

**University Budget Council
Eastern Michigan University
Final Report to the Board of Regents
June 24, 2019**

The following is an overview of the activities of the University Budget Council for Fiscal Year 2019.

The first meeting of FY19, of the UBC was September 18, and was a general update on the prior year's motions and activities. Chief financial officer Mike Valdes and Todd Ohmer, executive director of financial planning and budgets, provided an update on the FY19 budget.

UBC Chair Colleen Croxall was re-elected. It was proposed that we appoint co-chairs, with one member being a faculty member not currently in an administrative position. This was further discussed later in the year but has not been voted on.

Unlike last year, UBC elected not to have sub committees. It was decided that the most effective way to work on the charges outlined by President Smith and Provost Longworth would be to meet as a whole committee during the year.

We started the academic year with a presentation from President James Smith and Provost and Executive Vice President for Academic and Student Affairs Rhonda Longworth. President Smith and Provost Longworth outlined six initiatives that they hoped the UBC could follow through on this past year. Those initiatives included:

- The council **will consider the financial implications** of what should come next in terms of housing for the University.
- The council **will analyze the financial implications** of online programming at Eastern.
- The **other four charges** the council received from President Smith and Provost Longworth are:
 - o To look at the mission and charter of the UBC and determine its optimum reporting structure.
 - o Examine how to limit the University's melt rate.
 - o Study how to modify budget process to allow carryovers of department funds.
 - o Get an understanding of and report on athletics finances.

The UBC spent most of its time working on the University Housing issue. The UBC Housing Position Paper can be found in Appendix A.

UBC Charter

The membership section of the charter was revised to reflect changes in programming and to ensure certain groups such as the All Union Council, IT and Enrollment Management were

represented, while maintaining the present one third of UBC membership as faculty appointed by the Faculty Senate (Appendix B).

In addition to regular budget updates from CFO Mike Valdes and Todd Ohmer, a number of special presentations and budget updates were made to the council throughout the year. Some of the highlights of these presentations included:

Scott Wetherbee – Football Program Operations

The athletic director offered a comparative look at expenses for Division I and Division II football programs. Scott began by noting that he is “very budget conscious,” adding how intent he is on contributing to the University’s budget process through good stewardship, developing further revenue enhancements and greater fundraising. He noted a variety of features that Eastern’s Division I status offers, including large road game guarantees and higher NCAA and conference distribution fees that help offset fixed costs of fielding teams.

He noted that EMU seeks to play several major opponents a year, along with a Division II foe such as Monmouth and a mid-tier opponent such as Army. Future major road game guarantee dates include Arizona State, Wisconsin, Minnesota and Illinois. Next year’s big road dates include Kentucky, which agreed to switch its road date at Eastern back to Lexington, and Illinois.

Jim Carroll – Academic Partnerships (RN to BSN)

Jim outlined the growth in the RN to BSN program, which has received marketing help from Academic Partnerships during the last year. Since FY15, revenue in that program has increased from about \$3.8 million to nearly \$7 million in FY18. This gain has served to balance revenues with expenses overall in the School of Nursing. AP gets 47 percent of tuition revenue from the new students it recruits.

Despite such good news, Jim noted that the program’s strong enrollment is temporary, as hospitals and health organizations continue to mandate this additional training for nurses. “This is a bubble,” Jim said. “It will eventually go away, but we need to ride (such bubbles) while we can.”

Mike Valdes - Chartwells

Mike offered a report on the Chartwells dining operation. Among the details noted:

- Chartwells has committed \$15 million to capital investments. The latest dramatic improvement is to the Eastern Eateries area.
- Chartwells made an initial upfront payment to the University of \$5.5 million.
- Net income rose from about \$3.96 million in FY16 to a projected \$6.4 million in FY19.
- Chartwells continues to take student input in planning its next moves.

Consideration of Lowell Street property purchase

Leigh Greden and Mike Valdes informed the council that at its regular meeting on Oct. 25 the Board of Regents would be asked to vote on a recommendation to permit the University to evaluate whether it should purchase an 11-acre parcel of land on Lowell Street, adjacent to the northeast end of campus.

The property would cost \$2.6 million, and the University would perform due diligence until May 15, 2019 in deciding whether to purchase the property.

The parcel is being sold at fair market value, Mike said, and a warehouse on the parcel is presently being used as storage by the Michigan Firehouse Museum. Mike said that any time such a parcel adjacent to the University comes up for sale, it's worth evaluating as to possible usage.

Mike noted the parcel does have some environmental issues, for which encapsulation appears a solution. The University has requested those reports as part of its due diligence, Mike said.

The seller is Urban Campus Communities LLC. As part of its evaluation process, the University will develop a business plan for the purchase.

Eastern Michigan expects to incur \$45,000 in costs associated with the diligence period, with an additional deposit of \$400,000 due on May 15, should the University decide to proceed. The remaining \$2,205,000 would be due at closing.

HLC Financial Recovery Report

Jim Carroll provided an overview of the University's Financial Recovery Plan, which was requested by the Higher Learning Commission and was to be submitted to the HLC by Nov. 30. The report noted the HLC's requirement that EMU find ways to get out of having a composite financial indicator (indicated by operating surpluses or deficits, increase or decrease of total assets, financial strength, and ability to meet debt obligations) of less than 1. An institution with a CFI below 1.0 is subject to review.

The conclusion to the report, which was distributed to the council, reads in part as follows:

"Based up on the FY18 financial results and after considering the increase in unrestricted cash received in the parking agreement, EMU is "above the zone" with a CPI score of 1.18 ... As a result of long-term positive financial impacts of the new revenue-generating efforts and the attention to expense and cost savings described above, EMU expects to continue to be "above the zone" for the foreseeable future."

Other observations regarding the report included:

- Most universities maintain a CPI near a 3, which is the benchmark. Eastern has never been near that level, and would have to charge students far more in tuition to reach that level, Jim noted.
- In 2012, the state drastically cut funding, essentially telling parents, "You must pay," Jim said.
- The University experienced a triple whammy with its 0-0-0 tuition, fees and room and board campaign along with minimal tuition increases in the two subsequent years along with the concurrent 15 percent reduction in state funding.
- Mike Valdes noted the key to improving our financial situation is not charging higher tuition, in which EMU is basically in the middle of the state's public universities, but rather examining a variety of other academic life cycle costs.

Housing Analysis Presentation, by Richard Reith

The Council heard a power point analysis of Eastern's housing stock, from consultant Richard Reith, who noted his group had held focus groups and conducted a student survey, to which 2,100 students responded.

Among the key points:

- Safety and security is a central concern in terms of living off campus. 94 percent of students feel safe on the EMU campus, while 68 percent feel safe off campus. The latter percentage is poor relative to EMU peers, Reith said.

- Students prefer apartment style living to the suite style employed by Eastern in some of its halls.
- Eastern's percentage of students living on campus is below that of its peers.
- EMU has 85 percent occupancy of its halls; 95 percent is optimum occupancy.
- More apartment style units would help capture more upperclass students.
- Top-rated residence halls at Eastern include Wise Hall, which has undergone more than \$11 million in recent renovations, along with the Village. Downing and Best halls also received praise, likely because they house Honors students. Quality and physical condition of other halls is an issue.
- Establishing learning communities such as Honors helps build interest in campus housing. Themed communities is an idea worth pursuing.
- The main reason students move off campus or live off campus is cost, thus to lure more students to live on campus, the University must create a perception of greater value.

Walter Kraft, VP for Communications at EMU, **Marketing Report**

Walter Kraft offered a snapshot of the Division of Communications' marketing efforts at Eastern, and conveyed a strong sense of the highly competitive marketplace in which the University exists. Details from his presentation included:

- The target audience of marketing efforts out there is not you, UBC members, but rather prospective students and their parents, which accounts in part for why faculty or staff might not see many of these efforts.
- Walter showed several advertising spots that spotlighted Eastern's strong academics and the student experience – how they can grow intellectually and emotionally and flourish at Eastern.
- Billboards are part of the marketing strategy, along with digital ads, the latter of which have become a central element in reaching people. Adding to digital's appeal is that you can closely measure your reach and impact and how many people are seeing your ads and clicking through.
- The number one area advertising spend in the coming year will be healthcare, with higher education next. We are in a very competitive place. "This is kind of scary," Walter said of the powerful spending trends. Questions (and answers) and observations in the discussion that followed Walter's presentations included:
 - o Eastern is getting strongly outspent by competitors such as Oakland and Western Michigan.
 - o The Academic Partnerships marketing agreement for selected online courses at Eastern is separate from any efforts by Walter's division.
 - o A key goal for EMU is to get on the list of schools FTIAC students are considering – to get in the mix.
 - o "What would you do if you got more money?" Walter was asked. Answer: Increase the frequency of ads, with further targeted messaging and creative efforts.
 - o Upcoming marketing efforts will showcase special new features such as renovated Strong Hall.
 - o EMU's residence halls are not an inducement to student recruitment.

Kevin Kucera, Enrollment Management Report

Kevin Kucera, vice president for enrollment management, provided a detailed report on enrollment at Eastern. The report touched on EMU and state comparative trends along with the variety of programs implemented at Eastern to encourage enrollment and his division's budget. If you don't have the report, be sure to request a copy from Kevin.

Along with the statistics, programs and trends detailed in the report, the discussion included the following observations:

- From 2012 to 2017, EMU outperformed its peers in terms of FTIAC enrollment.
- Eastern has improved its 6-year graduation rate by more than 8 percent in the last five years.
- Despite arguably the worst scandal in the history of Michigan higher education, MSU greatly increased its level of application and admissions this past year.
- Eastern faces a constant battle in terms of negative press, including recent issues such as the racist graffiti, off-campus crime and the EAA. EMU is essentially large enough to matter, but easily understood in terms of campus issues because of the connected nature of its community and easy access to the press. "Stuff like this has an effect on public perception," Kevin said.
- Community colleges have experienced a 20 percent decline in enrollment, which decreases transfers. More and more, such students prefer online enrollment. Since 2010, online enrollment is up by 56 percent nationally, while on-campus enrollment is down by 8 percent.
- There are nearly 600,000 adults in the metro Detroit area with some college experience but no degree. How can EMU draw those students?
- Online classes are replacing the model of having various centers in off campus locations, such as EMU's now closed sites in Jackson and Livonia, etc.
- The Federal government has tightened regulations regarding Pell Grants, such as summer grants and the time you're allowed to use Pell before having to graduate. This has also greatly affected enrollment, Students cannot stick around as long and be assured of Pell Support.
- Themes that affect EMU enrollment include perceptions regarding safety and security, housing stock and academic reputation. Eastern must continue to work hard on improving perception of academic quality, as this is a true strength of the University. It's more important to emphasize academic quality vs. cost, the latter of which can contribute to a perception of low value.
- The provost's office and others have successfully worked on improving our academic profile and graduation rates, the latter of which, while highly positive, serves to further diminish enrollment.
- The 4Ward Scholarship Program, which offers free tuition for your final two years provided you live on campus for four years, has provided encouraging results, drawing out of state students Eastern would not otherwise have enrolled.
- The University has sought to eliminate hidden program fees, instead rolling them into the overall tuition figure.
- It would help if the University would move to a base of 120 credits required for graduation for other than highly specialized programs. The University presently requires 124 credits; thus taking the traditional load 30 credits annually for four years still leaves students short of graduation.

- The Academic Partnerships collaboration has shown exciting growth in several mid-career College of Education graduate programs as well as the RN to BSN program.
- The University needs to continually reflect on what might be worthwhile online classes as it seeks to expand such offerings. Kevin pointed out the recent example of a new BGS class to be taught by Nick Romerhausen, a professor of communication. The course drew 26 students once the option was extended to all online students needing a timely class to move toward graduation. "It was a fascinating little experiment," Kevin said.
- Summer online programs offer solid potential, vs. land-based summer classes.
- Kevin defended the Academic Partnerships collaboration, asking several times, "Tell me one faculty member who has been hurt by AP." Rob Carpenter says he could bring forth several who would attest AP had a negative effect on them.
- Eastern is now doing the common application. It will be interesting to see how that affects enrollment.

Rob Carpenter - **Faculty Senate Budget Committee Annual Report from Spring 2018**

Rob offered a summary of the May 2018 annual report, which offers the recommendations from the Faculty Senate. Those recommendations include:

- A broad-based committee to examine the role of athletics at Eastern.
- No budget cuts without first consulting the affected constituencies.
- As few cuts to existing staff as possible, instead encouraging buyouts and attrition as part of voluntary separations.
- Right-sizing of administration to reduce number of senior VPs. Possible eight-month work-year for some administrators.
- No new construction of athletics facilities.
- More financial aid to transfers.
- Support for Pell-eligible students to include summer terms.
- No online programs be offered through the Academic Partnerships agreement.
- Calculating the impact of financial decisions on revenue lost and not simply the reduced expenses.
- The ensuing discussion included these questions:
 - o Has the Senate done a comparative analysis of administrative positions at peer institutions? That could be helpful, given that the state of Michigan has recently rated EMU highly in its tuition cap metrics for what lawmakers viewed as the University's relatively lean administrative staff.
 - o Has academic program review, a major cost/benefit issue for the University, been discussed or suggested by the Senate? Is the key eliminating some programs, or simply sections?

Our student government members were very involved this year. Both Candice Crutcher (president) and Ethan Smith (vice president) contributed their perceptions of what students and prospective students want at EMU. Student Body President Candace Crutcher distributed a resolution from the Student Senate urging the administration to implement a housing plan that puts students' needs first and makes sure the student body is fully represented in the Housing

Master Planning Process. The resolution included a variety of particulars while acknowledging the need for new housing. Their Housing Resolution can be found in Appendix C.

A tentative schedule for has been set for 2019-20 and is included in Appendix D. The council looks forward to continuing to work with the Board, President Smith and Provost Longworth to develop a sound budgeting processes and recommendations for FY20 and beyond. We welcome any input and/or charges the Board, President Smith and Provost Longworth might be interested in conveying to the council.

Respectfully submitted,

A handwritten signature in purple ink that reads "Colleen L. Croxall". The signature is fluid and cursive, with the first name "Colleen" and last name "Croxall" clearly legible.

Colleen L. Croxall, PhD
Chair, University Budget Council

APPENDIX A

Position paper

University Budget Council

Over the last decade, EMU has systematically renovated its academic facilities. It has done this by borrowing funds, using its operating funds, and through state capital outlays. All of the facilities (Pray-Harrold, Mark Jefferson, Rackham, Strong, and Sill Halls, as well as the Sculpture Studio) were over 50 years old at the time of the renovations. These renovated facilities along with the fair condition of Owen (renovated in 1990), Porter (renovated in 1999), and Marshall (built 2000) now provide EMU with the academic facilities needed to deliver its programs for decades.

<u>Building</u>	<u>EMU</u>	<u>Borrowed</u>	<u>State</u>	<u>Total</u>
Mark-Jefferson		\$90M		\$90M
Pray-Harrold		\$10M	\$30M	\$40M
Rackham	\$15M			\$15M
Sculpture	\$1M			\$1M
Strong		\$10M	\$30M	\$40M
Sill		\$40M		\$40M

However, the upgrades to these academic facilities has been at the expense of facilities related to the student experience at EMU, specifically housing, dining, and recreation. Over the last 20 years, EMU has renovated one residence hall (Wise) and opened the Villages (in 2001). Jones and Goddard Halls were closed due to their poor condition. Graduate Housing was demolished to build the new Student Center (opened in 2006). Dining facilities and the Reclm have not had significant renovations in the last 20 years.

In borrowing \$150M for the academic buildings and due to the sheer magnitude of deferred maintenance of all its facilities, EMU has sought external partnerships to improve facilities impacting the student experience. In partnering with Chartwells for dining services, EMU has seen improved operating performance, seen investment in capital upgrades to the dining facilities by the partner, and additional new dining options. The students are partnering with EMU on the Reclm renovations by sponsoring and agreeing to a new fee for upgrading the facility. As a result of the new funds raised, EMU will begin renovation on the Reclm (built in the early 1980s) in January 2019.

In terms of Housing, EMU has over 4,000 beds in 18 facilities. Only Wise Hall has been renovated (in 2016) since the Villages were opened in 2001. The remaining facilities have been maintained and had

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some updating, but no significant upgrades since they were built. The 3 Towers (Hill, Hoyt, Pittman) were built in 1969. The First Year Center resident halls (Phelps, Sellers, Putnam and Walton) were built in 1968. The other 4 "low-rise" resident halls were built in 1957 (Buell, Downing), 1963 (Wise) and 1965 (Best). Similarly, the apartments have not been renovated since they were built: Brown (1940), Munson (1940), Cornell (1960 and 1966), and Westview (1967 and 1969). Jones (1948) and Goddard (1955) have been shuttered for over a decade due to the conditions of the buildings.

To address the needs of the Housing facilities, EMU has asked the University Budget Committee to looking at the housing needs and give advice on a path to upgrading the housing facilities. UBC is considering 4 options:

- 1) Do nothing and continue to maintain the facilities with minimal upgrades
- 2) Use operating dollars in the capital budget to renovate the facilities
- 3) Borrow funds to renovate the facilities
- 4) Seek an external partner, with goals similar to those in the dining partnership

The Physical Plant estimates that EMU would need over \$200M to renovate the 1.2M sqft in these 18 facilities (slightly less than \$200 per sqft). All of the facilities, with the exception of Westview, would be gutted and renovated. Westview would need to be demolished and rebuilt. The 11-story Towers would be the most expensive to renovate. Little work would need to be done in Wise since it was just completed in 2016. The Housing Study completed in Fall 2018 indicates with the right mix of rooms, demand for on-campus housing can be increased as more upper-level students would stay on-campus if the spaces they desire are available at current pricing.

From a recruiting stand-point, EMU needs to articulate at least a 10 year plan for its housing facilities.

Evaluation of the options:

- 1) Undesirable, as this scenario is non-competitive (with peers and local market) and is literally a disaster waiting to happen.
- 2) Using operating dollars in the capital budget would require EMU to:
 - a. Make significant cuts in the General Fund operating expenses to increase the capital budget as using the entire capital budget on a single housing facility, and deferring all other campus needs (classroom technology, network servers, roofs, ...) is unacceptable.
 - b. If EMU is to renovate 1 facility per year, it will take 17 years to complete all the facilities since Wise is already done. This would involve at least \$12M in funds each year that would need to be cut from the operating budgets permanently.
 - c. If EMU spreads the renovation of a facility out over 3 years to reduce the cuts to the operating budget to only \$4M (in today's dollars), it will take over 50 years to complete all the facilities and the first facility would need to be renovated again as it will have been 50 years since it was renovated. This becomes a permanent cycle of replacement.

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- 3) Borrowing funds to renovate is challenging as the committee has noted the degree to which EMU is already leveraged in part due to the \$150M in borrowing already done for renovating the academic spaces. Borrowing \$200M will significantly increase the debt services, and essentially create the need for significant cuts in the General Fund operating budget to fund the new debt service. Borrowing in small chunks for each renovation is not economical. One advantage to borrowing funds is the ability to begin the first renovation immediately so that it can be used to recruit new students.
- 4) An external partner with an agreement similar to the dining agreement seems viable. The partner would provide capital immediately to start renovations. As seen with dining, there is a reasonable expectation that a partner with significant experience in the housing market can generate operational efficiencies that EMU will never be able to attain given our small number of beds. External capital also allows EMU to continue to address its other facility needs, like those in Quirk, Warner, Alexander, and King Halls. Any agreement with an external partner would be expected to have the following characteristics:
 - a. A guaranteed revenue consistent with the current net cash flow in Housing (today's dollars and growing at a set rate), with additional revenue sharing as housing occupancy grows and new opportunities become available.
 - b. An initial upfront payment to be used to strengthen the University's reserves
 - c. A renovation schedule that includes significant investment in housing so that new facilities are available as soon as possible. Ideally, a newly renovated facility is opening every Fall for the next 4-5 years.
 - d. EMU will maintain the Resident's life programming and staffing in all its Housing Facilities. EMU will determine uses for specific buildings, for example the First Year Center and hall(s) used for Honors communities.
 - e. The partner will maintain the facilities in partnership with EMU's Physical Plant.
 - f. EMU will continue to set prices for Housing Facilities.
 - g. Student payments for housing will be processed through the university systems.

On January 7, 2019 this position paper was presented to the University Budget Council as a summary of committee discussions to-date concerning housing. The University Budget Council approved the evaluation of the four options for the reasons outlined above as input to the CFO and President concerning next steps in planning a strategy for addressing the housing needs at EMU.

APPENDIX B

EASTERN MICHIGAN UNIVERSITY

Business and Finance Division

University Budget Council Charter

I. Introduction

Understanding interrelationships, dynamics and dependencies among the various university units is critical to the successful development of the university budget and management of the university's resources. Work of the University Budget Council will provide for improved planning and managing of limited resources, greater transparency in the budgeting process, and heightened ownership for decisions made by the administration and Board of Regents.

II. Purpose of the University Budget Council (UBC)

Through a thorough understanding of the budget and of historic budgetary information, the University Budget Council (UBC) provides guidance and recommendations to the Board of Regents (BOR) and the University President on the budget processes, procedures, priorities, and goals during the development of the university budget. The University Budget Council is charged with:

- a) Identifying and promoting a set of enduring principles and values that guide budgetary processes and decisions.
- b) Incorporating strategic planning priorities in context with the budget process.
- c) Assisting in the development of a balanced budget based on careful analysis of program, enrollment, market, compensation, and other relevant trends and that is consistent with long-range financial projections.
- d) Making macro level budget recommendations based on information provided by the Budget Office and other sources.
- e) From time to time, recommend processes to be followed by the areas responsible for budget development.
- f) Providing channels for adequate communication about budgetary issues and procedures within the university community.

III. Membership

The University Budget Council (UBC) membership has been established to include representatives of divisions, colleges, and various constituent stakeholder groups; to enhance university-wide understanding of the budgetary process; to promote ownership for the principles which govern the university's use of its resources; and to promote the well being and long-term success of the University. Voting membership is comprised of twenty-four faculty, staff, administrators, and students who serve two year terms. Additional non-voting members may be added when needs arise to assist with University Budget Council work. Members will be selected by their own constituent groups following appropriate procedures for each of those bodies. The University Chief Financial Officer shall be an ex-officio non-voting member of the UBC and shall serve as Chair in the absence of the elected UBC Chair.

Because of the importance of the tasks addressed by the University Budget Council, members must be able to attend regularly and provide information to their constituent groups. Each member on the UBC shall have an alternate representative, selected from the same unit by an appropriate process. The alternate shall serve with a vote at any meetings that the regular member needs to miss. The Chair shall be kept informed of the names of alternates.

Membership will reflect the following:

- a) 2 student members
- b) 8 faculty representatives appointed by the Faculty Senate for a total faculty representation of one third of the membership

EASTERN MICHIGAN UNIVERSITY

Business and Finance Division University Budget Council Charter

- c) 6 administrative representatives from the colleges (a representative from each college and 2 from CAS based on size)
- d) 1 representative from the Provost's Office
- e) 1 representative from the All-Union Council
- f) 6 representatives from remaining divisions and key units (1 each from Business and Finance division, Communications, Enrollment Management, Athletics, Physical Plant, Information Technology).
- g) The Faculty Senate Chair.

IV. University Budget Council Meetings

The University Budget Council will meet regularly during the academic year at dates, times, and locations acceptable to the group. Input for agenda items will be provided in advance of council meetings by UBC subcommittees, Senate Budget Committee, and others as appropriate.

V. Role of University Budget Council Chairs

The Chair of the UBC will be elected from its voting membership each fall and will be responsible for planning agendas, coordinating the work of subcommittees, and representing the UBC as required to facilitate the work of the group. The Chair will serve as a voting member of the UBC.

VI. Role of University Budget Office

The University Budget Office will support the work of the University Budget Council in a variety of ways including but not limited to:

- a) Assisting with agenda-building
- b) Providing reports and materials required by the UBC
- c) Ensuring that the budget represents all major revenues and expenditures
- d) Disseminating accurate, timely budget information as requested by the Council
- e) Apprising the UBC in advance of significant budget related issues and initiatives.

VII. Role of Faculty Senate Budget Resource Committee

- a) UBC and FSBRC will function independently of each other
- b) FSBRC will have the right to request time on the UBC agenda.
- c) To avoid overlap of efforts and to promote exchange of ideas, the SBC representative on UBC will serve as liaison between both committees.

VIII. Flow of information out of the University Budget Council

Communication with the Board of Regents will be handled by the Chair in consultation with the CFO. Council members will maintain communications with their constituents. Communications with the university community will be coordinated through the Chair and posted to the Budget Council website as applicable.

Student Government Official Position on Potential Housing Renovations

Faculty Senate - 2/13/19

Over the course of this academic year, Student Housing has been a major topic of conversation among students, faculty, staff, and administration.

In an effort to uphold the core academic mission of the university, EMU has been diligently renovating academic buildings over the past several decades, including Pray-Harrold, Mark-Jefferson, and Strong Hall.

For this reason among others, there has not been significant investment in our housing stock for over 50 years, with the exception of Wise which was renovated in 2016. This has resulted in housing conditions which are non-competitive and, more importantly, objectively substandard.

The position paper passed by the University Budget Council on January 7th outlined four avenues for solutions to this problem:

- 1) Do nothing and continue to maintain the facilities with minimal upgrades;
- 2) Use operating dollars in the capital budget to renovate the facilities;
- 3) Borrow funds to renovate the facilities;
- 4) Seek an external partner, with goals similar to those in the dining partnership.

After seeking feedback from students on their living conditions, it is the position of Student Government that the presently poor condition of student housing - at high cost - is fundamentally unfair to students. Faulty housing presents unnecessary and unfair distractions from learning, particularly for our most socio-economically vulnerable students. EMU students shouldn't be faced with inescapable debt for substandard housing.

Therefore, it is in the interest of students for housing to be upgraded **IF and only if** certain conditions are met.

- 1) Housing prices must **NOT** rise. Students do not support the construction of "luxury dorms." EMU students represent a working class demographic whose single most important concern is cost.
 - a) There must not be any tuition increase due to housing construction specifically, nor any housing-specific student fee.

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- 2) Housing and Residence Life staff must not be cut or affected by any potential housing renovation project, including paid room and board for RA's and other staff. If the university signs a contract with partner, HRL must remain under the **full** control of EMU.
- 3) Students must retain control over their living conditions to the maximum possible extent in any new renovation or construction, such as full control over heating and cooling.
- 4) Students must be protected from unfair monetary penalties for alleged damage to their rooms. An accessible and efficient appeals process, controlled by EMU if a private partner is involved, is absolutely necessary as EMU or a partner may seek to over aggressively and unfairly "protect its investment."

Finally, let us be clear: Student Government does not support the privatization of EMU housing. The trend toward privatization at this university is highly alarming, while we concede that it has been driven by financial pressures largely outside of EMU's control. Decisions to privatize, particularly when there is not a thorough, deliberative, and public process, have limited protections for students in the arenas of parking and dining. At the same time, it has been empirically shown that overall student satisfaction with dining has improved, and partnerships have the potential to give the university greater financial flexibility to invest in student resources.

Nonetheless, no matter what path the university takes moving forward, our demands must be met. Otherwise, Student Government is prepared to organize direct action.

Candice Crutcher, *Student Body President*

Ethan Smith, *Student Body Vice-President*

APPENDIX D

UBC Tentative Meeting Schedule 2019-20

Month		
Sept	9/16	
Oct	10/7	10/21
Nov	11/4	11/18
Dec	12/2	12/16
Jan	1/6	1/27
Feb	2/3	2/17
March	3/2	3/16
April	4/6	4/20