



Student Service Fee Advisory Committee
Friday, November 21, 2014; 4:00 to 5:00 PM
HUB Room 268
Approved January 9, 2015
Meeting Minutes

Name	Association	Voting Privilege¹	Attendance
Alexander Taliaferro	ASUCR	X	P
Jon Cassell	ASUCR	X	A
Sean Fahmian	ASUCR	X	P
Nafi Karim	ASUCR	X	L
Iris Jiang	ASUCR	X	L
Terrance Stewart	GSA	X	A
Ted Mock	Faculty	X	P
Haibo Yu	Faculty	X	P
Luis Alvarez	Staff	X	P
Cindy Flannery	Staff	X	P
Susana Salazar	Ex-Officio RP&B	-	P
Cathy Eckman	Ex-Officio VCSA	-	P
Diana Echeverria	Secretary	-	P
Sue Lillie	Staff Support	-	P
Matthew Hull	Guest / Assistant Vice Chancellor	-	P

P: Present A: Absent L: Late E: Excused

¹ X indicates voting privilege

1) Call to Order: **4:11 PM**

2) Approval of Agenda

Motion to Amend Agenda to move “VC P&B Maria Anguiano Budget presentation” after “Vice Chair Election” by Ted Mock, Second by Sean Fahmian.

Agenda Approved

Motion to Amend Agenda to move “VC P&B Maria Anguiano Budget presentation” before “Vice Chair Election” by Ted Mock, Second by Sean Fahmian.

Motion approved unanimously.

3) VC P&B Maria Anguiano Budget Presentation

Matthew Hull: I’m the associate Vice Chancellor of Resource Planning and Budget.

This is sort of about the high level state of the fund address. What we want to talk about

is what the budget is in concept. You start off with revenue coming in and you have things you have to pay every month. It's a fixed cost. Then you've got your variable costs which you don't have to do. Like a smartphone, I don't have to have one, I just like to. So we have the fixed and variable costs and together they are the total cost. You either have money left over or you're short. Here's a more complicated version and now we're really talking about the Student Services Fee. We have income. We have revenue every year from students paying fees and the interest that we earn on those fees. We have some carry forward. That's our saving from our prior year that we didn't spend. I'm look at FY 14-15 and I have revenue of \$21.5. I have saving of \$1.9 million. With a total of \$23.4 million available to spend this year and this carries on in each of the subsequent years. The fixed costs are \$20.7 million in basic expenditures. We have another \$.3 million for Student Mental Health (SMH). And then we have variable costs which are the one time allocations approved by last year's SSFAC of \$1.5 million. These are projections, reality is slightly different. We expect to have around a million dollars that would go into our "savings account." Our cumulative is one million at the end of this year. The Student Services Fee does have capital reserves. It's the reserves that maintain the existing building that we already have. It's also reserve for the Student Health Center. There is \$1 million in operating revenue. \$10.9 million in Capital Reserves. Each year you carry this out. What I want to point out is that you look at this and add the proposed fee increases of 5% and look at fixed costs increases such as benefits that we're required to spend, assuming you don't do anything, completely eliminate those variable costs, you can see that by the time we get out to 2017-18, we're in deficit. By the time we get out to 2019-20 all the operating reserves are eaten up as well.

Ted Mock: It doesn't look like we add up. Shouldn't the cumulative be \$2 million. What am I not seeing?

Matthew Hull: Susana has the real numbers behind these but they are rounded to be easy to read.

Ted Mock: The cumulative capital reserves are what I'm asking about.

Matthew Hull: You can't calculate it from this sheet. For example, The SSF pays for a piece of the Surge building. We have to put money aside into an account so the building can be maintained. Susana has the detail.

Ted Mock: The fiscal year is July-June?

Matthew Hull: Yes. July 1st to June 30th. In concept the key take away is that we already built a five percent fee increase here. We're no longer sustainable in the out years.

Ted Mock: But the Chancellors approved allocation is zero if that continued in that level.

Matthew Hull: That's where we going. This is a historical look and a future look. You can see that for years the revenue was exceeding our spending. That's how we built up our capital reserves. We spent less than what was coming in. Out here in 2017, all of a sudden that train reversed. This is just a visual of the prior chart and you can start seeing the deficit. Salaries are going up, health benefits are going up. Our fixed costs keep increasing. If benefits go up we have to pay, we don't have a choice. This is what we're talking about the \$1.5 million. \$1.2 went to VCSA. Some went into the graduate division. Some went into athletics, things like meals for athletes. 54 percent of that was in salaries. 67 percent of the spending staffing, These are people directly providing services.

Ted Mock: What is VCSA?

Matthew Hull: Vice Chancellors Student Affairs, Student Services, Student Affairs, Grad Division, Athletics, ACR. If you want to delve into the details, Susana and Cathy have them.

Sue Lillie: Prior years break down is also on SharePoint and the SSFAC website.

Matthew Hull: The increase is a proposed student increase. What happens if we don't have a student fee increase? If you don't have an increase, very quickly this funds start going into a negative position. The first option is that you completely eliminate the variable costs. We can see if you do that we can buy a few years. Option 2 is that we don't eliminate the 1.5 million and spread it over three years and that buys you more time but sooner or later you get negative. Option 3, we spread it over 2 years. Option 4 is you spend it all on year one. All options lead to the same place. What does it all mean?

Ted Mock: How are deficits covered?

Matthew Hull: That is the multimillion dollar question. We do have capital reserves they are set aside for specific purposes. You could think about dipping into the health center. The five percent buys you more time but you still end up down here. The point of this is that it's not a sustainable model either way. Part of what we have to decide this year is what are we going to do? We have the \$1 million in savings. Do we spend it now, do we save it? If you spend it how quickly do you spend it? We have to make a lot of priority decisions. You can spend or save and how do you prioritize? I think these are some pretty obvious statements. We cannot continue to fund programs through saving. There are cuts you're going to have to do but ultimately our fixed costs are too big for revenue stream. We're going to have to look back at our fixed cost that means, tough decisions, prioritization those kinds of things. We're going to have to cut the base out to make this a sustainable model. Even with the five percent increase, it's not sustainable. So we have had a couple of conversations talking this through. One of the things we have talked about doing is spending the \$1 million which is spending \$500,000 less than last year and spending this year thinking about how we are going to structure a process to redirect things into other areas. In zero based budgeting where you assume you have no money - that kind of process.

Alex Taliaferro: You have definitely summarized the discussions. We have a duty to future students to provide services. If we didn't spend anything it still doesn't help much. When I ran for Chair I said that we would have to look at the permanent budget soon.

Matthew Hull: You need to start earlier than where we are today. We thought that, no matter what you do you end up down here, let's buy a year and figure out some good strategic decisions.

Cindy Flannery: We have \$1.5 last year that you allocated to those services and now that's reduced to \$1 million.

Matthew Hull: This is going to be tough. There's going to be a lot of cutting that we're going to be doing. There are maybe things we do because we've always done and that's not a priority.

Sean Fahmian: If we spend the \$1 million and make the cuts in the \$500 thousand and maybe we can look into the perm funding and change it to a temp fund so that way we identify what may or may not be a priority. Change it to a temporary fund so that way they have an idea of what we see as a priority for the students.

Matthew Hull: We're just proposing one option. Given the difficulty we need to be a partner or at least give you options. We all know that retirement has gone up, the health cost keep going up, and the union contracts go up every year. We have no choice we have to pay those things.

Ted Mock: We don't have to go full zero based, we can prioritize. It's a compromise approach.

Alex Taliaferro: We walked about how to segment it into two easier to manage sizes and look at that every year. It seems hard to do this year but we can look into it.

Matthew Hull: The problem is we're sort of out of time. I don't know if a five year is too lengthy. I'm laying the foundation to think about it.

Cathy Eckman: Last year our request for additional funds was over \$4 million, we could only allocate \$1.5 of that. To give you an idea of what the demand is. I don't think the demand will be any less this year but the available funds is lower. You need to realize you have a tough job ahead of you in making priorities.

Cindy Flannery: When was the last time the permanent budget has been reviewed?

Cathy Eckman: Probably 5 or 6 years ago. It's been a while.

Susana Salazar: The already allocated perm hasn't been looked at.

Cindy Flannery: Is that still the right model for today? It's hard to take something old and see if it still is good today.

Susana Salazar: It would be important to look at.

Sean Fahmian: If we're going to be looking at the perm funding, are we going to be switching around the calendar. Some people can be assigned to certain portions of the perm fund or whoever is in charge of the department they will get the perm funding that is applied directly to that department. How is the process going to work? Is it necessary at this point?

Luis Alvarez: I think we're going to have to juggle a couple of things this year. I think this is trying to build a plan or strategy what we want to do beyond our term.

Susana Salazar: I don't think, time wise, we aren't going to be able to make any decisions on the permanent budget. The decisions will be more of how we want to tell the next committee to precede and how the call letter can be restructured so the departments can expect this.

Sean Fahmian: So basically the focus is on the \$500,000 cut and coming up with a structure for the next chair and the committee.

Alex Taliaferro: I think we need to give the units enough time to give us these budgets and these numbers and why we should fund them.

Cathy Eckman: We can't cut perm like that. Out of our budget is staff. There are HR policies. I don't think you're going to be able to dive into those perm budgets and have those justified this year but you can recommend a process to do that.

Cindy Flannery: Are we letting them know that funding has been reduced? Than have a plan for them on how they look at their perm budget?

Cathy Eckman: The Student Affairs departments know this is coming and we're trying to look at other revenue sources. In our call letter we need to say what's available so they can put in a request and be conservative. And some of this \$1 million is for mental health.

Susana Salazar: The mental health is separate so the one million is for non-mental health allocations. The \$.3 million is actually \$260,000 for mental health allocations.

Cindy Flannery: Is the cumulative net of a \$1 million what we will be using to allocate for these temporary requests?

Susana Salazar: Yes. We're using \$1 million.

Cindy Flannery: Is this \$1 million we're using the Chancellor's million?

Alex Taliaferro: It's from fees. It's left over after permanent budget.

Susana Salazar: After we look at the revenue and taking out the expenses including the \$.3 million for mental health then we have \$1 million for non-mental health option. This line is for you to see if nothing were allocated what the cumulative balance would be. (Attached is the PowerPoint presentation)

4) Approval of Minutes for November 14, 2014

Motion to approve minutes by Sean Fahmian, Second by Luis Alvarez

Minutes approved unanimously.

Late arriving guests/members:

Nafi Karim: I'm the undergrad student body president of ASUCR

Iris Jiang: I am the vice president of finance of ASUCR.

- Vice Chair Election

Alex Taliaferro: The duties of the Vice Chair are to perform all the duties of the Chair in the case of his absence, assist in preparing the minutes, and to review the integrity of all subcommittee reports and attend all Council and Student Fees meetings.

Nomination of Sean Fahmian for Vice Chair of SSFAC by Nafi Karim.

Sean Fahmian Accepts nomination for Vice Chair of SSFAC.

Alex Taliaferro: I'll ask Sean to step out and while we prepare questions. Does anyone have any questions? Time commitment perhaps, ideas for Vice Chair.

Ted Mock: He accepted the nomination quickly seems like it's something we would want to do.

Alex Taliaferro: What are your time commitments for the year and how do you think it'll affect your ability to be Vice Chair?

Sean Fahmian: I sit on SSFAC and that's one of my top priorities. I sit on the HUB board and we only meet once a month so it's not much of a time commitment. I'm also an RA at the international village. I'm only scheduled to work Thursday nights. I work at Active the skateboard shop. I'm free on Tuesday Thursday and weekends. Those are my commitments. I finished all my engineering courses so this year only I'm taking breadth courses. I don't have a heavy load. For the rest of the year it's only breadth courses.

Alex Taliaferro: What qualities can you bring to the Vice Chair position?

Sean Fahmian: My knowledge of SSFAC and CSF. I have ideas to suggest changing perm funds to temp funds. It might be too much for this year but we can make a suggestion for next year. I think this would be an easy warning for some departments to reevaluate how their structure will be in the future. I have experience with SSFAC and I enjoy it, it's fun. My leadership capabilities are one thing I can bring to SSFAC.

Alex Taliaferro: Thank you, we're going to deliberate. Any comments or questions? He's been here for a long time; I think he's perfectly suited for the job.

Sean appointed to Vice Chair of SSFAC Unanimously.

Alex Taliaferro: Congratulations

Sean Fahmian: Thank you.

5) Chair Report

a. Planning Calendar

Alex Taliaferro: I want to review the planning calendar. There's a tentative meeting scheduled the week after thanksgiving. This meeting is mainly to give you the opportunity to choose a subcommittee you want to review. Looking past that, the call letter will be sent in before the 13th. The first meeting of next quarter will be training, how to read budget proposals and requests. Where we see a difference from last year is that last year the subcommittees went out and interviewed each department head and made recommendation to the committee. This year we thought it would be a good opportunity to have the unit heads come in so that the entire board will be present. The subcommittee will ask questions and the rest of us can take notes and get a better picture.

Luis Alvarez: I think it's a great idea.

Alex Taliaferro: Hopefully this will work out and it will require four two hour meetings during winter. It will be the majority of our work load for the winter. Those are the January 23rd, 30th and February 6th and 13th meetings. We will have two more meetings just to review the proposed recommendation. Once the individual subcommittees lead the Q and A they will follow up with the unit if the committee has any more questions. When we come back hopefully these questions will be answered and we can make a line item vote on the individual group request items. There will be a Council on Student Fees meeting on February 21st and 27th. It's a wonderful opportunity to get a sense on what SSFAC does, not only here but across the UC system as well as see the big picture. March 6th will be our final recommendation. We will submit these to the department heads. April 10th we will have our appeals meeting on which we will make our final recommendations. We wanted to make appointments for next year in the spring. It will let us start earlier. This year we started week 7 which had several drawbacks. With this, we can have new members meeting with old members. They can share knowledge and have an informal meeting. Then finals and then we're done.

Sue Lillie: The December 15th should be December 5th on the Planning Calendar -. Call letter to the budget holders.

Ted Mock: How do these subcommittees work?

Alex Taliaferro: Staff and faculty are a part of them. The binders that you'll get will be about your subcommittees. This year you will be charged for preparing in advance for the Q and A session and give the committee at large a brief update and ask the units any questions you may have. You'll be able to ask the units and questions you have on their requests.

Ted Mock: Are these typically student led?

Sue Lillie: We usually have retuning people per subcommittee. Everyone else gets to pick their preference but if you're a returning member we spread them over the four committees.

Sean Fahmian: If we are changing it to this format, now the departments will be coming in but each subcommittee will have their own questions. We would ask how this affects students. What impact do they have on the student? If we didn't feel like it was necessary for the whole of the student then we can't fund it. As a subcommittee you have to be prepared to ask questions about their budget.

Cindy Flannery: You've already divided up these departments?

Sue Lillie: Yes. You can review last year's subcommittees on the website and on SharePoint.

Sean Fahmian: I can give you an example. For example, athletics wanted to hire a staff member that dealt directly with eligibility of athletics but athletics only affects very few students. So we said no because it doesn't affect the whole of students.

Cathy Eckman: I think you're going to find is, that most of the requests are from departments that we previously funded in other years. I think in your call letter it asks for data. How many student they serve, how many events do they put on? You can pull some of those questions.

Ted Mock: I know that I cannot be here on the fifth.

Sean Fahmian: CSF campaigns, how is it going to fit into our schedule?

Alex Taliaferro: Two of the campaigns don't need to be addressed. It shouldn't affect our calendar too much.

Ted Mock: I know I can't be here on the fifth.

Nafi Karim: I have a conflict with December 5th too. Are the tentative dates flexible?

Alex Taliaferro: Yes, it's to the board's availability. If there's a number of time conflicts then we can change them. The December 5th meeting it's not incredibly important. We could do a doodle pool.

Ted Mock: Do we have everyone's email address yet?

Sue Lillie: We have to contact information and that will be on SharePoint. It's not on SharePoint yet but it will be.

6) Administrative Issues

Ted Mock: In the winter quarter I'm teaching an internal auditing class. I would love students help out. Is that something we can do? I'm not sure how this would work. If my class broke down into each of these subcommittees and look at them. I want my students to do something real besides read textbooks.

Alex Taliaferro: It sounds like it can be useful. That high level knowledge on budgets would be helpful. If you can think of a proposal of how you want them to be involved we can talk about it.

7) Adjourn **5:26 PM**

Motion to Adjourn by Sean Fahmian, Second by Ted Mock.

Adjournment Approved Unanimously.