



January 10, 2018

To: Kevin Marbury, Vice President for Student Life
From: Laurie Woodward, Director, Erb Memorial Union
Re: 2018-2019 Fee Projection

The Erb Memorial Union (EMU) is a collection of facilities, programs and services that sit at the heart of campus life. In addition to providing a place for the campus community to come together for food, social activity and study, the EMU houses a wide variety of student programs and services and hosts thousands of campus events each year. It is home to a variety of programs ranging from the Center for Student Involvement, to the Outdoor Program, KWVA Radio Station, Club Sports and the Craft Center. EMU Services include Moss Street Child Care Center, University Scheduling and Event Services, the Ticket Office, and the UO ID Card Center.

The EMU is funded, in part, by two fees: the EMU Fee and our portion of the Incidental Fee (I-Fee) allocation. We will not be asking for an increase in the EMU Fee this year, however, low enrollment will cause the EMU to use carryforward or operational reserve funding to help make bond payments in both FY 18 and FY19. This is not a sustainable solution moving forward.

The EMU Fee was established to make interest and principle payments on the bonds that secured the EMU renovation completed in 2016 and to subsidize additional facilities and operations expenses associated with the new space. With recent declines in enrollment, the fee is not adequate to make bond payment, and in FY2017 Fee collections of \$4,845,706.00 were insufficient to pay principle and interest costs of \$4,950,000.00, leaving us with a net negative balance of \$104, 294. We anticipate a similar situation for FY2018.

We are still working through the I-Fee budgeting process with our Union Board and ASUO, and have been told not to anticipate more than a 2.25% increase. Our actual current service level need is over 4% driven primarily by the rising costs in salary and benefits, and reductions in campus support. The EMU budget includes approximately 90 unclassified and classified staff as well as hundreds of student employees, and as such increases in personnel costs alone will total nearly \$216K The EMU has done a good job in offsetting expenses by increasing revenue projections in Scheduling and Event Services and Foods revenue however increases to earned revenue alone will not offset both increased costs and loss of other revenues.

Thank you for your consideration of our request.

cc: Kathie Stanley, Associate Vice President Student Life

ERB MEMORIAL UNION

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