

April 2, 1992

36 Executive Resolution #104

University of Colorado
Student Union

Sponsored by: Executive

Malinda M. Matney

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A RESOLUTION

WHEREAS: The University of Colorado Student Union has provided health care facilities on the Boulder campus since its establishment in 1974; and

5 **WHEREAS:** Student involvement in decision making and management of student health care on the Boulder campus can be documented as early as World War II; and

10 **WHEREAS:** The University of Colorado Student Union, through its Health Board, Finance Board, Legislative Council, and Executives, has approved the Wardenburg Student Health Center Strategic Plan in concept; and

15 **WHEREAS:** The University of Colorado Student Union Legislative Council has not yet given full financial approval to Phase I of the Wardenburg Student Health Center Strategic Plan; and

20 **WHEREAS:** The Wardenburg Student Health Center, with the concurrence of the office of the Vice Chancellor for Student Affairs, has arrived at the following financial assumptions concerning Phase I:

25 1. **General Student Fees** will increase by a conservative 2.5% annually for entire period beginning with FYE 6-30-94. These fees for FYE 6-30-94 represent base student fee subsidy approved in the current UCSU budget package. There is a potential for a lower student population of approximately 500 students for the next 5 years when it will again increase. It is felt this will not materially affect the projections.

35 2. **GAR** is currently 5.07% with an increase to 5.2% in FYE 6-30-94 with an additional increase to 5.5% FYE 6-30-00.

40 3. **Revenue Inflation** represents a 5% annual increase. Patient visits remain constant, with the exception of a one-time increase to the revenue base in FYE 6-30-01 of \$160,000. See attachment for revenue percentage by payer.

4. **Supplemental Price Increase** is required to meet shortfall from inflationary increases in operating expenses as well as debt service obligation.
5. **Miscellaneous Revenue** represents a 5% annual inflationary increase throughout the term. These revenues consist of space leased to third parties, administrative costs recoveries for the insurance program, copy income for Medical Records and other miscellaneous items. See attachment for percentages by payer.
6. **Discount** is the reduction of WSHC patient charges to the fee paying student, Workers' Compensation patient and CU Plus enrollee. It is anticipated the discount will be reduced from the current 42.4% to 40% beginning FYE 6-30-94.
7. **Operating Expense** is a 5% annual increase due to inflation.
8. **Gross Revenue** increase of \$160,000 is the incremental amount expected in the year services are expanded due to the new addition. The costs (\$181,687) for non-revenue producing personnel and operating expenses are reflected in operating expense FYE 6-30-01.
9. **Capital Outlay** is expected to increase by 5% annually until FYE 6-30-01. No capital expenditures will be incurred from operations in that year as equipment requirements are part of the loan. The base capital outlay budget is reduced to \$120,000 in 6-30-02.
10. **Student Fee Construction** - A student fee subsidy of \$150,000 annually was approved by UCSU for FYE 6-30-93 along with the concept of maintaining the increase until loans in both phases are liquidated.
11. **Interest From Bond Reserve** is calculated at 8% for the duration of the loan.
12. **Interest From Construction Fund** is estimated at 8%. Debt will be incurred one year prior to beginning construction to provide cash for up-front professional fees, etc.

13. **Debt Service** includes both interest and principal payments on Phase I loan of \$1,500,000 @ 7% and Phase II loan of \$5,077,171 @ 8%. (Phase I Year 1 and Phase II Year 1 and 2 are interest only.)

14. **Beginning Fund Balance** represents earmarks approval by UCSU for the upgrades of the existing structure.

15. **Student Fund Balance** is expected to be maintained at a zero balance for budget purposes. Any actual excesses are to be returned to UCSU at a ratio yet to be determined.

WHEREAS: The Masterplan of University of Colorado at Boulder establishes its goal as "the achievement of quality of the highest tier--in teaching, research, and public service"; and

WHEREAS: The University of Colorado Student Union still exists as a representative union of students, dedicated in part to "improv(ing) the administration of student affairs".

THEREFORE, BE IT RESOLVED by the Legislative Council of the University of Colorado Student Union, THAT:

SECTION 1: The University of Colorado Student Union Legislative Council agrees with the financial assumptions listed above.

SECTION 2: The University of Colorado Student Union Legislative Council supports the assumption of a \$1.5 million loan, repayable over a six-year period, to the Wardenburg Student Health Center to support Phase I of the Wardenburg Student Health Center Strategic Plan.

SECTION 3: The University of Colorado Student Union Legislative Council recognizes the necessity to provide sufficient financial support to repay this debt through the annual budgets for the next six fiscal years.

SECTION 4: The University of Colorado Student Union Legislative Council recognizes that failure to provide adequate financial support may result in large price increases or in a reduced amount of non-income services at Wardenburg Student Health Center. The

University of Colorado Student Union Legislative Council further recognizes that financial management of such an obligation must be accomplished through a combination of strategies, and that dependance upon one source of funding, whether fees or income, is irresponsible.

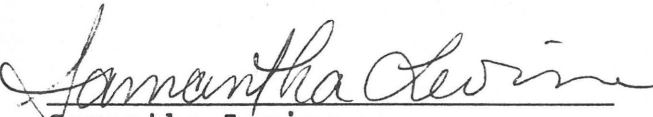
SECTION 5: The University of Colorado Student Union Legislative Council recognizes that the Wardenburg Student Health Center must derive a minimum of fifty-five percent (55%) of its total budget through revenues, according to a mandate of the University of Colorado Board of Regents.

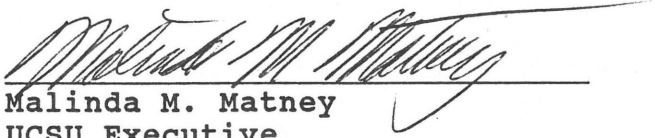
SECTION 6: The University of Colorado Student Union Legislative Council supports Phase II of the Wardenburg Student Health Center Strategic Plan in concept only. No construction will begin in Phase II until appropriate financial approvals are secured.

SECTION 7: This resolution takes effect upon passage.

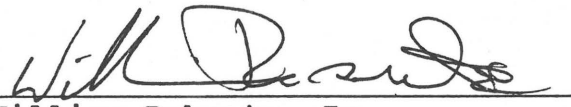
4/2/92-Passes as amended-Legislative Council-1st Reading-10-0-2

4/9/92-Passes - Legislative Council - 2nd Reading - 15-0-0


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