

Montana State University
Student Facilities Enhancement Project (SFEP) Supplemental Information
June 18, 2009

Student Involvement and Benefit

- There has been a high level of student involvement in all phases of conception, authorization, project development, design and monitoring. Student administrations from 2003 through 2009 have been primary sponsors in each major project milestone and design decision, including recent operations and maintenance discussions.
- The original project was approved after significant student communications. See website regarding this project, complete with student forum information, at <http://www.montana.edu/subrenovation/index.php>
- With the proposed \$6.60 per semester increase in 2010, SFEP fees will cost a student approximately 30% of the student-discounted price at the only comparable area health and fitness facility.¹
- Significant facility usage has been demonstrated, with 2500 individuals using the renovated facility per day in peak season².
- The old facility was badly in need of repair. Students feel strongly that the current facility should be maintained at a higher level than that of the old facility, with a responsible level of repair & maintenance that does not defer costs to future student populations.
- Students were presented with a detailed study of the various levels of repair and related fees, summarized below:

	Option 1	Option 2	Option 3	Option 4	
Additional Annual Funding	\$720,394	\$539,778	\$243,945	\$84,415	
Ramp Up in 4 Years	\$8.44	\$6.32	\$2.86	\$0.99	<i>Options are described below</i>
Ramp Up in 6 Years	\$5.63	\$4.22	\$1.91	\$0.66	
Ramp Up in 8 Years	\$4.22	\$3.16	\$1.43	\$0.50	
<i>(Utilities cost escalation was calculated for FY 11, and the final proposal was leveled at \$6.60 per year rather than less in 10 and higher in 11).</i>					

1. Funding would allow longer term repair and renovation so at the end of thirty years they would have a building that would look new and crisp with renovated areas throughout the building.
2. **Funding would allow longer term repair and maintenance to occur on an as needed basis; at the end of thirty years the look and feeling of the building would be similar to what it is today- replace floor coverings as needed, etc.**
3. Funding would allow annual maintenance but defer large scale maintenance projects (roof replacement, etc.) to the end of thirty years.
4. Funding would cover custodial and cleaning needs but does not include any Annual or Long Term Maintenance elements.

Factors Leading to the Need for an Increased Fee

- The original student referendum and board item provided for fees and other sources of revenue adequate to fund debt service to maturity, as well as an operations & maintenance fee ramping-up by \$3 per semester per year³, which at the time was intended to cover day-to-day maintenance at the university's standard levels.
- Significant changes have occurred since that time, requiring us to re-visit necessary funding models.
 - Cost increases related primarily to utilities and staff benefits (health insurance and custodial wages) have significantly increased as compared with the original cost estimates.
 - Legislative auditors recommended that Auxiliary Services develop a building operations agreement for the Strand Union Building, ensuring that the State, students, and other stakeholders bear their fair share of costs for multi-use buildings. Such a study was performed, and the methodology was then applied to the Student Facilities building with a study finalized in February 2009⁴.
 - All entries are tracked using swipe-cards. A detailed usage study was performed, indicating significant student usage (70%) as compared with instructional and event usage (30%), providing a base upon which expenses could finally be fairly allocated.
 - As described above, students feel strongly that the facility should be adequately maintained by those using the facility, rather than defer more significant maintenance projects to the end of the building's life.

¹ Student price for The Ridge Athletic Club, \$55 per month as of June 2009

² Usage statistics per Director of Recreational Sports & Fitness, February 2009 usage as reported by the CatCard

³ Item 123-2002-R0504

⁴ November 2000 Legislative Audit Division, Performance Audit—University Facilities Management (Physical Plants)

**Montana State University
Strand Union Fee Supplemental Information
June 18, 2009**

Student Involvement and Benefit

The renovation of the Student Union Building (SUB) was conducted as one project with the renovation of the Health and Fitness Center, and was discussed with students at a very detailed level. See detailed description and student information at <http://www.montana.edu/subrenovation/index.php>.

Factors Leading to the Need for an Increased Fee

Based on the recommendations of the Legislative auditors⁵, the Strand Union has in place a building operating agreement with the Office of Faculties Services to assure the parties involved that the usage by a state funded operation of a student owned building that proper value is exchanged. With the renovation of the SUB now complete, the two parties will again review building usage and operational costs during the 2009-2010 academic year to ensure an up-to-date usage and cost allocation plan is on file.

The SU fee consists of two components. The first component of the proposal entails a ramp-up of the existing operations and maintenance (O&M) fee to provide for O&M of new space taken over by the students in the renovation of the Student Union Building (SUB). Students had not previously used space that was then occupied by the department of Media and Theater Arts (MTA). The MTA instructional activities were re-located, and the students took over additional square footage in the SUB for a theater and lounge area. As such, a portion of the fee increase covers costs associated with the additional square footage.

The second component of the proposal provides for inflationary increases to the existing fee. The primary source of operational funding for the SUB is the student fee in question. The SUB is anticipating the following major expenditure category increases:

Category	FY10 % Increase	Expenditure Base	Dollar Impact	FY11 % Increase
Classified Salaries	1.25%	\$457,364	\$5,717	0.5%
Health Insurance	8.63%	\$135,985	\$11,375	7.79%
Supplies	7.00%	\$71,796	\$5,026	6.00%
Utilities	5.37%	\$376,675	\$20,227	3.25%

To combat the anticipated increases, a \$0.10 per credit, or \$1.20 for a full time student, is proposed for each year of the biennium. This translates to a 3.08% for FY2010 and 2.98% for FY2011.

⁵ 2000 Legislative Audit Division, Performance Audit—University Facilities Management (Physical Plants)

Montana State University
Student Organization Fee Supplemental Information
June 18, 2009

Student Involvement and Benefit

Over 3800 students avail themselves of participation in the 145 active student clubs and organizations, enabling them to be involved in a sport/interest/philanthropy that suits their interests and builds a sense of community. The \$3 per semester Student Organization fee was voted upon by the student body after discussion regarding the benefits that such a stable funding source would provide.

In *not* funding our students, we are penalizing ourselves. Clubs and organizations are a large tool in recruitment and retention of any college student. When students come from a high school setting that is full of activity, they expect to have infrastructure that accommodates their enthusiasm. A college experience goes far beyond the classroom setting. By not allowing our students the ability to get involved, we are creating our own shortfall.

The student election results approving the fee were as follows:

- Passed 62% in favor, 38% opposed, with 2,327 students voting
- The 24% turnout was one of our largest voting populations in ASMSU history.
- We have continued support for this fee and have compiled letters from individuals and organizations supporting this funding source, which are available for review.

Comparable Fee Analysis

Montana State University is significantly underfunded for student organizations, when placed alongside comparable universities:

Institution	Student Headcount	# Student Clubs	FY 09 Funding	Fee
Boise State University, Boise	19,500	208	\$158,222	\$8.32
Idaho State University, Pocatello	13,000	160	\$99,900	\$8.32
Montana State University, Bozeman	11,700	145	* \$9,500	** \$3.00
University of Idaho, Moscow	11,000	200	\$75,000	-
University of Montana, Missoula	13,000	150	\$115,000	\$9.50
University of Wyoming, Laramie	12,000	200	\$125,000	\$10.00

* FY 09 Funding = (\$3,000 from Parent Family, \$6,500 from budget). This equates to \$.81 per student

** \$3.00 per semester per student as proposed—approximately \$70,000 per year.

Funding Alternative Discussion

Asking our student clubs and organizations to rely on fundraising limits their efforts to truly get involved in their club/organization of interest. Below are the difficulties faced by MSU students when fundraising is their primary source of income:

- MSU Foundation has limits on the amount of funds that students are allowed to raise. As recently as last year, a student-organization tried to petition to increase the amount that they would be allowed to raise.
- Student clubs and organizations are intended to get students involved in a sport/interest/philanthropy of their interest. When fundraising is their primary source of income, they spend their time raising money rather than getting involved in their area of interest.
- Students are incredibly busy and use clubs/organizations as an outlet to rebalance themselves. There is an opportunity cost to fundraising that does not always outweigh the benefit.
- There is only so much fundraising that our clubs and organizations can do. With 145 clubs (and over 3,800 students involved), our businesses become strapped for donations when the frequency of involved students is so high.