

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 6 – M**

**DATE: October 7-8, 2015**

\*\*\*\*\*

**SUBJECT: SDSU Bond & Utility Fee on Meal Plans**

Currently, student meal plan costs at four of the universities (BHSU, SDSMT, SDSU and USD) include a facility fee (also known as Bond and Utility Fee) in the total semester meal plan cost paid by the student. This fee is used to pay utility costs and bond payments on the student food service facilities. Following is the detail for the meal plan costs approved for FY16. The facility cost per meal plan per semester is identified. The bond and utility fee paid varies with the total cost of the meal plans.

	<b>FY15 Plan Rate</b>	<b>FY15 Facility Fee</b>	<b>FY15 Total</b>	<b>\$ Increase</b>	<b>FY16 Plan Rate</b>
<b>BHSU</b>					
Yellow Jacket	\$1,308.70	\$201.30	\$1,510.00	\$38.50	\$1,548.50
Swarm 180	\$1,487.70	\$201.30	\$1,689.00	\$43.10	\$1,732.10
Suite Deal	\$712.85	\$103.90	\$816.75	\$20.85	\$837.60
<b>DSU</b>					
Big Blue	\$1,694.70	\$0.00	\$1,694.70	\$43.20	\$1,737.90
Dakota 150	\$1,355.10	\$0.00	\$1,355.10	\$34.55	\$1,389.65
Dakota 125	\$1,355.10	\$0.00	\$1,355.10	\$34.55	\$1,389.65
Trojan Basic	\$1,196.70	\$0.00	\$1,196.70	\$30.50	\$1,227.20
Trojan Advance	\$365.80	\$0.00	\$365.80	\$9.35	\$375.15
Trojan Flex	\$1,196.70	\$0.00	\$1,196.70	\$30.50	\$1,227.20
Trojan University Apts.	\$150.00	\$0.00	\$150.00	\$3.85	\$153.85
<b>NSU</b>					
Wolf 200	\$1,893.25	\$0.00	\$1,893.25	\$48.30	\$1,941.55
Wolf 150	\$1,644.20	\$0.00	\$1,644.20	\$41.95	\$1,686.15

(Continued)

\*\*\*\*\*

**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

This proposal is a significant policy change and is being provided for information and discussion at this meeting. This involves a mid-year change to mandatory fees at SDSU. The Board will be asked to vote on the proposal at the December meeting.

SDSU Bond & Utility Fee on Meal Plans  
 October 7-8, 2015  
 Page 2 of 4

Wolf 100	\$1,392.95	\$0.00	\$1,392.95	\$35.50	\$1,428.45
Wolf 75	\$1,279.10	\$0.00	\$1,279.10	\$32.60	\$1,311.70
Commuter Maroon	\$347.80	\$0.00	\$347.80	\$8.85	\$356.65
Commuter Gold	\$347.80	\$0.00	\$347.80	\$8.85	\$356.65
Second Year Flex	\$1,279.10	\$0.00	\$1,279.10	\$32.60	\$1,311.70
<b>SDSM&amp;T</b>					
Gold Rush	\$1,655.00	\$49.65	\$1,704.65	\$43.45	\$1,748.10
Hardrocker 160	\$1,465.00	\$43.95	\$1,508.95	\$38.45	\$1,547.40
Hardrocker 125	\$1,465.00	\$43.95	\$1,508.95	\$38.45	\$1,547.40
Hardrocker 75	\$846.00	\$25.40	\$871.40	\$22.20	\$893.60
Hardrocker Flex	\$1,000.00	\$30.00	\$1,030.00	\$26.25	\$1,056.25
Rocker Square Flex	\$500.00	\$15.00	\$515.00	\$13.15	\$528.15
50/50	\$390.00	\$11.70	\$401.70	\$10.25	\$411.95
25/25	\$200.00	\$6.00	\$206.00	\$5.25	\$211.25
<b>SDSU</b>					
Premier	\$1,701.40	\$184.10	\$1,885.50	\$48.10	\$1,933.60
150 Block	\$1,327.70	\$184.10	\$1,511.80	\$38.55	\$1,550.35
75 Block	\$1,327.70	\$184.10	\$1,511.80	\$38.55	\$1,550.35
Gold Flex	\$1,701.40	\$184.10	\$1,885.50	\$48.10	\$1,933.60
Silver Flex	\$1,327.70	\$184.10	\$1,511.80	\$38.55	\$1,550.35
Bronze Flex	\$1,141.70	\$184.10	\$1,325.80	\$33.80	\$1,359.60
West Flex	\$663.90	\$184.10	\$848.00	\$21.65	\$869.65
	<b>FY15</b>	<b>FY15</b>	<b>FY15</b>	<b>\$</b>	<b>FY16</b>
	<b>Plan Rate</b>	<b>Facility Fee</b>	<b>Total</b>	<b>Increase</b>	<b>Plan Rate</b>
<b>USD</b>					
Yote Pack 55	\$1,336.05	\$84.40	\$1,420.45	\$36.20	\$1,456.65
Yote Pack 70	\$1,518.10	\$84.40	\$1,602.50	\$40.85	\$1,643.35
Yote Pack 80	\$1,468.60	\$84.40	\$1,553.00	\$39.60	\$1,592.60
Yote Pack 120	\$1,444.55	\$84.40	\$1,528.95	\$39.00	\$1,567.95
Coyote 10	\$1,336.00	\$84.40	\$1,420.40	\$36.20	\$1,456.60
Coyote 17	\$1,679.75	\$84.40	\$1,764.15	\$45.00	\$1,809.15
Paw Power Pack	\$1,679.75	\$84.40	\$1,764.15	\$45.00	\$1,809.15
Paw Pleaser (Flex A)	\$1,336.10	\$84.40	\$1,420.50	\$36.20	\$1,456.70
Paw Pride (Flex B)	\$739.60	\$46.65	\$786.25	\$20.05	\$806.30
Paw Print (Flex C)	\$369.20	\$23.60	\$392.80	\$10.00	\$402.80

The bond and utility fee originated when student meal plans were only traditional “board plans” (a specified number of meals provided per semester). Historically, this fee has been paid by

the students residing in the university residence halls (residential students). With recent renovations and relocations of food service facilities to student unions and other locations, university food service facilities now serve non-residential students in addition to the traditional residential students. The following table summarizes the activity from the SDSU Student Union food service locations in FY15. The information shows that a significant amount of the activity was from non-residential students (non-meal plan activity).

	Dining Venue	Meal Plan		Non Meal Plan		Percent of Total	
		Dollars	Counts	Dollars	Counts	Dollars	Counts
<b>2005 Union Expansion Added 9,271 sq. ft.</b>	Market	\$2,216,522	287,445	\$292,913	44,329	13.2%	15.4%
	<b>2009 Union Expansion Venues Added 8,575 sq. ft.</b>	Einstein's	\$1,059,377	151,479	\$261,421	40,492	24.7%
	Weary Wil's	\$871,321	88,058	\$93,322	9,885	10.7%	11.2%
	<b>Total</b>	<b>\$1,930,698</b>	<b>239,537</b>	<b>\$354,743</b>	<b>50,377</b>	<b>18.4%</b>	<b>21.0%</b>
<b>2012 Union Expansion Venues Added 8,231 sq. ft.</b>	Chick-fil-A	\$618,001	88,554	\$158,338	21,533	25.6%	24.3%
	Extreme Pita	\$371,811	48,575	\$76,860	9,379	20.7%	19.3%
	Panda Express	\$824,378	99,386	\$215,944	24,282	26.2%	24.4%
	Union Coffee	\$228,631	53,671	\$95,717	22,522	41.9%	42.0%
	<b>Total</b>	<b>\$2,042,821</b>	<b>290,186</b>	<b>\$546,859</b>	<b>77,716</b>	<b>26.8%</b>	<b>26.8%</b>
	<b>Grand Total</b>	<b>\$6,190,041</b>	<b>817,168</b>	<b>\$1,194,515</b>	<b>172,422</b>	<b>19.3%</b>	<b>21.1%</b>

SDSU proposes to assess the facility fee as a component of the General Activity Fee (GAF) rather than as an addition to residential meal plan costs. By assessing the fee through the General Activity Fee, the cost would be recovered from all students rather than just from residential students. This change would replace the current outdated assessment method with a more fair assessment method that fits contemporary food service operations that provide service to both residential and non-residential students.

The proposed change would be revenue neutral – the facility fee on the meal plans would be removed and the General Activity Fee would be increased to recover the revenue currently received from the facility fee. The current facility fee for SDSU meal plans is \$188.80 and generates approximately \$1.4 million in revenue. Based on the state-support credit hour base, the General Activity Fee would need to be increased by \$5.90 to make this change revenue neutral. This would result in a savings to meal plan students of approximately \$200.60 per year { $\$377.60 (\$188.80 \times 2) - \$177.00 (\$5.90 \times 30) = \$200.60$ }. Other students, those not on a meal plan, will see

an increase in fees of \$5.90 per credit hour or \$177.00 per year for a full-time undergraduate student, or \$141.60 for a full-time graduate student.

Similar to the past practice of increasing the facility fee when costs rise, this component of the General Activity Fee would be adjusted annually according to BOR salary and operating expense policy. This change would be effective with FY16 spring. This would take it out of the tuition and fee approval cycle and it would be ahead of the potential tuition freeze for FY17.

BAC has discussed this on two different occasions and only SDSU has shown a strong interest in making this change. While the other schools agree that this may be a better way to recover costs to pay for improvements used by more and more students, they do not want to increase the GAF on all students at this time.