



AS Finance Council

April 26, 2023 1:00 p.m. Teams Online

Members: Present: Brandon Denny, Chair (AS Business Director), Sargun Handa, Vice Chair (AS President), Bella Bedard (Activities Rep), Madi Gilbert (Central Services Rep), Gabe Wong (Delegate for AS Student Senate President), **Absent:** MJ Manaois (ADEI Rep)

Advisor: Eric Alexander, Executive Director for Student Engagement & Director of the VU

Secretary: Sam Hughes, VU Business Services Program Support; Cindy Monger, VU Administrative Specialist

Guests: Jamie Hoover, KUGS General Manager

MOTIONS

FC-23-S-06 Approve the minutes of April 19, 2023. **Passed**

FC-23-S-07 Approve the KUGS Operations Manager Position Grant Proposal for the full amount of \$145,000 from July 1, 2023-June 30, 2025. **Passed**

Brandon Denny, chair, called the meeting to order at 1:06 p.m.

I. Call to Order- Eric Alexander (Executive Director for Student Engagement & Director of the VU) introduced himself as the new Advisor to Finance Council.

II. Approval of the Minutes- April 19, 2023

MOTION FC-23-S-06 by Handa

Approve the minutes of April 19, 2023

Second: Bedard

Vote: 3-0-1

Action: Passed

III. Revisions to the Agenda- Action items to be presented before information items.

Information item A, "S&A Fee Budget Orientation", AS FY24 Budget Proposals information item moved from information item A to information item B. Two additional documents (4 & 5) were added during the meeting.

IV. Public Forum

V. Action Items

A. KUGS Operations Manager Position Grant Proposal

Doc. 2

Hoover joined the meeting.

Wong asked if there is a pathway to operationalizing this position after the grant ends. Denny said there is a path to operationalize, but this will depend on the navigation of budgets and the current deficit. Alexander said that there's not a straightforward or easy answer at this time. This upcoming year, there is a \$159,526 projected deficit in the AS budget. The goal is to make projections on longer timelines of 3 to 5 years to help address this. Currently, the FXXVU budget has no room to operationalize this position, but as positions leave the institution there is an opportunity to reallocate wage dollars. Additionally, the S&A (Services and Activities) Fee is capped at a 4% increase per year, but inflation is above 4%. This means that costs are increasing every year just by maintaining the same level of operation. The other variable is enrollment, which is

projected to be somewhere between 15,000 to 15,500 fee-paying students in the future. Previously, the increased enrollment was able to keep up with increased costs, but due to minimum wage increases and drops in enrollment, there is a need to rebalance the budget. Taking all these things into consideration, operationalizing could happen, but this depends on the above factors. The AS also has reserve dollars which can bridge the gap between now and when budget reallocation can occur in 2-3 years.

MOTION FC-23-S-07 by Wong

Approve the KUGS Operations Manager Position Grant Proposal for the full amount of \$145,000 from July 1, 2023-June 30, 2025.

Second: Handa

Vote: 4-0-0

Action: Passed

Hoover left the meeting.

B. AS Productions Field Day Large Event Funding Proposal

Doc. 3

This request has been withdrawn and will be absorbed by current operating budgets.

VI. Information Items

A. S&A Fee Budget Orientation

Alexander said that the AS budgets are built based on a combination of traditional budgeting and incremental budgeting methods. The revenues at WWU come from many different areas, with the largest including tuition, state funding, and auxiliary fees. The S&A Fee is 1 of 9 mandatory student fees and totals about \$234.16 per quarter per student, but this depends on the number of credits the student is taking. The total S&A Fee generates roughly \$7.9 million dollars per year and the AS portion of that fee is roughly 37%. The summer S&A fee is about 65% of the prior academic year's rate. It was estimated that the AS would receive about \$2.8 million for the current fiscal year. Unfortunately, this goal was not realized due to student enrollment and retention falling below the projections by about 2%. Going forward into next year, the S&A Fee Board have decided to propose an increase to the S&A Fee by 4%. This would make the general fee increase by about \$9.50 per student. However, that 4% increase does not match inflation related cost increases that are closer to 8 or 9%. Due to this, the S&A Fee and the AS budget is moving forward at a projected deficit. What needs to be determined is how much deficit is the AS willing to bear for next year.

B. AS FY24 Budget Proposals Draft

Doc. 1 & 4

Denny said the projected deficit for the FY24 AS budgets is \$159,526. He added Document 4 which is the AS Budget as presented to the Services & Activities Fee Committee, it is the same basic information as Doc. 1 presented in a different way. Denny does not think balancing the budget at this time is achievable, but the goal is to decrease the deficit to prepare for upcoming years and the changes that may come. With the 4% S&A Fee increase, the AS portion of the S&A Fee is projected to be \$2,761,934. Alexander said that since the ADEI unit is no longer receiving funding through the AS, but rather through a separate independent S&A Fee allocation, the allocation to the AS has been adjusted accordingly. This looks like a big budget reduction, but it is actually a reallocation of dollars. Denny read through the rest of the information on Doc. 4.

Alexander reviewed the information shown on Doc. 1, the AS FY24 budget proposals draft. Increases can be seen in some areas due to operationalizing and reductions can be seen in other areas to help balance out mandatory increases, such as the minimum wage increase. Denny asked how the council feels about where the AS is with the deficit. Wong wants to hear from individual budget areas before any thoughts on the overall deficit are shared. Denny asked if the council wants to hear from any specific budget areas. Wong is interested in hearing from the Outdoor Center (OC) and Outback Farm. Denny said it was decided that AS funding for the Outback Farm will continue through December 31, 2023, the end of the calendar year. Going forward, the goal is to transfer funding responsibility to Fairhaven College. Alexander said that up until 2007 the Outback farm was fully financially supported by Fairhaven College. In 2007, the AS was approached by students who had formed an Outback Farm club to gain more funding than what would normally be available to student clubs. As of 2007, the AS had started funding at least one position, then two, and now there are a number of positions that the AS has been funding to support the operations of the Outback Farm. But the Outback Farm is tied to Fairhaven College and is a departmentally related activity. For example, the Farm Manager's budget comes out of Fairhaven College and Fairhaven College faculty teach at the Outback Farm. The idea is not to cut funding for the Outback Farm from the AS, but to migrate funding to the Departmentally Related Activities Committee (DRAC). The difficulty is that DRAC has created a strict definition of what can fall into Departmentally Related Activities, and there has been some confusion figuring out where these dollars will eventually flow through. To remedy this, the AS will continue providing funding to the Outback Farm until the end of the calendar year and if funds for the Outback Farm fall short during the transition, they can request grant funding.

Gilbert asked in terms of the AS budgets, what is the actual amount spent in comparison to what has been budgeted for in previous years? Denny said that looking at budgets across the board, there is typically excess. This is something that has been discussed for unspent wage dollars to better reflect the actual amount worked. Alexander said that by looking back at Doc. 4 or by looking at individual budget breakdowns, the actuals for FY22 and earlier can be compared to the proposed amounts for next year.

Proposed Changes to Wage Schedule
(Presented as part of the AS Budget Proposal)

Doc. 5

Wong presented a proposal to change the Wage Policy, which determines pay rates for AS Employees. The rationale is that right now and in 2024, the lowest wage in the AS would fall below the living wage in Bellingham. This document contains two proposals, one of which is more aggressive and would have an impact of \$11,000 to \$12,000. The other proposal is just looking at Program Assistant 1A and 1B and would have an impact of around \$7,000. This is only for positions funded out of the S&A Fee, but the other consideration is work study positions. Wong guesses that around \$3,000 could be added to either of the estimates to subsidize work-study positions. Wong says that the living wage is a philosophical change in how the AS thinks about student employment, and if the institution is serious about making the AS accessible to people it is unreasonable to expect students to accept below the living wage. Wong feels if these positions are only available to students that can afford accept a low wage, this lowers diversity and is counter to having an inclusive and diverse AS. In terms of where the money comes from, Wong expects that around \$2,000 could be absorbed by the already existing allocation

of payroll, specifically the unallocated wage dollars. The rest would likely add on to the deficit in the AS budget. Wong wants the council to keep this proposal in mind when considering the budgets for FY24.

Alexander said that work study should decrease the amount of spending on wages because it is part of the financial aid package and would come out of the work study's budget. In terms of accessibility, one of the things that the AS has not done is make its positions as open and accessible to work study as possible due to the way positions are written or searched for. Alexander said that when looking out into the community, the minimum wage is \$15.74. Are we comparing AS wages to the Western community or the wider Washington community as a whole? Denny said Wong has been working on this proposal for the majority of the year and it has been an ongoing conversation. If this were to be implemented and sustainable, the overall deficit of the organization needs to be addressed. This puts the AS in a position of airing on the side of caution rather than risk. Wong said, "Yeah on work study: people have a set amount of money they can receive so if their wages increase, they can't work as many hours". Alexander said "Correct, so we would cover the difference if we scheduled over those hours. However, we could better support students by engaging in a broader approach to hiring more people on work study. Worth talking about for sure". Wong said "I view the proposal as a good and necessary thing, and I think it is possible to fit in. There will be things we have to trade off". Denny said the trade-off's need to be evaluated and carefully considered.

VII. Other Business

VIII. ADEI Updates

IX. Adjourn

The meeting was adjourned at 2:29 p.m.