

# *University Student Union*

## Proposal: Referendum for Renovation/Expansion of University Student Union

### Overview

For the past four years, the Associated Students (ASI) has been researching and considering the possibility of renovating and expanding the University Student Union (USU) at California State University, Long Beach (CSULB). Beginning at Harvard in 1832, student unions have long served as the center of campus life on colleges and universities across the nation. Within the CSU, student unions have been in existence since the mid 20<sup>th</sup> century.

The CSULB University Student Union was constructed in the late 1960s and opened in 1972. In the mid-1990s, the USU was renovated to address earthquake seismic issues and other facility improvements, while also enclosing the third floor and adding the second floor west wing. Construction and operation of these types of student union facilities are funded using student body center fees, instead of state funds. Here at CSULB, this fee is known as the University Student Union fee. In addition to funding the USU, this fund also covers the cost of construction and operation of the Student Recreation and Wellness Center. ASI is responsible for the entire expense of operating these facilities, as well as building improvements and repairs of these facilities. Over the years, ASI has invested millions of student fee dollars in annual operating budgets to repair these facilities. However, with the increasing age of the USU (i.e., over 40 years), the cost of major repairs has exceeded the available operating funds.

In 2011, the USU Board of Trustees and ASI began a formal assessment of CSULB students' needs and desires for the USU. This assessment included numerous focus groups, intercept interviews, an online survey of the entire student body (with a 37% response rate), and recommendations for improving the students' understanding of the facility needs of USU. Based on the recommendations from this assessment, the student leaders of ASI and USU over a two year period conducted educational campaigns (e.g., "Take Ten"), conducted minor facility improvements, improved financial reserve policies, and strategized future assessments of students. In Spring 2014, the USU Board of Trustees and ASI began a second formal assessment of CSULB students' needs and interest in renovating and expanding the USU. Again, this assessment included several focus groups, intercept interviews, an online survey of the entire student body (with a 24% response rate), examination of facility improvement options and fee tolerance, and financial plans.

After consideration of all the data collected over the past four years, the CSULB elected student leaders have decided to recommend that the student body have an opportunity to decide how ASI should proceed by having a student referendum in February 2015. At its April 23, 2014 meeting, the USUBOT approved the recommendation to conduct a referendum of the CSULB student body to consider a renovation and expansion of the USU. The specific language is provided below. At its April 30<sup>th</sup> meeting, the ASI Student Senate subsequently confirmed the action taken by the USUBOT. Hence, the USUBOT is presenting the attached referendum language for an increase in the USU fee to cover the cost of construction, renovation, expansion, and continual operation of the University Student Union. The current fall and spring student body center (USU) fee of \$179 would increase by \$165 and the current summer student body center (USU) fee of \$134 would increase by \$124.

## Proposal

The USUBOT and ASI Student Senate officially approved the following language regarding a referendum for a USU renovation and expansion:

“The USUBOT recommends that a student referendum be conducted in late February 2015 so that the student body may decide with a simple majority if an increase of \$165 per semester (\$124 per summer) in the Student Body Center (USU) fee should occur for the construction, renovation, expansion, and operation of the University Student Union. The increased fee will not go into effect until the year the renovated sections of the USU open.”

In consideration of a possible fee increase for the renovation and expansion of the USU, the USUBOT had hired a consulting firm, which specializes in student unions, recreation facilities, and student housing to develop a preliminary plan, financial estimates and costs, and related fee structure. Attached to this document is the proposed pro-forma for year one of the operation of a renovated/expanded USU (attachment 1).

During these past two USU needs assessments, 59% of the students stated that they were very likely or somewhat likely to support a renovation/expansion of the USU consisting of more lounge and study space, meeting rooms, large event space, and student resource centers. Students also stated that if improvements were made to the USU, it would double the number of visits to the facility per week, as well as increase the amount of time spent in the USU. Overall students and the campus community view the USU as the focal point of the campus. The concept the USUBOT and ASI Senate endorses includes 130,000 renovated square feet and the following improvements and modifications:

- Increased informal student lounge space
- More study space, including group study rooms
- Expanded food service seating
- Centralized Student Resource Center(s) (e.g., cultural groups, AB 540, LGBT, religious, etc.)
- Increase student organization office/meeting space
- Sustainability Resource Center
- Expanded conference, ballroom, and meeting facilities
- Improved Beach Auditorium

When considering the proposed fee structure, many variables were examined. Over the past 10 years, nearly 75% of the CSU student unions have been updated and renovated or have been completely rebuilt. The student union on college campuses are often a recruitment tool for prospective students, so the need to stay current in comparison to our sister institutions is important. In comparing all mandatory student fees (e.g., health center, ASI, IRA, USU, Student Success, etc.) to other CSU campuses, CSULB, one of the largest campuses in student enrollment, ranks in the bottom 1/4<sup>th</sup> of the 23 campuses. With the passage of this proposed increase, CSULB would rank near the mid-point as compared to the mandatory student fees at the 23 campuses.

Additionally, based on student demand, the renovated USU could be open later hours during the week and on weekends. This could include providing a permanent location for a 24-hour study lounge, a Student Resource Center, larger ballrooms and conference facilities, and expanded study, dining, and open lounge seating.

## Financial Impact, Timeline, and Details

The total cost of construction for the renovated and expanded USU is currently estimated to be \$99,000,000. Pending the outcome of a student referendum, the expected design and construction schedule would begin in summer 2015. Because this project would be a renovation and to ensure the USU remains open for operation for the campus population during the project, construction would occur in phases and would more than likely last for four-five years before completed. During the two years between referendum and construction, the University, USUBOT, ASI, and the Chancellor's Office will be designing the facility, working with architects, and hiring contractors.

## Attachment 1

### Financial Pro Forma Year One University Student Union Renovation and Expansion Project California State University, Long Beach

#### Income

Students Fee Income	\$26,008,000
Income from Operations	<u>\$1,923,000</u>
<b>Total Income</b>	<b>\$27,931,000</b>

#### Expenses

##### **Personnel Expenses:**

Full Time Staff Salaries	\$2,476,544
Student Staff Salaries	\$1,868,464
Full Time Staff Benefits	\$1,393,056
Student Staff Benefits	<u>\$221,120</u>
<b>Subtotal</b>	<b>\$5,959,184</b>

##### **Operating Expenses:**

Management, Marketing, Administration	\$254,840
Utilities	\$1,274,204
Building Maintenance & Repairs	\$1,019,363
Facility, Maintenance, & Custodial Supplies	\$1,173,722
Service Contracts	\$1,121,299
Insurance	\$178,388
Miscellaneous Expenses	<u>\$75,000</u>
<b>Subtotal</b>	<b>\$5,096,816</b>

**Total Expenses** **\$11,056,000**

**NET OPERATING INCOME** **\$16,875,000**

Annual Debt Service	\$13,347,000
Reserve Transfers	\$3,528,000