

**University of Colorado Student Government
Legislative Council**

March 31, 2011

74LCB12 — Sustainable Practices Program

Sponsored by:	William L. Taylor	Student Body President
	Nathan D. Cook	Finance Board Chair
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**A Bill to Establish Funding and Financial
Arrangements for the Environmental Center's
Sustainable Practices Program**

Bill History

The growth in demand nationally for sustainability-related coursework and continuing education certificates is strong and major universities are increasingly entering this market with robust program offerings.

The Sustainable Practices Program (SPP) is a non-credit Certificate program administered by the CU Environmental Center. In the fall of 2010, the program was transferred to the Environmental Center from CU Continuing Education, where the program had seen rapid growth in enrollment and revenues from its inception in 2007 through 2010.

The program netted revenues in excess of costs during this period, while it was administered by Continuing Education. Accordingly, the SPP does not require additional financial support in the form of student fees; it is instead to be considered an auxiliary fund, overseen by the Environmental Center and controlled by the University of Colorado Student Government.

To cover current accounts payable and program growth needs, the CUSG Finance Board has approved an earmark of \$85,000 from the Supplemental Operating Reserve (SOR) as a line of credit for the SPP, contingent on passage of legislation outlining the financial terms of that arrangement and repayment going forward.

Bill Summary

The CU Environmental Center seeks to permanently separate the SPP auxiliary budget from any student fee-supported budget, so as not to place any additional burden on student fees, however, the Environmental Center may at times need a line of credit to meet current SPP accounts payable. In addition, the program may well grow in size, demand, and revenue such that subsidies from SPP net profits could be returned to CUSG to help reduce the student fee burden.

BE IT ENACTED by the Legislative Council of the University of Colorado Student Government THAT:

Section 1: CU Student Government hereby commits \$85,000 from the Supplemental Operating Reserve (SOR), beginning in FY 2011 and ending in FY 2014, as a “line of credit” for the Sustainable Practices Program that may be disbursed as needed to the SPP upon request to Finance Board by the Environmental Center Director.

Section 2: The Sustainable Practices Program agrees to return 30% of net annual profits to SOR until the line of credit has been repaid. During the loan repayment period, the remainder of net profit revenues will be carried forward into the SPP’s operating budget to help grow the SPP.

Section 3: After the line of credit is repaid, the SPP will return 30% of net annual profits to the Supplemental Operating Reserve in perpetuity.

Section 4: If the SPP is not self-supporting after three years (by the end of FY 2014), it will be discontinued. No further CU Student Government funding will be allowed.

Section 5: If the SPP does not withdraw the line of credit funds from SOR during the 3-year period, no repayment is expected or required. Section 3 would still be in force, even if no funds were withdrawn from the line of credit.

Section 6: If the SPP only withdraws a portion of the line of credit, repayments will be reduced proportionately (e.g., if 50% of the funds are withdrawn, repayments would be cut by 50% as well).

Section 7: The line of credit account will be held in SOR, to be overseen by the Environmental Center and controlled by the CUSG Finance Board. Reports on the SPP will be made to Finance Board with the Environmental Center’s regular quarterly reports.

Section 8: This bill shall take effect upon passage by the Legislative Council and upon either obtaining the signatures of two Executives or the lapse of six days without action.

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Vote Count

03/31/2011

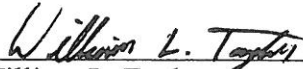
Passed on 1st reading

Acclamation

04/21/2011

Amended and passed on 2nd reading


Acclamation



William L. Taylor
Student Body President



Carly Robinson
Legislative Council President



Allison Foley
Vice President of External Affairs



Peter Swanson
Vice President of Internal Affairs

Historic SPP Revenues & Budget Prospective FY6-16

Revenues	growth rate	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
SOR line of credit								\$50,000	\$25,000	\$10,000		
Transfer to Fund Balance?								No	No	No		
Fund Balance								\$50,000	\$199	\$2,100	\$10,886	\$24,202
Auxiliary								\$125,485	\$138,034	\$150,457	\$162,493	\$173,868
Total revenues		\$6,630	\$11,700	\$23,400	\$52,065	\$117,700	\$82,275	\$175,485	\$138,232	\$152,557	\$173,379	\$198,069
Expenses												
faculty	1.0%							\$10,000	\$10,100	\$10,201	\$10,303	\$10,406
benefits	2.0%							\$3,159	\$3,222	\$3,287	\$3,352	\$3,419
classified staff	1.0%							\$42,000	\$42,420	\$42,844	\$43,273	\$43,705
benefits	2.0%							\$13,268	\$13,533	\$13,804	\$14,080	\$14,361
instructor contracts	1.0%							\$35,000	\$35,350	\$35,704	\$36,061	\$36,421
operating	2.0%							\$62,000	\$23,000	\$23,460	\$23,929	\$24,408
subtotal								\$165,427	\$127,625	\$129,299	\$130,998	\$132,721
GAIR								\$9,859	\$7,606	\$7,706	\$7,807	\$7,910
Total expenses & GAIR								\$175,286	\$135,232	\$137,005	\$138,805	\$140,631
Totals												
Total- Net of Revenues								\$199	\$3,001	\$15,552	\$34,574	\$57,438
Total returned to SOR (30% of FB)								\$900	\$4,665	\$10,372	\$17,231	\$17,231
Fund Balance carry forward								\$199	\$2,100	\$10,886	\$24,202	\$40,207
Cumulative returned to SOR									\$5,566	\$15,938	\$33,169	

Comments

One time SOR allocation estimated for current year investment

10% revenue growth

9% rev growth

8% revenue growth

7% revenue growth

Includes \$50K for marketing

Marketing cut to \$20K

Marketing at 2% growth

Marketing at 2% growth

Marketing at 2% growth

Marketing at 2% growth

End of line of credit

SPP Revenue and Enrollment Performance History

FY	# courses	# enrollments	Avg # students per course	Avg \$/student	Estimated Gross revenues (\$)	comments
2006	2	34	17.0	\$195	\$6,630	\$/student estimated
2007	3	60	20.0	\$195	\$11,700	\$/student estimated
2008	11	120	10.9	\$195	\$23,400	\$/student estimated
2009	27	267	9.9	\$195	\$52,065	\$/student estimated
2010	45	510	11.3	\$195	\$117,700	\$/student estimated
2011	45	405	9	\$203	\$82,270	estimated for current year
2012	50	527	10.5	\$238	\$125,426	Projected

Historic and Projected SPP revenues

