

December 7, 2018

To: Dr. Kevin Marbury, Vice President for Student Life

From: Dr. Lynn Nester, Director, Physical Education and Recreation



Subject: 2019-20 Fee Projection

The Department of Physical Education and Recreation is proposing a \$2.00 fee increase to the operations portion of the Recreation Center Fee. There is no proposed increase to the bond portion of the fee. Currently, the operations portion of the Recreation Center Fee is \$47.25 and the bond portion is \$15.25, totaling \$62.50. The \$2.00 increase would make the operations portion \$49.25 and the total Recreation Center fee would be \$64.50.

Physical Education and Recreation will need to use one-time carryforward funds to cover a shortfall in bond revenue in FY20, due to lower-than-anticipated enrollment. Enrollment projections for FY20 indicate an estimated \$105,000 shortfall. This is the third year in a row we will not meet revenue projections related to enrollment, and have to cover this shortfall with carryforward. The carryforward funds were generated when the building fee was pre-collected prior to the opening of the expansion in FY15.

Physical Education and Recreation is facing a number of economic stressors, including an increase in wages for all staff (approximately \$110,000), rising benefits costs, and increased overhead assessment rates. Our department will cover some of these increases with operational reserves, increased self-generated revenue and the proposed \$2.00 increase to the Rec Center Fee. The \$2.00 increase will help the department maintain and support its buildings, operational reserves, staffing, student development, and the considerable program offerings.

cc: Kathie Stanley, Associate Vice President Student Life

