

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee****UW Tacoma “University YMCA” Student Center Project – Establishing a Student Fee and Use of Long Term Funds****RECOMMENDED ACTION**

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve:

- 1) The establishment of a new Student Center Fee for the UW Tacoma campus for the construction and operation of the “University YMCA” Student Center. The proposed fee is \$180 per quarter, per student, with part-time students being charged rates proportionate to that of full-time students. The collection of this fee would begin summer 2015, when the facility is completed and open to students; contingent upon Board of Regents’ approval of the project budget and finance plan; and
- 2) The use of \$4M of Services and Activities Fee (SAF) Long Term Funds for the capital costs of the UW Tacoma “University YMCA” Student Center; contingent upon Board of Regents’ approval of the project budget and finance plan.

Both actions are contingent upon the Legislature delegating authority to the UW for new or increased fees.

BACKGROUND

UW Tacoma began accepting freshmen in 2006 and has worked to provide a full four-year undergraduate experience for its students, including student life programs. In order to continue to meet the demonstrated student demand for student life programs, including recreation, UW Tacoma students have requested and are supportive of the construction of a student center in partnership with the YMCA of Pierce and Kitsap Counties. This innovative partnership is built on the common commitment of both institutions to serve the community.

During the 2008-09 academic year, UW Tacoma student government and the Services and Activities Fee Committee (SAFC) commissioned a comprehensive Campus Life Facilities Master Plan Study. The study identified a student center as the primary facility need of the students. In June 2010, the Board of Regents approved a \$2M set-aside of UW Tacoma SAF Long Term Funds for a student center project. In June 2011 and June 2012, the Regents approved additional set-asides of UW Tacoma SAF Long Term Funds for future planning of a student

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Tacoma “University YMCA” Student Center Project – Establishing a Student Fee and Use of Long Term Funds (continued p. 2)

center (\$10,000 in 2011 for feasibility study and \$424,016 in 2012 for capital equity).

In April 2013, students were surveyed to determine the level of support for the development of a new student center and a subsequent fee of \$180 per quarter, per student to fund the project. The survey had a total of 568 survey responses (14.31% response rate). 97.71% of student respondents support the new facility. 80.10% of student respondents support the proposed fee.

PROJECT OVERVIEW

The proposed Student Center will include new recreational and fitness spaces such as a gymnasium, cardio and weight training equipment, indoor track, and locker rooms. The facility will also house a student lounge and social spaces for student programming, student organization, and events—65,000 to 70,000 square feet of new construction, located on campus on the current Longshoremen Hall site. There are no additional construction phases planned for the Student Center at this time.

The YMCA would provide programming for the center and would operate the entire facility. Another key benefit of the partnership with the YMCA is that all UW Tacoma students would become members of the YMCA of Pierce and Kitsap Counties, allowing them full access to seven YMCA locations.

PROJECT BUDGET AND FUNDING

The proposed project budget is \$20M. The project will be funded by UW Tacoma SAF Long Term Funds, UW Tacoma Reserves, and the UW Internal Lending Program (ILP).

Project Funding Sources

UW Tacoma SAF Long Term Funds	\$4,000,000
UW Tacoma Reserves	\$4,000,000
UW Internal Lending Program	\$12,000,000
Total Project Funding	\$20,000,000

The proposed Student Center Fee will fund debt service on the internal loan as well as operating expenses and student membership fees to the YMCA. The collection of this fee would begin summer 2015, when the facility is completed and open to students. In the event fee is not sufficient to meet obligations on the

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Tacoma “University YMCA” Student Center Project – Establishing a Student Fee and Use of Long Term Funds (continued p. 3)

facility (debt service, operating expenses and, student memberships), existing SAF fees would be used to cover the shortfall.

REVIEWS AND APPROVALS

Based on the support of prior and current students for the proposed Student Center and the subsequent Student Center Fee, the UW Tacoma SAFC approved the motions to establish the Student Center Fee and the release of \$4M in long-term funds to be released for use in the project (Attachment 1).

UW Tacoma Chancellor, Debra Friedman, has reviewed and concurs with these approvals (Attachment 2).

The UW Treasury Office is currently performing due diligence on the ILP loan.

BOARD OF REGENTS’ ACTIONS

In March 2013, the Board approved the use of the Design/Build (D/B) Alternative Public Works contracting method for design and construction of this project.

In July 2013, the Board will be asked to approve the finance plan (including the ILP loan), adopt the project budget, delegate authority to award the D/B contract, and approve the execution of the lease.

Attachments

1. UW Tacoma SAFC Recommendation Letter to Chancellor Friedman, dated May 8, 2013
2. Chancellor Friedman Letter, dated May 13, 2013
3. UW Tacoma “University YMCA” Student Center Pro Forma (based on all SAF revenues, expressed in thousands)

May 8, 2013

Chancellor Debra Friedman
University of Washington Tacoma
Box 358430
Tacoma, WA 98402

Dear Chancellor Debra Friedman:

The Services & Activities Fee Committee (SAFC) met to discuss and approve recommendations regarding the collection and allocation of the Services & Activities Fees for the 2013-2014 fiscal year. This recommendation is the result of a lengthy process involving committee trainings and orientations, proposal presentations, and discussion of the long-term goals of the campus. In addition, the SAFC approved a fee for the University Y Student Center, and designated funding from long term reserves to the project.

Should you and the Board of Regents adopt our recommendations; the fees will optimally fund a diverse array of services and activities that are aligned with our values and will benefit the students of the University of Washington Tacoma.

2013-2014 UW Tacoma Service and Activities Fee Level

The Board of Regents is authorized to increase the Services & Activities Fee by an amount not to exceed the annual percentage increase in undergraduate tuition authorized by the legislature in the Omnibus Budget Bill. The SAFC voted unanimously to keep the Services & Activities Fee the same (\$159/quarter for full time students and prorated for part-time students).

We made the decision to keep the fee the same for two primary reasons. First, it demonstrates our commitment to keep student fees at a reasonable level, even with increases in tuition. Second, the fee is enough to adequately fund all the allocated programs even with the growth in student population.

Program Allocations

When determining funding of program allocations, the Committee considered a variety of factors, including, but not limited to, whether the service is or should be a core service and the level of benefit to students. The committee also completed a line-by-line budget review of actual usage, projected expenditures, and staffing costs. This was done in an effort to enhance fiscal efficiency and full use of SAF funds before increasing the amount allocated to any given program. Stipulations and recommendations on certain proposals are included on the attached SAFC 2013-14 Annual Recommendations.

Registered Student Organizations (RSOs) - \$21,214

Registered Student Organizations are an integral part of student and campus life. They provide an opportunity for student engagement, camaraderie, and leadership development. RSOs also provide students with an opportunity to come together with people of similar interests, cultures, and viewpoints. The RSO proposal requested a slight increase in their budget, specifically for increasing the number of honor societies.

Student Activities Board (SAB) - \$133,467

The Committee recognized the important role the Student Activities Board plays on the campus and in our community, which placed it high on our list of priorities for funding. Diverse programming that promotes student engagement, provides opportunities to build a sense of student community, and activities deemed essential to student development and success are crucial. SAB asked for a small increase in their proposal due the addition of an outreach coordinator. The outreach coordinator will be in charge of multimedia and community outreach.

Tahoma West - \$38,915

Tahoma West provides a venue for students to express their art, culture, and literature through a student-centered publication. Tahoma West requested less funding this year. Their hope is to increase their digital presence and save funds through decreased printing costs.

Volunteer Services - \$24,284

Volunteer Services provides opportunities for students to serve in the community and advance our mission as an urban serving university. Therefore, the Committee thought it important to support a volunteer services program, which enhances opportunities for civic engagement. The increase in allocation is due to the addition of a breakaway coordinator who organizes the two spring breakaway trips.

Steps/SSMP - \$90,000

The Steps/Student Mentoring Programs proposal encompassed two programs. The first being a program that matches a faculty or staff member with a UW Tacoma student to serve as a mentor. The second pairs university student mentors with students from local high schools in a partnership focused on student development and success. STEPS mentors share knowledge and experience in navigating the complicated and challenging process of higher education, graduation and career exploration. The allocation increase is to fund a third STEPS coordinator as the program expands to Stadium High School.

OUWtpost - \$19,876

With the closure of Longshoreman's Hall to make way for the University Y Student Center project, improvements to the OUWtpost were requested. Staff and some activities will need to be moved to the OUWtpost for the next two years while the Y building is constructed. This will allow for better programming and gathering spaces for students.

Health & Wellness Education and Promotions - \$18,300

This proposal was to develop health and wellness awareness and education for the UWT community. The program serves to create a more holistic approach to Health and Wellness. The small increase is for additional staffing for outreach activities.

Academic Advising Center - \$0

The Academic Advising Center requested funding for 6 student workers to help with basic advising services. Although the Committee expressed a need for additional resources in the advising center due to waitlists, there were reservations expressed as to whether this was the

responsibility of the university to fund additional resources in the advising center. The Committee decided not to fund this proposal.

Student Involvement - \$421,340

Student Involvement provides much of the staffing and resources to administer the wide variety of student engagement activities on campus. The bulk of the increase in next year's allocation is to pay for a new position, the Assistant Director of Student Programs, as well as increasing overall student programming.

The Ledger - \$142,732

This proposal was for the campus student newspaper. The newspaper provides students an opportunity to write for a publication, and inform students about campus life/issues. The small increase in allocation is for a layout manager that provides additional assistance in putting together the weekly publication.

Diversity Resource Center - \$122,000

The Diversity Resource Center is a service to the students, which strives to create a welcoming and inclusive campus environment that enables all members of the UW Tacoma community to learn through the exploration of human differences. The DRC provides programs and support in three main areas: enhancing campus education; developing Community Partnerships; and building a diverse campus community. The increase in allocation was for a program coordinator and additional student hours to help with the operation and administration of the center.

Recreation & Fitness Center - \$140,145

The Fitness Center provides recreational, educational, and fitness opportunities to the students of UW Tacoma, all of which are essential to the student experience. Recreation & Fitness will continue to expand and provide additional fitness offerings for students. The increased allocation is for replacement equipment, student leader training, facility rentals, and fitness classes.

Childcare Assistance Program - \$72,000

This program is important to the campus as it allows students with children to receive funding for childcare that gives them space/time to attend classes. This program was funded at the same amount. The program will be under new leadership and the Committee wants the program to develop guidelines and timelines for growth.

Conference and Event Fund (CEF) - \$135,000

The Committee supports funding for the Conference and Event Fund as it allows opportunities for students who are not directly involved with the SAB to be involved in the event planning process. Through this fund students, faculty, and staff can submit a request for funding to bring a broad spectrum of activities to our campus for the benefit of the students. The fund also supports students to attend conferences and training which provide skill enhancement and enrichment. A small increase was allocated to pay for additional training funds to meet demand.

Associated Students of the University of Washington Tacoma (ASUWT) - \$141,602

ASUWT (student government) represents and promotes student interests, needs, and welfare within the university community through committee representation and administrative level interactions. It also provides for the expression of student opinion and interests to the community at large through community involvement and assists the University in providing physical and social environments that are student centered. The small increase in allocation was for tri-campus meetings, and student government training.

Student Health Services - \$305,048

Health Services provide basic primary care for students. As the student population has grown, need for additional health services has grown as well. Due to rising medical costs, the annual request from Health Services has seen a marginal increase. The Committee deemed these costs just and necessary in light of how many students have been using the services.

University Y Student Center

The SAFC approved two motions regarding the University Y Student Center. First, they approved a student fee of \$180/quarter to pay for the project. The fee will begin when the University Y Student Center opens; expected to begin for the 2015-16 fiscal year. Second, the SAFC approved the \$4 million in long term reserves be released for use in this project along with the \$4 million contribution from the University.

Operational Guideline Changes

The SAFC made some revisions to its by-laws to ensure better efficiency and clarity about roles and expectations of its members. Throughout the year, the Committee discussed how to improve the efficiency of our process as well as ensure best practices and best use of student funds. The revisions will be submitted to the Chancellor and Board of Regents for approval.

Closing Comments

SAFC believes that if the Chancellor and the Board of Regents approve these recommendations, these services and activities will positively enhance the lives of the students at UW Tacoma. We thank you for your time and consideration.

Regards,



Nikolay Sorochuk
Chair, 2012-13 Services and Activities Fee Committee
University of Washington Tacoma



W UNIVERSITY *of* WASHINGTON | TACOMA

May 13, 2013

Nikolay Sorochuk
Chair, 2012-2013 Services and Activities Fee Committee
University of Washington Tacoma

Dear Nikolay:

Thank you for submitting the recommendations of the Services and Activities Fee dated May 8, 2013. I accept the recommendations, and extend thanks to you and the committee for your thoughtful deliberations.

Sincerely,

Debra Friedman
Chancellor

UW Tacoma

"University YMCA" Student Center Pro Forma

(based on all SAF revenues, expressed in thousands)

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
UW Tacoma														
Academic Year FTE (average)	3,750	4,125	4,574	4,940	5,335	5,762	6,223	6,720	7,258	7,839	8,000	8,000	8,000	8,000
Summer FTE (average)	1,163	1,279	1,407	1,548	1,702	1,873	2,060	2,266	2,493	2,742	3,016	3,318	3,649	4,014
Quarterly Assessment														
SAF Revenue from Special Assessment (Student Center)	-	-	2,652	2,869	3,104	3,358	3,633	3,931	4,253	4,602	4,733	4,786	4,844	4,908
Existing SAF Annual Revenue	1,878	2,058	2,372	2,612	2,849	3,141	3,459	3,810	4,196	4,622	4,771	4,866	4,963	5,063
SAF Annual Budget Allocation	(1,825)	(1,880)	(1,936)	(1,994)	(2,054)	(2,116)	(2,179)	(2,245)	(2,306)	(2,421)	(2,542)	(2,670)	(2,803)	(2,943)
Payment to Y-Operating Expenses and Student Membership	-	-	(1,932)	(2,087)	(2,253)	(2,434)	(2,628)	(2,839)	(3,066)	(3,973)	(4,055)	(4,055)	(4,055)	(4,055)
Debt Service	-	-	(718)	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(861)	(861)
Net Cash after Debt Service	53	179	438	539	784	1,088	1,424	1,796	2,217	1,969	2,045	2,066	2,089	2,112
Debt Service Coverage Ratio			1.61	1.63	1.91	2.26	2.65	3.09	3.57	3.29	3.38	3.40	3.43	3.45
SAF Reserves														
Beginning Balance	3,578	110	290	737	1,296	2,114	3,236	4,714	6,571	8,877	10,952	13,143	15,378	17,675
Net Cash Flow after Debt Service	53	179	438	539	784	1,088	1,424	1,796	2,217	1,969	2,045	2,066	2,089	2,112
Investment Earnings	55	2	9	20	34	34	54	61	90	106	145	169	209	232
Student Center Capital (allocated 2012)	424	-	-	-	-	-	-	-	-	-	-	-	-	-
Student Center Capital Contribution	(4,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
Long Term Fund Balance	110	290	737	1,296	2,114	3,236	4,714	6,571	8,877	10,952	13,143	15,378	17,675	20,019