

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Name: Finance and Facilities Committee

Date: June 17, 2015

Title: Minnesota State Colleges Student Association Consideration of Fee Increase (Second Reading)

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Board policy 3.7 recognizes MSCSA as the designated student association for the colleges establishes the conditions for the association's ability to collect fee revenue to fund association operations. This per-credit fee is currently set at \$.31, meaning a full-time student at one of our colleges pays \$9.30 on an annual basis. This year, after a lengthy and detailed budget process that included three separate presentations to students at our January, March, and April conferences, the MACSA General Assembly adopted a budget for FY2015 that includes an increase in the per credit fee.
Board policy provides for the board to review and accept or revise the fee proposal after two readings.

Scheduled Presenter(s):

Kayley Schoonmaker, President, Minnesota State College Student Association
Matt Rubel, Treasurer, Minnesota State College Student Association

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

**Minnesota State Colleges Student Association
Consideration of Fee Increase
(Second Reading)**

BACKGROUND

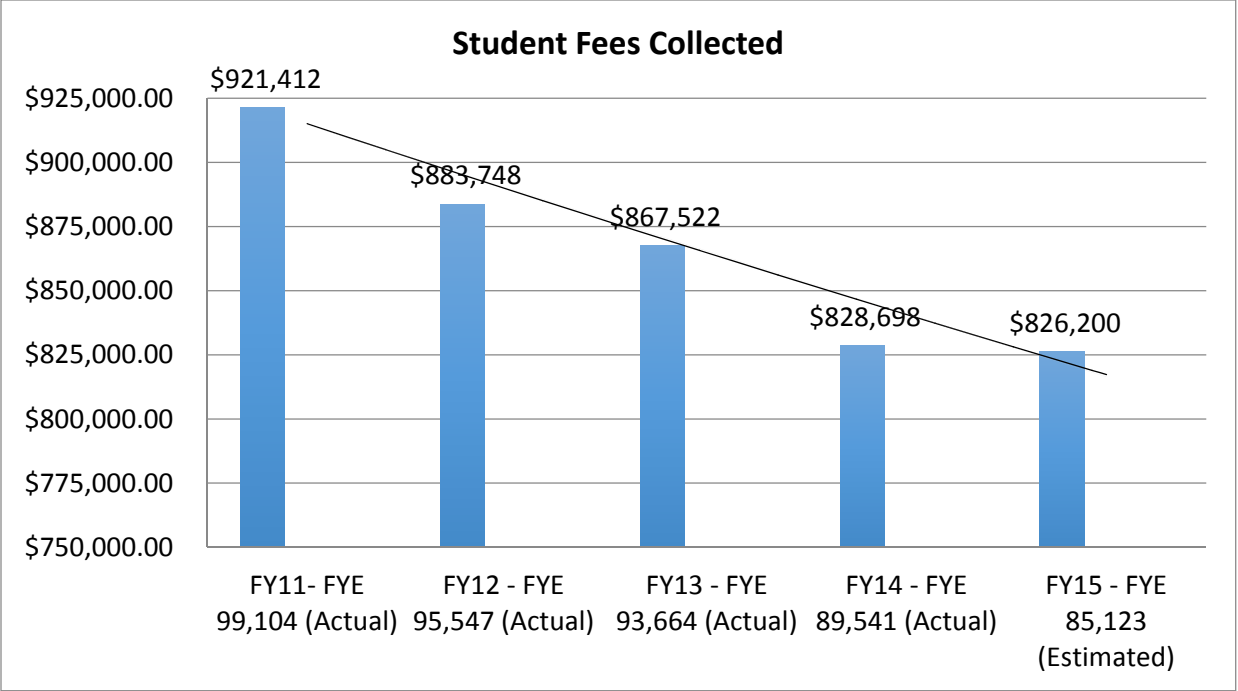
The Minnesota State College Student Association (MSCSA) was formed in 1998 when two previous student associations, the Minnesota Technical College Student Association and the Minnesota Community College Association merged. Both of these groups have a long history of student advocacy going back decades. Our mission is focused on providing an affordable, accessible, and quality higher education for the people of Minnesota.

In order to best work toward our core mission, we focus our efforts on four important areas of higher education:

- Advocacy on the campus, system, state, and federal levels including our annual advocacy day at the Minnesota State Capitol and a consistent presence on Minnesota State College and Universities system committees and councils.
- Leadership development training that builds students into effective leaders on their campuses and beyond graduation.
- Civic engagement through non-partisan voter registration work and helping students understand the mechanics of the electoral process.
- Scholarship programs that provide financial assistance to students and recognize their campus and community involvement. Over the past decade, we have increased our scholarship endowment from \$30,000 to \$350,000, and awarded over \$100,000 in scholarship funds to MnSCU students.

Minnesota Statutes 136F.22 dictates that there must be a single recognized statewide student association for the colleges. Board policy 3.7 recognizes MSCSA as that entity, and adopts language mirroring the statute's concerning the ability to collect fee revenue to fund association operations. This per-credit fee is currently set at \$.31, meaning a full-time student at one of our colleges pays \$9.30 on an annual basis. Historically, we have done everything possible to avoid increasing this fee and students have been paying the same amount for approximately a decade.

In recent years, declining enrollment across campuses has led our students to make significant changes to programming and operations. Over of the past several years, we have reduced expenditures significantly to meet our decreased revenues.



Throughout this year, we have consulted with students in a variety of ways regarding the proposed budget. MSCSA leadership presented at our January, March, and April conferences and heard feedback regarding the proposed budget and fee increase from students. At each of these presentations, students were allowed to ask questions and provide any feedback or ideas they had. In April, at our Spring General Assembly, nearly 300 students heard the presentation and the budget was approved by the GA with over 90 percent voting in favor. The increase will allow us to maintain current programming, staffing levels, and make strategic investments to better allow us to pursue activities core to our mission.

FEE INCREASE PROPOSAL

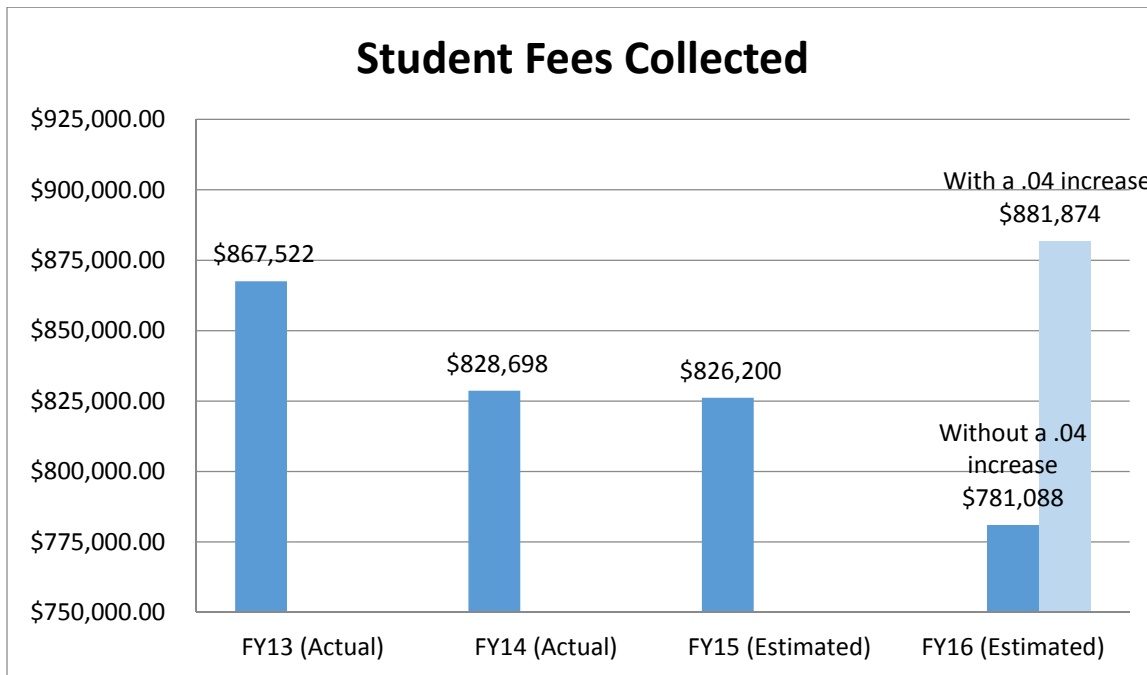
The budget approved by our General Assembly included an additional \$.04 in fee revenue. This would move the fee from its current level of \$.31 to \$.35 per credit. For a full-time student, this would be an increase of \$1.20 annually for a full-time student.

RATIONALE FOR THE INCREASE

In order to provide quality services, programming, and advocacy for our students, we believe the proposed \$.04 increase in our fee is a reasonable and fiscally responsible request. This increase is necessary due to falling revenues as a result of enrollment declines at Minnesota’s community and technical colleges.

Using the most recent enrollment projection (February 15) from the system office, we determined an estimated FYE for FY16 of 83,988. Using a total of 30 credits for each of these FYE, it means a total of 2,519,640 credits sold for the year. Without the \$.04 increase, our revenue would be \$781,088, or a decrease of \$45,112 from the previous year.

Using the same enrollment projections and adding in the additional \$.04 per credit (taking the per-credit fee from \$.31 to \$.35) our revenue would be \$881,874. As the numbers show, each \$.01 increases raises about \$25,000.



This increase allows us to make strategic investments and restore some previous reductions in our budget. Included in those are:

- Additional part-time staff to help boost our programming and fundraising efforts. Since the MnSCU Foundation was dissolved, MSCSA has taken on a number of new scholarship programs. In order to make all our scholarships as strong as possible, we need to supplement the work of our current development position. We're proud and excited to take on these new funds to continue our efforts to provide financial assistance to students across the state.
- Increasing the opportunities for internships in our office. These additional positions would also aid our daily work and create learning opportunities for students.
- Improved training for student leaders that includes both leadership and skill development

Beyond these new positions in our office, we would be able to maintain our current programming for the for-seeable future even with more enrollment declines expected. The proposed \$.04 increase will help us stay on solid footing until increases in enrollment boost our revenue. Based upon current MnSCU enrollment projections and strong fiscal management, we don't believe it will be necessary to seek another fee adjustment for a minimum of 5 years.

MSCSA student leadership has a long history of strong fiscal management and according to audited financial statements from FY2014, we have a cash balance in-line with non-profit guidelines. See **Attachment A** for historical, current and proposed budgets.

RECOMMENDED COMMITTEE MOTION

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees accepts the increase of the MSCSA fee from \$.31 to \$.35 per credit hour beginning fall semester 2015.

RECOMMENDED BOARD OF TRUSTEES MOTION

The Board of Trustees accepts the increase of the MSCSA fee from \$.31 to \$.35 per credit hour beginning fall semester 2015.

Date of Adoption: 06/17/2015

Date of Implementation: 07/01/2015

MSCSA FY 16 Budget Proposal

	FY 13 (Actual)	FY 14 (Actual)	FY 15 (Budgeted)	FY 16 (Budgeted with Fee Increase)
INCOME				
Student Fee Income	\$ 867,522	\$ 828,698	\$ 826,200	\$ 871,855
Other Income	\$ 27,094	\$ 16,854	\$ 25,525	\$ 17,220
TOTAL INCOME	\$ 894,616	\$ 845,552	\$ 851,725	\$ 889,075
EXPENSES				
Personnel	\$ 372,708	\$ 403,443	\$ 406,457	\$ 425,900
General & Administrative				
Services	\$ 39,643	\$ 37,526	\$ 42,500	\$ 55,000
Office Supplies	\$ 47,926	\$ 36,613	\$ 34,300	\$ 32,350
Student Fee Collection Cost	\$ 13,349	\$ 11,784	\$ 12,393	\$ 13,078
Technology	\$ 18,088	\$ 7,839	\$ 8,500	\$ 8,000
Depreciation Expense	\$ 26,058	\$ 29,288	\$ 26,000	\$ 27,700
Total General & Administrative	\$ 145,064	\$ 123,050	\$ 123,693	\$ 136,128
Building / Facility Expenses	\$ 45,760	\$ 23,295	\$ 17,234	\$ 17,500
Cabinet, Regional & Platform Reps				
Salaries and Wages	\$ 49,500	\$ 49,500	\$ 49,500	\$ 54,000
Student Stipends	\$ 18,392	\$ 19,420	\$ 20,160	\$ 20,160
Total Cabinet, Regional & Platform Reps	\$ 67,892	\$ 68,920	\$ 69,660	\$ 74,160
Student Program Expenses	\$ 121,054	\$ 113,104	\$ 125,500	\$ 133,000
Student Organizing	\$ 116,311	\$ 66,850	\$ 75,023	\$ 70,777
Restricted Fund Disb - Scholarship	\$ 9,100	\$ 10,400	\$ 10,400	\$ 12,000
TOTAL EXPENSES	\$ 877,889	\$ 809,062	\$ 827,967	\$ 869,465