

Expanding CMU's FLEX dollar system to better support local community vendors and first-year students

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1. Overview

Carnegie Mellon University does not sufficiently lend support to the local community, and this lack of collaboration is particularly felt by first-year students who struggle to branch out beyond the isolated bubble of campus.

To fill these two holes, CMU can establish partnerships with local restaurants that enable students to use their FLEX dollars at these off-campus dining locations. In doing so, CMU can simultaneously bolster local businesses and promote healthier lifestyle choices among its student body. Carnegie Mellon has made similar partnerships with restaurants in the past, demonstrating the feasibility of this project that simply suggests an extension of this reach to local vendors. Ultimately, this initiative aligns with CMU's mission of benefiting nearby communities and provides students with an outlet from their often rigid and unchanging routines.

2. Problem

Problem Statement: Despite CMU's mission of collaboration, Carnegie Mellon has not done enough to extend its presence/influence into local business communities, the repercussions of which are most notably felt by first-years who feel trapped on campus.

2.1. Our current partnerships with outside businesses encourage unhealthy eating habits.

CMU's dining plan makes purchasing food more convenient for students through the use of FLEX dollars (i.e. flexible spending credits that operate like cash). While students don't often opt to eat at Vocelli's Pizza and Subway as they are less conveniently located than dining options within university grounds, these two community vendors are still the only off-campus locations that accept FLEX dollars. Thus, when students leave campus and want to use their meal plan funds, their choices are automatically limited to fast-food chains. Additionally, purchasing food off campus is a significant motivator for students to go out and explore the Pittsburgh area – especially if they can do so using their own meal plan funds – so these current partnerships render unhealthier options more appealing.

Indeed, research has highlighted how affordability influences food choices. A study on college meal plans found that meal dollars linked to fast-food options encourage consumption patterns that prioritize cheap and easy meals rather than nutritional ones (Dingman et al., 2). The study notes that meal plans structured this way “marry two of the most prominent factors related to fast food consumption: cost and convenience”. As such, CMU’s current meal plan doesn’t just offer fast food as an option, but it also incentivizes its consumption by restricting students’ ability to spend their meal plan money at other, perhaps more nutritious, options.

Therefore, CMU limits student’s ability to make healthier choices when eating off campus with a meal plan that only accepts FLEX dollars at a couple fast-food restaurants. While this structure may not actively force unhealthy eating, it reinforces these habits by making fast food the most accessible off-campus dining option for students.

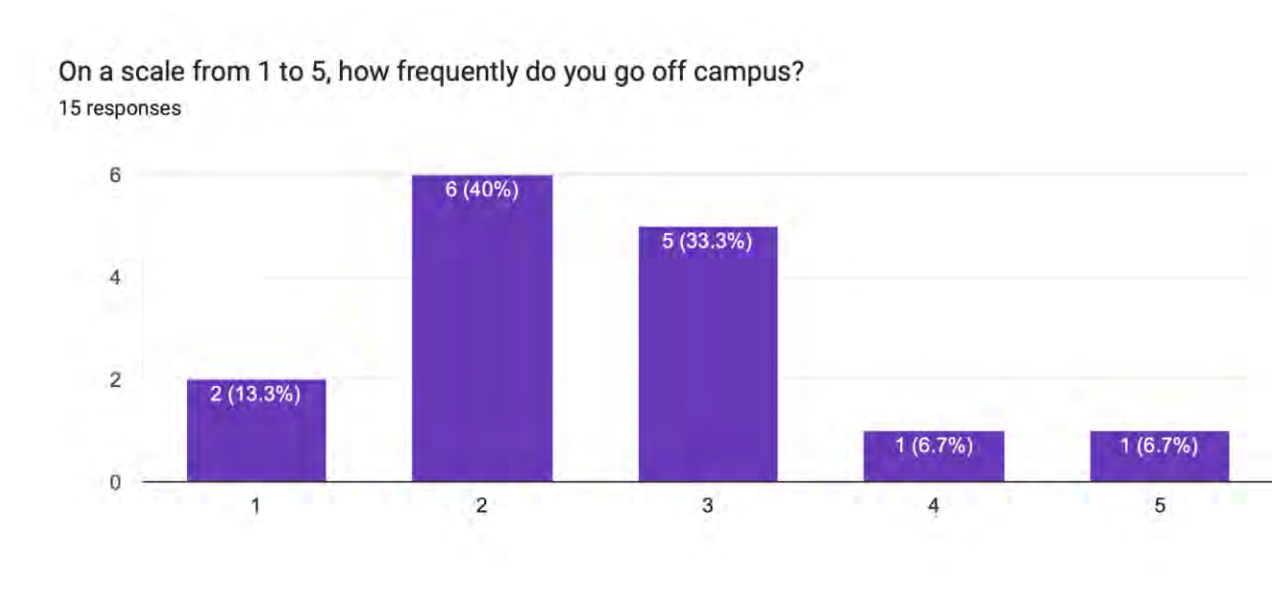
2.2. A majority of first-years agree that they don’t leave campus often enough.

First-year students are required to live on campus, and with all their essential resources readily available within university grounds, including classes, study spaces, housing, dining, mail, and the gym, there isn’t much incentive to leave. As a result, many students fall into a routine that keeps them confined to campus, and they end up missing out on the benefits of exploring the city. They are thus kept from a much-needed change of scenery, which could offer relief from the academic pressures that tend to accumulate in CMU’s high-intensity environment.

To better understand how widespread this issue is, a survey was conducted with first-year students at CMU to measure how often they leave campus and to what degree they feel that they should do so more frequently. Because there is no strict threshold for how much off-campus time is “enough,” this survey aimed to gauge student self-assessment, similar to how physicians use a scale to gauge patient self-assessment of pain. Participants reported how frequently they left campus on a scale from 1 to 5 (1 meaning they never leave and 5 meaning they go out very regularly), providing insight into whether students themselves feel they are getting enough time away from CMU (See Appendix for a copy of the survey).

Figure 1

Survey responses to the question, 'How frequently do you go off campus?'



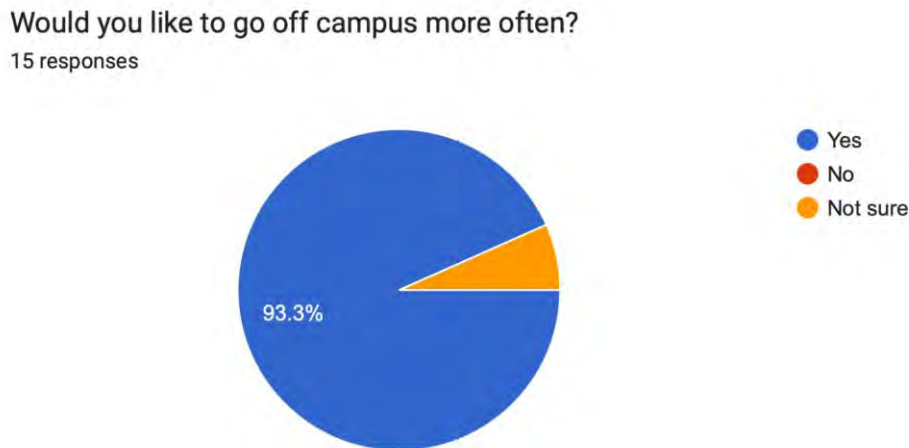
Note: Survey results illustrate how often first-year students report that they leave campus, with responses ranging from 'never' (1) to 'very regularly' (5). 86.6% of students responded with a 1, 2, or 3.

The survey results reported in Figure 1 confirm that a significant portion of first-year students rarely leave campus. When asked how frequently they go off campus on a scale from 1 to 5, 86.6% of respondents selected lower values ranging from 1 to 3, indicating infrequent off-campus activity. This trend aligns with the idea that first-years often remain within CMU's campus due to convenience and routine.

When directly asked if they would like to get off campus more often, an overwhelming 93% of respondents said yes, reinforcing the notion that students recognize this as a problem and wish for more opportunities to explore beyond CMU (see Figure 2 below)

Figure 2

Survey responses to the question ‘Would you like to go off campus more often?’



Note: Findings reveal that 93% of first-year students wish they had more opportunities to leave campus.

Finally, when asked whether increasing the number of off-campus restaurants that accept FLEX dollars would inspire them to leave campus more often, 100% of the students answered “yes”. This demonstrates a strong consensus that expanding FLEX-eligible dining options would directly encourage more off-campus engagement and address student’s clear desire to leave CMU more regularly.

2.3. CMU’s very own Center of Shared Prosperity highlights the university’s willingness to collaborate with communities in Pittsburgh, and while CMU has worked with restaurants in the past, there is still work to be done.

The Center of Shared Prosperity here at Carnegie Mellon strives to build “healthier relationships between institutions and the communities of which they are a part” (Center for Shared Prosperity, 2019). While there are several ongoing programs that this center has made possible, there are still ways that our university can benefit Pittsburgh, regardless of the scale of these potential projects or how transformative the effects.

CMU's pre-existing mission aimed at ensuring that the university improves nearby communities should propel new socially impactful initiatives that focus on assisting local businesses. The importance of this mission and these values of collaboration are reflected in the work CMU has already done to support family owned restaurants, such as Hunan and De Fer. The success of these partnerships suggests that the university's dedication to this specific objective should not be limited to the confines of the Carnegie Mellon campus, but should extend further. CMU has showcased its commitment to prioritizing the development of relationships with neighboring communities and small businesses through the implementation and execution of these past projects, but there is always room for more relationships to be built.

3. Solution

Proposed Solution: Carnegie Mellon should establish partnerships with local restaurants such that students can spend their FLEX dollars at these off-campus establishments.

To address the aforementioned problems, I propose that **CMU increase the number of off-campus restaurants that accept the DINEX dollars on students' meal plans** – focusing on partnerships with small businesses or franchises rather than chains. This project can start small with a few select restaurants before eventually expanding and incorporating new businesses over time.

3.1. Meal plans that resemble this proposed solution have been successfully implemented at peer institutions and are making a real difference.

University-community partnerships can create mutually beneficial relationships that stimulate local economies while enhancing student experiences. A successful example of this can be seen at Lehigh University, as this establishment generates socioeconomic growth and engages with its community in a symbiotic way. The institution's commitment to its community can be seen through its partnerships with various organizations and local businesses.

The implementation of the Lehigh GoldPLUS debit card for example allows students to spend their meal plan dollars in local establishments, "which introduces close to \$1 million of commerce into the local economy annually" (McGrail, 2013 p. 7). This GoldPLUS debit card acts much like the student ID here at CMU, where a certain number of flexible dining dollars are allocated to the card given the student's choice of meal plan. A simple swipe at a variety of different locations allows for easy transactions and, evidently, great business for the restaurants involved.

The numbers provided with the example of Lehigh University demonstrate the extent to which

committing to these relationships with vendors in the Pittsburgh community can positively impact our local economy. These kinds of university-community partnerships have had tremendous success, suggesting that similar partnerships with CMU will prove equally beneficial.

3.2. Students will have more dining options later at night when few on campus restaurants are available.

Many restaurants in Pittsburgh are open longer than the on-campus dining options, and partnering with them would give students who end classes or clubs late at night the opportunity to eat a variety of foods while not having to worry about spending their own money. True Burger and Stack'd Underground both close at midnight, but the latter often closes around 11:00 PM. Ciao Bella closes at 10:00 PM, and, although the CMU dining website indicates that Au Bon Pain closes at the same time, this is often not the case. These limited late-night options coupled with the inconsistent closing times can make for a stressful experience and repetitive selection for students with packed schedules that most on-campus dining options cannot accommodate.

Partnering with several restaurants that are open for longer could alleviate some of this stress. Forbes Gyros for example, a local restaurant mentioned previously, is open as late as 2:00 AM on weekdays, which would give students much more flexibility with regard to fitting their meal times in with the rest of their busy schedules. Shah's Halal, a franchise that also already accepts money through the University of Pittsburgh's meal plan, is another option that remains open until 3:00 AM every day of the week. Allowing students to spend their FLEX dollars at these restaurants would give them a number of dining options they can turn to late at night when there are very few, if any, restaurants on campus to choose from.

3.4. CMU should still pursue this proposal despite concerns brought up by Dining Services.

When considering the matter of extending the number of businesses we collaborate with, CMU Dining Services has expressed concerns about potential impacts on existing campus vendors. These were not born out of disagreement with this proposal's goal of supporting small businesses, but precisely because the poly-operational system in place at CMU was designed with this very mission in mind. Dining services explained that the 13 independent vendors that have become part of the Carnegie Mellon ecosystem would be placed under too much stress if the university were to extend its reach further and take more restaurants under its wing. CMU dining has raised the possibility of having to close dining locations on campus if competition with other businesses becomes too much for these various vendors to keep up with.

While these concerns demonstrate the extent to which CMU cares about supporting family-owned companies, they shouldn't dismantle this entire proposal or stand in the way of all of its

potential benefits. Partnering with additional off-campus locations wouldn't pose insurmountable competition for on-campus businesses. These restaurants remain central to the CMU community and are conveniently located, allowing students easy access due to their close proximity. Furthermore, meal blocks, which make up the majority of students' meal plans, can only be spent at on-campus restaurants, ensuring that these businesses retain this primary source of income. Therefore, in taking this mission of fostering growth and support through collaboration elsewhere, Carnegie Mellon won't adversely affect the businesses already benefiting from its efforts.

4. Feasibility & Implementation

Feasibility Statement: Current partnerships between local businesses and the University of Pittsburgh exist and Carnegie Mellon has successfully formed similar partnerships in the past with local restaurants. For these reasons, CMU could easily expand the use of FLEX dollars in the community using the same established process without disrupting the businesses that the university already supports.

4.1. Proposed Timeline

Table 1

Breakdown of implementation plan with phase, key steps, and estimated timeframe.

Phase	Key Steps	Estimated Timeframe
Initial outreach	Identifying potential restaurant partners and reaching out to these businesses to gauge interest	2-4 weeks
Contract negotiation	Discussing terms, including commission fees, payment processing, and contract details. Drafting and reviewing contracts with CMU's legal team and business owners	4-6 weeks
Technical integration	Implement payment processing systems that allow restaurants to accept CMU ID transactions	1 week
Marketing and launch	Announce partnerships via email, social media, and campus dining portal	1 week
Initial outreach	Identifying potential restaurant partners and reaching	2-4 weeks

	out to these businesses to gauge interest	
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4.2. The implementation of this proposal involves strategic connections and a process CMU and local businesses are already familiar with.

The first step towards establishing partnerships with restaurants in Pittsburgh consists of deciding on and reaching out to a few businesses that CMU would like to work with. Fortunately, 55 local restaurants already accept the flexible dining dollars associated with the

University of Pittsburgh (Pitt), and these businesses are already familiar with university meal plan structures and the administrative requirements involved in these types of partnerships.

Moreover, the fact that these restaurants have already established partnerships with Pitt suggests that they could be open to forming new connections. I propose that CMU reach out first to this list of local restaurants. Doing so could expedite the subsequent steps involving the negotiation of contracts and would increase the likelihood of success in the establishment of mutually beneficial relationships. Two small, family owned businesses that are already in collaboration with Pitt include Forbes Gyros and Omar's Halal Grill, both of which are viable options that CMU should consider

Establishing these partnerships involves several key steps, though the exact logistics would need to be clarified by CMU's dining and legal teams. Given the partnerships that already exist with Vocelli's Pizza and Subway, it is evident that CMU has experience working through this process and can apply that same process again with new businesses, which would likely include:

- **Reaching out to potential local restaurant partners**, prioritizing those that already have established relationships with Pitt.
- **Discussing financial logistics** like commission fees and the percentage the university might take of sales made through FLEX dollars. CMU might also consider covering transaction fees to encourage participation. The university should follow its current model for establishing these kinds of partnerships.
- **Implementing payment processing** at the different restaurants so that they have the necessary system to accept payments made through FLEX, whether through CMU ID card swipes or manual ID entry, which is what is currently done at Vocelli's and Subway.
- Once integrated, CMU should **announce the new partnerships** through university communication systems like email, social media, and the campus dining portal.

4.3. The financial implications are notable, but are worth the cost.

While the cost of a contract can depend on numerous factors, such as the businesses' locations and the complexity of the document itself, ContractsCounsel, a legal marketplace, estimates that the average price for a business contract is \$660 (*Business Contract Cost*, 2023). Establishing relationships with just three restaurants could therefore entail an initial fee of \$1,980, and that does not include the cost of lawyers who are salaried hourly or the prices involved in maintaining these connections. Including small processing fees for each transaction so that these locations can more directly benefit from the partnerships would only add to the cost. While these figures may not be ideal, they are relatively reasonable and justified by the value they will generate for these small businesses and CMU students.

Table 2:

Estimated Costs of Restaurant Partnerships

Expense Category	Estimated Cost to Establish One Partnership	Estimated Total (For Three Restaurants)
Business Contract Drafting	~\$660	~\$1,980
Lawyer Fees (hourly)	~\$200 - \$500 per hour	Depends on number of hours worked
Transaction Fees (if implemented)	~1-3% per purchase	Depends on sales

Note: Estimated ranges are based on publicly available data and are rough approximations. A precise cost breakdown will require further discussions with legal and financial teams.

Conclusion

Carnegie Mellon University has a prime opportunity to uphold its mission of collaboration and support for nearby communities by establishing more partnerships with local vendors and encouraging students to get off campus more often. Drawing from successful past partnerships with restaurants, the feasibility of extending this collaboration to more businesses in the area is clear. While there were some reservations when initially discussing expanding the number of restaurants that accept FLEX, the potential benefits far outweigh the concerns raised. As such, CMU should proceed with implementing this proposal to positively impact small businesses as well as student well-being.

References

- Business Contract Cost. (n.d.). *Legal Contract Cost: How Much Does it Cost?* ContractsCounsel. <https://www.contractsounsel.com/b/legal-contract-cost#:~:text=According%20to%20ContractCounsel's%20marketplace%20data,across%20all%20states%20and%20industries>.
- Center for Shared Prosperity. (2019, August 14). *Our Values*. <https://www.centerforsharedprosperity.org/values>
- Dingman, D. A., Schulz, M. R., Wyrick, D. L., Bibeau, D. L., & Gupta, S. N. (2014). Factors Related to the Number of Fast Food Meals Obtained by College Meal Plan Students. *Journal of American College Health*, 62(8), 562-569.
- McGrail, Frederick J. (2013). Lehigh University and Bethlehem, Pennsylvania: Partnering to Transform a Steel Town into a College Town. *Journal of Higher Education Outreach and Engagement*, 17(3), 91.

Appendix

Copy of Student Survey

Getting off campus

Hello! I'm Juliette and I'm currently a first year in 76-108: Writing About Public Problems.


This survey will help inform my proposal about creating partnerships with more off-campus restaurants, allowing students to make purchases at these locations with the money on their meal plans.

All responses are anonymous and you are welcome to reach out to me to discontinue participating at any time.

My email: juliettb@andrew.cmu.edu

akohler@andrew.cmu.edu [Switch account](#)



 Not shared

On a scale from 1 to 5, how frequently do you go off campus?

1

2

3

4

5

Never

○

○

○

○

All the time

Would you like to go off campus more often?

- ☐ Yes
- ☐ No
- ☐ Not sure

Would increasing the number of off campus restaurants that accept your FLEX dollars increase the amount of time you spend off campus?

- ☐ Yes
- ☐ No
- ☐ Not sure