



# University Union

## 2009 Fee Increase Request

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Presented by the

**Student Fee Advisory Committee**

California State University Sacramento, Spring, 2009

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# Welcome - Overview

- We are here to get your feedback
  - We will present you with the background info and ask your opinion and thoughts on this matter
  - Please get a name tag, and when you leave, turn it in to enter the door prize drawing for a new IPOD!
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# What Is Being Requested?

- The University Student Union is requesting a Consumer Price Index (CPI) increase to the Union fee currently charged to students
  - This increase would affect all students and is a mandatory campus fee (Category II)
  - CPI is an adjustment that gauges inflation and its impact on prices of products and services
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# Definition of CPI:

- **Consumer Price Index**
    - Accounts for inflation and its affect on prices
    - Determined monthly and quarterly, and then averaged for an annual CPI number
    - Annual number is determined February of each year
    - CPI rate varies by location
    - We use the San Francisco Area CPI calculation, prepared by the Bureau of Labor Statistics under the US Department of Labor
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# Original Union Fee

- Instituted in 1965 at the amount of \$3.00
  - Increased in 1992 to \$71.00
  - Has not increased since 1992 (17 years)
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# CPI Increase Only Covers Inflation

- If approved, starting in 2009 the CPI increase would be calculated every year and automatically raise the fee by that amount.
  - This CPI increase does not propose to cover expansion or increase of Union services
  - Adding a CPI increase allows the Union to maintain existing services
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# What your Union Fee Pays For

- All Services and labor in the Union Building, including:
    - ❑ Live Entertainment (music, comedy, specials, etc)
    - ❑ Meeting Rooms for clubs and organizations
    - ❑ Television / Music rooms / Study Rooms
    - ❑ Computers and internet access
    - ❑ Games Room
    - ❑ Food Court
    - ❑ Wages of employees, including many students
    - ❑ And more
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# 2004 Referendum

- Approved the Wellness / Recreation (WELL) Center, now under construction, completion expected in 2010
  - Will be operated by the Union and therefore the fee for it is added to the Union Fee, and includes an annual CPI increase in the language
  - The CPI increase applied only to the WELL, not to the original Union fee
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# 2009 Union Fee Increase Request

- This request is to apply the annual CPI adjustment to both parts of the Union fee instead of only the WELL portion.
  - If approved, this would likely result in approximately 3% annual increase in Fall 2009 beyond the \$71 already being collected.
  - How would this compound over the years? The next two slides will project into the future.
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# Fee Projections 2010 - 2020

	2009	2010	2011	2012	2013
Union	73	75	77	79	82
WELL	122	126	130	134	138
CPI	3%	3%	3%	3%	3%
<b>TOTAL</b>	<b>195</b>	<b>201</b>	<b>207</b>	<b>213</b>	<b>220</b>
	2014	2015	2016	2017	2018
Union	84.50	87	89.50	92	94.50
WELL	142	146	150	154.50	159
CPI	3%	3%	3%	3%	3%
<b>TOTAL</b>	<b>226.50</b>	<b>233</b>	<b>239.850</b>	<b>246.50</b>	<b>253.50</b>
	2019	2020	Based on 3% per annum average CPI increase  This is a close estimate		
Union	97	100			
WELL	164	169			
CPI	3%	3%			
<b>TOTAL</b>	<b>261</b>	<b>269</b>			

# History of CPI Increases

To try to predict what CPI will be, we use an average of the historical numbers to estimate the number

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
4.89%	4.5%	4.39%	3.33%	2.66%	1.64%	1.95%	2.30%	3.41%	3.17%
<b>10 year average 1990 – 1999 = 3.22%</b>									
2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.22	4.46	5.38	1.63	1.76	1.22	1.96	3.20	3.27	3.10
<b>10 year average 2000 – 2009 = 3.02%</b>									
<b>20 year average 1990 – 2009 = 3.21%</b>									
<i>Data obtained from the US Department of Labor - Bureau of Labor Statistics</i>									

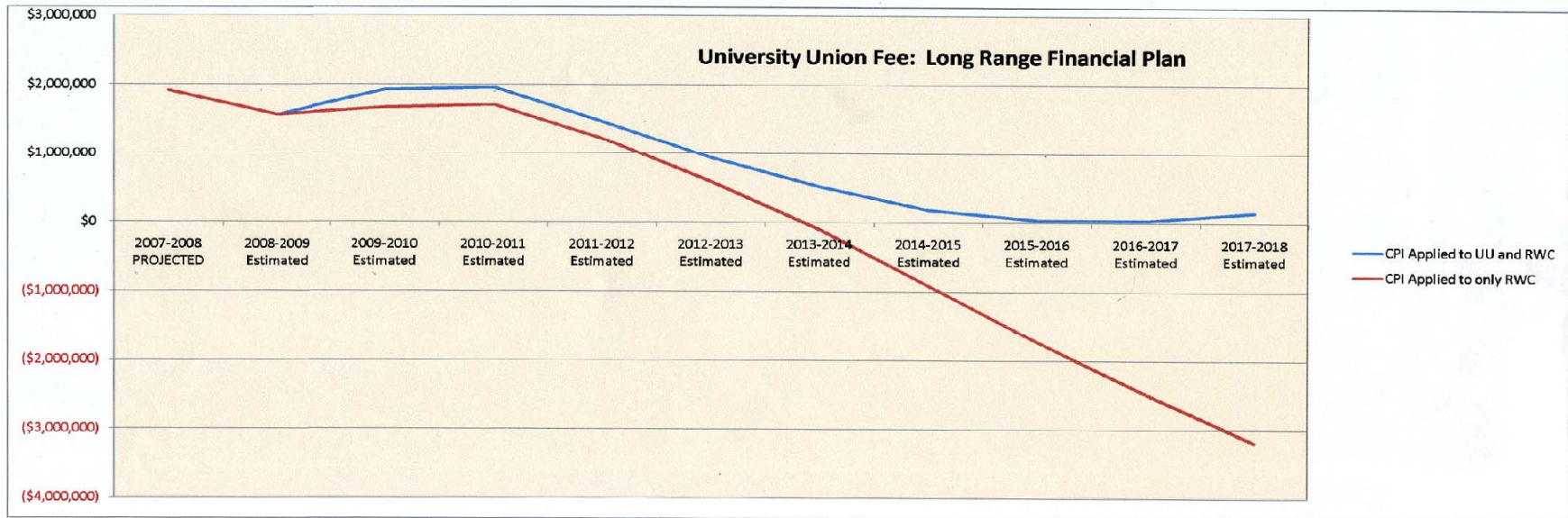
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# 2009 Fee Increase Request

- If approved, would implement the CPI increase starting in 2009 and would increase automatically every year based on the Bay Area prior calendar year CPI percentage
  - If denied, the Union portion of the University Union fee will remain at \$71, but the WELL portion of the fee will adjust with inflation annually
  - If denied, the Union projects some reductions in services or hours, or additional user fees may be necessary to stay within budget
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# Graph of Union Financial Projections

University Union Fee Comparison



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# Possible Changes to Union Services if the 2009 Request is Denied

- Reduce hours of Union operation. For example, open at 8am instead of 6:30am M-F or close at 9pm instead of midnight Sunday through Thursday
  - Raise facility fees to users (clubs, orgs, etc)
  - Reduce services and programs (concerts, comedy shows, movies, etc.)
  - Reduce employment opportunities
  - See handout of Pros and Cons
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# Union Request Process

- Student Fee Advisory Committee (SFAC) is responsible for reviewing the request and determining if it should be considered
  - If yes, there are two methods the SFAC may use to obtain student input on the request
    - Referendum
    - Alternative Consultation
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# Union Request Process

- The President Approves or Rejects Recommendation
    - The Student Fee Advisory Committee makes a recommendation to the President on the request
    - This is true regardless whether referendum or alternative consultation is used
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# Alternative Consultation

- Why Alternative Consultation instead of Referendum?
    - SFAC felt that voters needed more background information to make an educated decision on this request, and that the alternative consultation process would provide more well-informed feedback than a simple ballot vote would offer
    - Low voter turnout in previous elections suggested that referendum vote might not be the best way to gauge overall student sentiment
    - Your feedback at these forums will constitute an important influence on the decision of SFAC whether to recommend to the President that the request be approved or denied
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# Alternative Consultation Plan

- Three small focus groups
  - One large open forum
  - Online opinion gathering(open to all students)
    - Go to your My Sac State Message for the link
    - Will be accessible through Noon on April 15th
  - Use Sac State Messaging to inform students
  - Invite clubs and organizations
  - Offer refreshments and door prizes as incentives to gain more participation
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# Closing

- Please complete the brief evaluation and turn it in before you leave.
  - Put your name tag in for the basket before you leave! Wait just a minute for the drawing!
  - Thank you for participating!
  - For questions or to obtain a copy of this presentation please contact Gina Curry via email at [curryg@csus.edu](mailto:curryg@csus.edu) or by phone at 916-278-7433.
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