

BOARD OF REGENTS
BRIEFING PAPER

1. **Agenda Item Title:** University of Nevada, Reno Fitness Fee

Meeting Date: December 5-6, 2013

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

Summary

At the October 18, 2013 special meeting the Board of Regents approved a new, state-of-the-art fitness center to be constructed on UNR's main campus and the naming of the facility the "E. L. Wiegand Fitness Center", in recognition of an \$8 million lead naming gift from the E. L. Wiegand Foundation. Final Board approval of the project was subject to approval of the financing plan, which the University indicated would be presented to the Board at its regular December 2013 meeting.

In addition to the lead donor's gift, the opportunity to construct a new fitness center was the result of several recent, important financial developments:

- 1) The availability of \$21M in bond financing made possible by the re-purposing of student capital improvement project fees formerly used to service Fire Science Academy debt.
- 2) A University student-endorsed request for Board approval of a new student fitness fee.

It is the request for Board approval of a new, mandatory undergraduate fitness fee that is the primary purpose of this agenda item.

Background – The Need

The current on-campus Lombardi Recreation Building, accessible only by paying an \$80 per semester user fee, no longer meets the needs of a growing student enrollment and increased residential population. The University currently has a student enrollment of 18,776 students and Lombardi was constructed in 1974 to serve a campus population of 4,000. Further, at the time of construction it was not even envisioned as a student fitness and recreation center, but rather as an academic teaching facility. Even today only 40,000 square feet of Lombardi's 110,000 total square feet is assignable to fitness and recreational sports. The remainder continues as academic classrooms, labs and offices.

Background - The Proposed E.L. Wiegand Fitness Center (See Exhibit A)

The University of Nevada, Reno is the recipient of an \$8 million naming gift from the E.L. Wiegand Foundation for the construction of the new student fitness center, which the Board approved at its October 18, 2013 special meeting. This gift was the largest the foundation has ever given and among the largest gifts the University has ever received. An additional \$8 million in private donations is being sought for a total \$16 million. In addition to gifts, the University has committed \$21 million in bonding which have become available primarily as a result of the sale of the Fire Science Academy and the retirement of its capital debt. These funds, combined with \$9 million generated by a proposed new student fitness fee will fund the \$46 million estimated project cost for the E.L. Wiegand Student Fitness Center.

**E. L. Wiegand Fitness Center
Financing Plan Summary (Dollars in Millions)**

Estimated Total Construction Cost	\$46.0
Donor Funds	\$16.0
NSHE Revenue Bonds or Certificates of Participation (From FSA)	\$21.0
NSHE Revenue Bonds or Certificates of Participation (Proposed Student Fitness Fee)	\$ 9.0
Total All Sources	\$46.0

The Center is a four-story facility offering 110,500 sq. ft. of multi-use space for fitness and recreation including three full-size basketball courts and a 200-meter running track. It will be located in the parking lot north of the Whalen Parking Complex in proximity to the Joe Crowley Student Union and Mathewson-IGT Knowledge Center.

Background – The Proposed Student Fitness Fee

Since student fees typically fund construction of fitness facilities at public universities, the involvement of students has been a critical part of this proposal from the beginning. Nationally, student leaders consistently rank the need for a larger and more versatile fitness facility as their top construction priority. And here at UNR, ASUN’s Joint Vision 2017 similarly called for the expansion of recreational opportunities on campus.

In the summer of 2013, an email survey was sent at the University’s request to all Nevada students by Brailsford and Dunlavey Consultants to gauge student interest and support for a new fitness center. The response from 2,252 students indicated more than 80% were in support of a new fitness center. Based on these results, and in conjunction with ASUN’s Joint Vision 2017, a team of elected student leaders have been working with staff to explore the feasibility of more recreational and fitness facilities.

Discussions with student leaders resulted in a student-led initiative to conduct a fall information campaign regarding a fitness fee to initially assist in the construction of a new fitness center as well as provide financial support for the operations of the fitness center when it opens. The mandatory fee would also allow for access to the new facility along with Lombardi. The resultant fee, reviewed and discussed by both ASUN and the Graduate Student Association (GSA) extensively, would actually be implemented in two phases as follows:

Proposed Undergraduate Student Fitness Fee Summary - Per Student/Per Semester

Implementation Dates	New Fee	Cumulative Fee	Purpose
<u>PHASE I</u> Fall Semester 2014 - Fall Semester 2016	\$15.00	\$15.00	Debt service on \$9M of bonding for E. L. Wiegand Fitness Center
<u>PHASE II</u> Fall Semester 2016 - Thereafter	\$30.00	\$45.00	E. L. Wiegand Fitness Center Operating Expenses

On October 24 and 25 of this year an online student advisory vote was held regarding the students' willingness to pay the proposed mandatory fitness fee. A total of 2,779 students participated, representing 15% of the total student body. This included 2,406 undergraduates and 373 graduate students. Overall, of those voting 58.5% favored the fee. 61% of the undergraduates voted yes and 39% voted no. Graduate students voted 44% yes and 56% no. Given the outcome of the graduate vote, they will not be charged the mandatory fee, but will be able to purchase an individual membership if they wish to use the facilities.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

President Marc Johnson requests approval of a mandatory undergraduate fee of \$15 per student per semester commencing fall 2014 to be used in the construction of the E.L. Wiegand Fitness Center. The undergraduate fee will increase to \$45 per student per semester when the Fitness Center opens to augment operating expenses and to allow for access to the E.L. Wiegand Fitness Center and the Lombardi Recreation Center.

4. IMPETUS (WHY NOW?):

UNR is today in a unique position. The availability of \$21 million for bonding and the \$8 million donation from the E.L. Wiegand Foundation provide a significant financial foundation for development the E. L. Wiegand Fitness Center. A recent student advisory vote demonstrated that 61% of participating undergraduates were in favor of the mandatory fee. The \$15 per semester mandatory fee will generate approximately \$9 million of bonding capacity for construction. Once opened, the additional \$30 per semester mandatory fee will generate approximately \$900,000 in annual operating funds.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Since 2008, students have requested a new or larger fitness facility.
- Further renovation of the existing Lombardi facility is not possible due to its landlocked location. The expense to renovate would be significant and would not meet the needs of students. Over the last twenty years Lombardi has been renovated multiple times to try and address the increased student demand for fitness and recreational sport space. Last year Lombardi saw over 700,000 students come through its doors and had to turn away an average of 300 campus members per week from group fitness classes due to insufficient space.
- ASUN's Joint Vision 2017 calls for an expansion of recreational opportunities on campus.
- In a recent student advisory vote, of the 2,779 students participating 58.5% favored a new fitness fee. 61% of the 2,406 undergraduates participating voted yes.
- An eventual \$45 per semester fee to access both facilities is less than the current \$80 user fee for student use of just Lombardi. The \$45 fee ensures that all undergraduate students have access to and will be encouraged to use the facilities. This is equivalent to \$10 a month to gain access to both of Lombardi and new E. L. Wiegand Fitness Center.
- Currently, more than 5,000 students purchase passes to Lombardi Recreation. The students frequently complain that Lombardi is overcrowded. The facility is unable to meet the demands of a growing student body which can drive students off campus to

pursue fitness. The proposed facilities are expected to alleviate the crowding and pull those students back to campus for fitness and recreation.

- Mandatory fees are eligible to be covered by financial aid. User fees are not.
- Students who participate regularly in campus-based fitness and recreational sports programs are retained at higher rates, graduate in larger numbers and perform a full GPA point better than their counterparts who do not participate. (Oseguera and Ree, 2009; Crozier, et al, 2008; Fischer, 2007).
- Campus Recreation and Community & Human Sciences (CHS) share the Lombardi building. CHS is the largest major on campus with over 800 students. One of the largest and most heavily utilized health programs is Campus Recreation and Wellness. The current arrangement prevents both programs from flourishing and reaching their full potential to serve the students.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

The fitness fee will increase the cost to attend the University.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

- Do not build the facilities.
- Build a smaller E.L. Wiegand Student Fitness Center (should the donor consent).

8. COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title #_____ Chapter #_____ Section #_____
- Amends Current Board Policy: Title #_____ Chapter #_____ Section #_____
- Amends Current Procedures & Guidelines Manual: Chapter #_____ Section #_____
- Other:_____

Fiscal Impact: Yes No

Explain: The \$15 per semester mandatory fee for the E.L. Wiegand Fitness Center will generate approximately \$9 million in bonding capacity for construction. Once opened, the additional \$30 per semester mandatory fee will generate approximately \$900,000 in annual operating funds.

EXHIBIT A

The E.L. Wiegand Fitness Center

- Four Story, 110,500 sq. ft. facility
- Features include: 55,500 sq. ft. in Fitness/Multi-use space, three full-size basketball/gym courts, 200 meter indoor running track



POLICY PROPOSAL – PROCEDURES & GUIDELINES
CHAPTER 7, SECTIONS 11
Special Use Fees

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 11. Special Use Fee

The following fees approved by the Board of Regents shall be applicable for recreational use of the Lombardi Recreation Building, UNR

Campus Recreation and Wellness Fee

UNR

Faculty

Per year (9/1 to 8/31)	\$297.00
Per semester	\$110.00
Per Summer session	\$110.00
Daily Use Fee	\$10.00

Faculty Family Member

Per year (9/1 to 8/31)	\$297.00
Per semester	\$110.00
Per Summer session	\$110.00
Daily Use Fee	\$10.00

Classified Staff

Per year (9/1 to 8/31)	\$256.50
Per semester	\$95.00
Per Summer session	\$95.00
Daily Use Fee	\$10.00

Classified Family Member

Per year (9/1 to 8/31)	\$256.50
Per semester	\$95.00
Per Summer session	\$95.00
Daily Use Fee	\$10.00

Students and Emeritus

Faculty

Per year (9/1 to 8/31)	\$216.00
Per semester	\$80.00
Per Summer session	\$80.00
Daily Use Fee	\$10.00

Student and Emeritus

Faculty Family Member	
Per year (9/1 to 8/31)	\$216.00
Per semester	\$80.00
Per Summer session	\$80.00
Daily Use Fee	\$10.00

Effective Fall 2014: in addition to the user fees listed above, all undergraduate students will be charged an additional \$15 per semester.

Effective Fall 2016, in lieu of the fees listed above, all undergraduate students will be charged an additional \$45 per semester.

NSHE

NSHE Student	
Per semester	\$110.00
Per Summer session	\$110.00
NSHE Student Family Member	
Per Semester	\$110.00
Per Summer Session	\$110.00

NSHE Employee	
Per year (9/1 to 8/31)	\$297.00
Per semester	\$110.00
Per Summer session	\$110.00
Daily Use Fee	\$10.00

NSHE Employee Family Members	
Per year (9/1 to 8/31)	\$297.00
Per Semester	\$110.00
Per Summer session	\$110.00
Daily Use Fee	\$10.00

- a. Payment of the appropriate fee will entitle the individual to a day use locker.
- b. In the case of students, the Campus Recreation and Wellness fee shall be waived if the student association appropriates an amount sufficient to cover costs, as determined by the institutional president.
- c. Faculty, staff or students may bring two guests at a time for a fee of \$10 per visit.
- d. Students registered for seven (7) credits or more at any other NSHE Institution shall be entitled to use the facilities upon payment of an \$110.00 fee per semester or \$110 for the entire Summer session. Employees of NSHE shall be entitled to use of the facility

upon payment of \$110 per semester, \$110.00 for the entire Summer session or \$297 per year.

- e. A family use card may be purchased for each individual family member by faculty, staff and students for the same fee as the primary pass holder.
- f. Payment of the appropriate fee for the use of either Lombardi Recreation or McDermott Physical Education facility will allow use of the other facility without additional charge.
(B/R 5/95, 2/05, 3/03, 4/00; Added 6/05; A. 4/06, 2/09, 11/12)