per credit rate (maximum of 12 credits) from $44.00 to $39.20
- Includes merit-pool increases matching the institutional merit-pool increases up to 3.0%
- Includes funding insurance rate increases at an estimated 13.0%
- This total allocation is set to change in the Spring 2020, with an additional $2,079,000 (approximate) with the additional $14.00 per credit fee charged for the new Memorial Union (15.00% increase)

* - Calculated based on 3.0% merit-pool funding. We approved funding equal to the institution’s merit-pool increases, capped at 3.0%, pending both legislative and institutional budgeting decisions.

** - Calculated based on an estimated 13.0% increase in the health insurance costs for FY20.

*** - Mandated fees that SFAC can not change.

**** - Pending Legislative Approval.

***** - All estimates based on projected 297,000 total credit hours, reduced from 305,000 in FY19.

******* - All merit-pool, fringe benefit, and insurance costs calculated using best estimates from the respective Vice President overseeing the department in coordination with our Associate Director of Resource Planning & Allocation.

******** - All per credit estimates are capped at 12 credits per semester.

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Erik Hanson
Student Body President

Mark R. Kennedy
UND President