



# AS Finance Council

March 31, 2020 3:00 p.m. Teams Meeting

**Members: Present:** Nate Jo, Chair (AS Business Director), Lani Defiesta (AS President); Adah Barenburg (AS Student Senate Pro Tempore), Selome Zerai (VP for Activities), Nicole Ballard (Student Senator), Corey Griffis (student at-large), Keenan Kaemingk (Activities Rep), Rachel Walsh (Central Services Rep) Christina Ngo (Resources Rep)

**Advisors:** Leti Romo, Assistant Director for Representation & Governance, Raquel Vigil, Business Manager

**Secretary:** Cindy Monger, Dean of Students Unit Fiscal Specialist

**Guests:** Jeff Bates, Publicity Center Manager; Jenn Cook, AS Club Activities Manager; Jeff Davis, Lakewood Manager; Joanne DeMark, Leadership Development Specialist; Karen Deysher, Student Advocacy & Identity Resource Center Coordinator; Casey Hayden, Assistant Director of Student Activities; Jamie Hoover, KUGS General Manager; Assistant Director of Student Activities; Stephen Magnuson, Outdoor Center Programs Coordinator

*Nate Jo, chair, called the meeting to order at 3:03 p.m.*

## I. Call to Order

## II. Discussion Item

### A. Collection of Services & Activities Fee Revenue & the Spring 2020 AS Budget

Jo called this special meeting of the Finance Council to look at the evolving circumstances due to the Covid 19 Pandemic. Jo pulled together information about finances for Spring 2020. There have been many smaller meetings to discuss these topics. Jo would like to hear what recommendations Finance Council would like to make and what thoughts Budget Authorities would like to share. Jo said that because students are facing financial hardships due to the Covid 19 Pandemic. There has been a petition circulating to lower tuition and fees. The AS cannot collect money and then turn it into an emergency fund due to State Laws. What they can do is spend as little as possible and potentially take less money from the Services & Activities Fee that funds the AS. Actual expenses for spring quarter due to the travel ban, working less hours, and cancelled events, etc. will be lower than budgeted expenses. There is also a commitment to the current AS student employees to provide continued financial support via their continued employment as much as possible. They have received the expectation that enrollment for Spring 2020 is expected to drop by 5%. There may be a bigger decrease in Fall. This conversation is only about Spring 2020. A separate conversation will continue about the next year as well.

Alexander said that the AS Fee is part of 4 other areas that make the Service & Activities Fee charged to each student. This is one of 9 mandatory fees that are charged to students and are the commitments students have made. They are like levees or taxes in a community to support specific areas. All of these fees, including changes to the fees, are approved by the Board of Trustees. This group would make recommendations to the two governing bodies of the AS the Executive Board and Student Senate.

Defiesta said that they have been meeting with others across the state. At Central Washington University they have given the power of decision to the President because they are on the verge of bankruptcy. April 16-17 will be the WWU Board of Trustees Meeting where they will hear any recommendations. Jo believes that the fees and tuition have been charged at this point. Alexander said they have been charged, so any changes may show up as a reduction on the account.

Jo put together some numbers about current AS Finances. They will start out with a fund balance of \$340,071, meaning all of their revenue and expenses have left this balance as of the start of spring quarter. There is \$281,600 in the Operating Reserves savings account for a sudden and catastrophic drop in revenue. Jo said that this seems like what is happening in the current situation. The Student Enhancement Fund is at \$35,014 for academic conferences and events; VU Org Reserve is at \$63,000 for professional development/unforeseen salary needs; the Discretionary Reserve is \$409,086 which holds the remaining Reserves balance; the large event fund is at \$44,530. Currently the spring projected revenue is \$867,834 for the normal S & A Fee was collected with a 5% decrease included. Assuming everyone worked their expected hours and some core expenses the projected expenses the need would be around \$681,027.

The expenses were calculated by dividing the calculated wages for Jan-June in half. The student activities admin area is calculated by February 2020 actuals multiplied by 3 for April, May, June. The rest are rough estimates that equal the \$681,027. Alexander said that there were questions about any programming dollars included in the projected expenses. Vigil said that the Budget Authorities are hoping to reinstate some funds if there are costs associated with virtual or possible in person programming. There were concerns that funding have been reduced to the level that students may feel all that can be done is professional development if there are no funds available for programming. Alexander said that they wanted to make sure they were thinking about our core functions which are student/community engagement because they know that engaged students are more successful and more likely to retain. They are hoping to maintain this online. There may be some costs associated with this that they may need to be found in fee collection or in use of reserves. DeMark said that research show co-curricular is very important for engagement, success, GPA. Resilience, support, and connection. DeMark said that people are longing for online time with each other and with the staff. They are also working on community and volunteer engagement in an online way. Jo asked if they knew about costs associated with the online programming. Zerai understands that every office will be doing virtual programming but feels they could do this with a low amount of funding. Ballard said that they are looking at hiring speakers to speak and there might be fees with this for Representation & Engagement Programs. Magnuson said that they will still be planning online programs, but their employees are normally partially funded by revenue, which they will not be getting at this point. This will impact the costs in their area. Romo said that they may have more costs associated with marketing to promote the online programming. Jo feels the core expenses is definitely low. Jo asked if people thought that their students would be working full hours. In the Business Office they will not likely use all of their hours. The thought is that the wages expenses might be lower in general for the AS. This will free up some funds. Ballard is concerned about still making sure that people are able to work if they need to, and maybe they can do this in supporting events or in tasks not in their specific job duties but still working towards the office goals. Walsh wants to ensure that people who are working for the AS have their hours available. Walsh said that hiring will also take time as well. They may be pushing back hiring two weeks to allow for revision of the process as needed.

Zerai said that they should look at the budget as working the same as they did last quarter, even if this is an overestimate. Cook said it might be easier to ask who on staff may not be working their full hours to help with estimates. Magnuson said that about 25% of their staff are not planning on coming back. DeMark said that they would have been hiring maybe 4 students for spring, but they will not be hiring. She offered for students to help out in their department with some duties. Bates said that he has 3 distributors that he doesn't have obvious work for, but he would love to see them stay employed.

Zerai asked what happened to the refunded travel that was canceled due to the travel ban. Jo said that there were some complex situations where some people who weren't able to get a refund for expenses that they had personally paid out. Jo said that for the most part for flights they have only

been given certificates for future flights, but often in the name of the students. Jo would like to have a better estimate for who will continue to work and for possible programming expenses. Walsh said that she could prioritize committee members for hiring committees that do not have other tasks to do. Vigil said that as part of hiring committees, they do need to consider that it is possible that some positions open for hire may not be able to move forward. She wants to make sure that it is clear that there may not be a position in the fall based on possible enrollment.

Jo said that if they have a 10% drop in enrollment for next year, they may need to make reductions in budgets. Vigil said that she is hesitant for us to be relying on reductions in student employment to help with reductions. Student Employment is a value of the Associated Students. Jo is suggesting keeping the full allocation for all of the student employment. Jo is adding \$50,000 to the projected core expenses. Jo will create a shared spreadsheet to allow people to better estimate expenses. Since everything is changing, Jo appreciates Cook's recommendation to share who will no longer be working and what they anticipate their expenses to be for Spring 2020. Zerai suggested discussing possible S & A Fee Collection now since hiring will be a longer conversation.

Vigil said that the fee is \$223.98 for full fee-paying students. The AS receives 43.89% which is equivalent to \$98.30 per student. Therefore, the committee can make recommendations on that portion of the S & A Fee. Last week the Departmentally Related Activities Committee (DRAC) said that they were willing to take no fees, their share of the fee is 16.76%. At 32.55% Athletics needs to keep their funds as they often front load their expenses and rely on the rest of the year to recover. Campus Rec gets 6.8% and they said if they can't provide programming then they could take a cut as well.

Magnuson said that looking at this and the student desire to reduce the percentage of funding that they are taking but feels that student employment is important to support. Ballard asked if they take roughly \$100,000 less than what they are allotted then that would decrease the student payment needed for the fee. Cook asked about Activities Council Funds. Jo said that there could still be some use for online activities that may have registration fees or some expenses that are granted to funds for online marketing, etc. Monger asked about the off the top amount for S & A. Vigil said that there is some funding that is taken out before the split and that will still need to be used at this time. The Viking Union Housing & Dining Fee is taken off before the split, as well as Music Copyright, etc. this is approximately 20% of the fee needed or about \$45.

Jo showed a spreadsheet with the beginning balance that is available at this point of \$340,071. The proposals are considering operating to be around \$700,000, the options are to ask for none of the S & A fee and use portions of different reserve funds or to ask for a smaller amount such as 50% of the fee money and then use less of the funding from AS Reserves. Jo said that there is a value in the AS that we support student employment; and we want to provide programming and community building because that's what we're here for. On the other hand, there are the Facebook petitions and in response, they will try to use the least amount possible and not collect fees because we are hearing from students that they are having financial hardships right now. Both of these things are caring for students. Jo said that they also know that they always send money into reserves at the end of the year each year. Jo feels that they will not spend all of their funding by the end of the year if they budget \$800,000 and the remainder would go into reserves. Jo thinks that they should be looking critically at every penny they spend. The AS has a healthy reserve and can weather this onetime expense. They will have to look more closely if this funding is needed again. Davis said that no one could have predicted this situation and therefore they should maintain part of the reserve areas in case there are other needs in the future. He does think that they should protect employment and ways to connect people. But he does think that they shouldn't spend down the reserves completely, perhaps there is a percentage that is safe such as

30-40% and that is how much they are forced to work with. Jo said that the language in the AS Reserves is a sudden unforeseen catastrophic drop in revenue. Jo feels that if they know that there may be a decrease in enrollment next year, then it may not be unforeseen to qualify for this kind of reserve use. Zerai doesn't feel that the \$50,000 estimate is not realistic because a lot of the funding isn't going to be used this year. She doesn't feel they need that much and suggested \$25,000. Jo will collect information on estimated expenses from Budget Authorities to help have a more accurate reflection of need. Jo said that if they take \$200,000 out of the Operating Reserves than after the end of the Fiscal year, they will be redistributed into the funds to refill the different AS Reserve areas and then the Discretionary will be lowered accordingly. Magnuson wondered what the impact would be on the AS Reserves if they collected no fee money. Vigil said that there is no discussion in cleaning out the Reserves. There are some designated reserve areas that are not reflected in the items proposed. The ones listed are discretionary reserves. If they spent everything out of discretionary then they would still have about \$500,000 money left including approved AS Grants. Jo said that event with the most aggressive option of getting no fee money, there would still be about \$350,000 left in discretionary.

The Board of Trustees meeting will be April 16-17. The Governor has said that they have to keep these meetings to absolutely essential business items. They will be able to present what the AS Finance Council is proposing during their announcement times. Defiesta said that Central is similar in size and revenue to WWU, so the Trustees are looking at that because they have delegated their decision-making authority to the University President. They will also be discussing tuition costs and mandatory fees. Defiesta encouraged students to attend this meeting. She spoke with the Student Trustee about the situation as well. Defiesta will also forward more information as it becomes available.

Jo asked the AS Finance Council if they want more time to think about this, if they are ready to vote, or if they want to schedule something for Friday. Jo said that even if they spend the full amount of funding it doesn't look like they need to collect more than 50%. Vigil said that Option 1 says not asking for any of the fee and we will take money out of reserves. The 50% Option 2 is taking nothing out of Reserves but possibly having about \$40,000 over at the end of the year. Vigil suggested a third option of 25% and still dipping into the Operating Reserves Fund. Cook likes this option because she feels they could take about half of the Large Event Reserve and still leave some of it in case the Lawn Stock music festival can happen in the fall. Jo created a 3<sup>rd</sup> office at 25% and using less from Reserves.

Walsh would like to have until Friday to look this over. Ngo would like to wait until Friday as well to get some more input on programming needs. Zerai thinks that they should get an estimated budget from all of the offices, so that they don't have to take more out of reserves than needed. Cook ask if offices should basically submit a proposal for how they will spend their budgets for spring quarter. She has no idea what that might look like for right now. Zerai was thinking more about committees that have specific budgets and looking at how much they may actually spend. This might help them figure out the amount for programming. Defiesta wondered if it was good to pick one option, or to show all three. Jo thinks that it would be better if the committees decided on a message together. Jo said that if for no other reason, they are showing that they should not be collecting all of the revenue from the S & A. Vigil feels that they should take this to the Services & Activities Fee Committee to come together as a recommendation that they would charge a certain amount for the quarter. Vigil also wondered if they could suspend the Legislative Action Fee, the SJEF. This may be more powerful as a comprehensive message to the Board of Trustees. Jo said that the next meeting is scheduled for April 9th. Jo hasn't heard any communication that S & A will be discussing this prior to that date.

Romo would also like to speak on behalf of the students specifically the RAs who will be let go and also Athletics. She wondered where their sense of responsibility and how they advocate for them through the AS. Recognizing that this isn't just about AS students. Jo thanked Romo for bringing this up.

Jo will inquire to if these conversations are happening at the S & A Fee level. Jo said that any projections in this estimated budget would be used as a budgeting tool to help say how much they may need to spend. This is to help ensure that it's not too little, or too much. Offices will not necessarily be held to these budgets absolutely if a great alternative program comes up and we didn't know how much it was. The core expenses are a stab in the dark that Jo came up with to see what might need to spend. Hayden thanked Jo for inviting all of the Budget Authorities to the meeting. He feels like AS Productions may be able to work within whatever numbers they get. Deysher said they could try to come up with ideas but will make things work. Deysher wants to support a lowered fee for students and will come up with creative engagement programs. Jo is worried about the financial concerns of students. At the beginning they looked at a petition that was signed by more people than have ever voted in AS Elections asking for reductions in tuition and fees.

## **VII. Other Business**

## **VIII. Adjourn**

*The Meeting was adjourned at 4:36 p.m.*