Western Washington University
Services and Activities Fee Committee Meeting; Budget Presentation/Discussion
Friday, April 10, 2018
VU 462A

Present: Eric Alexander, Christopher Bianco, Brette Boesel, Steve Card, Keith Harmon, Adam Leonard, Caitlin Sommers, Kaylie Gladwell, Rebecca McLean, Jaden Moon, José Rios-Sanchez, Debbie Curry (recorder)

Absent: Ichi Kwon, Alex LaVallee, Steve VanderStaay, Raquel Vigil, Sara Wilson

Guests: Megan McGinnis, Linda Beckman

Members Not Yet Appointed: Faculty representative (voting member)

Jaden called the meeting to order at 8:05 am.

Jaden asked if there were concerns or amendments to the minutes of the April 3 meeting; there were none. Keith moved to approve the minutes. José seconded the motion; the minutes were unanimously approved.

DRAC: presented by Keith Harmon and Rebecca McLean
Keith and Rebecca provided a brief update to their presentation from last week, which included adjusted numbers providing a more comprehensive explanation of DRACs budget. It was discovered that formulas in one of the spreadsheets from last week had not been updated. DRAC is requesting a 3.19% increase for the academic year, and 11.99% increase for the summer operating costs. The back of the Explanations Summary spreadsheet reflects a list of explanations for these changes. Reference attached handouts for corrected information.

Jaden asked if there were questions for DRAC regarding what was presented; there were no questions.

Jaden asked if there were other budget presentations to be made; there were no other presentations. Jaden asked Associated Students if they had any updates on their budget presentations at this time. José responded he had nothing to present at this time. Jaden reminded him that next week is the deadline for agreeing on the committee budget and AS will need to be ready to present their final budget by next Tuesday. José responded that he was aware of that requirement.

Linda Beckman attended today’s meeting in Sara’s absence to assist in providing information on best projections and answer any questions she can to assist the committee in determining their recommendations on allocation amounts and percentages for each constituent’s area.

Linda noted that the Budget Office normally provides budget projections for the committee at this stage in the process, but is currently in staff transition, so she’s done the best she can to provide some budget context. Because we don’t have spring enrollment or final S&A Fee revenue numbers yet, she used current activities for fall/winter and used last year’s spring numbers as a conservative estimate. It would be best for the committee to assume that next year will be largely the same as this year. Linda provided a spreadsheet with projected calculations based on original and revised percentage distributions depending on what the
committee wanted to look at (see attached). She had her computer and offer to pop in different numbers if the committee would find that helpful.

Steve asked what the 4% (legislative cap) was applied to – 4% on the full fee collections $7.7M or 4% on $6.15M – the amount remaining after the required Housing & Dining distribution. Steve added that the difference was significant – just under $300K in additional revenue if the 4% limit is applied to the entire fee and $60,000 less if limited to the non bond-pledged portion. Eric added the other part to that question for him is if that total included “all” S&A fees across campus, including the Multicultural Center. Linda said that was a very good question, but that she didn’t think so. For FY19, the Student Recreation Center is proposing the maximum 4% anyway. She had checked with the Bond Council and the Multicultural Center Fee is technically not classified as an S&A Fee. Eric noted 4% of the $7.7M would be $308,855. Steve calculated 4% of $209.50 (20.95 per credit), which would be an approximate $24 per year, or $8 more per student, per quarter to cover all budget requests made by this committee. Linda confirmed that was correct. Later in the meeting and after some discussion and reference to the new legislation and the existing RCW, Linda researched online and responded that the RCW does state that the percentage increase limitation applies to the non bond-pledged portion of the S&A fee. Therefore, the fee increase is limited to $7.10 per quarter (4% of non bond-pledged portion), or an effective increase of 3.4% for the entire fee.

Steve added (running numbers using DRACs revised budget for an academic year) considering requests from all constituent areas reflect an increase of $296,663; with 4% increase ($308K) that would be more than enough to cover all budget requests, even assuming this year’s spring numbers come in higher than last year. Since we are limited, we would run into a deficit; based on last year’s numbers ($6.15M), we would run $50-60K short.

Chris asked for further clarification on the 4% calculations using the $7.7M vs $6.15M and how the bonds fit in to the structure. Steve provided further explanation and Keith read the RCW to clarify the question on the bond portions of the fees.

Linda reminded the committee that she used last spring’s actual numbers and this year’s could come in higher. Eric and Steve were both under the understanding they would come in higher. Mike Ulrich was able to provide Linda with a rough estimate of spring S&A distribution of $2.4M which did include H&D (with 3.5% deducted), so that would make it another $204K this spring. Steve pulled up Board docs from last year to get an idea of the breakdowns paid out to the various departments. Based on last year, he suspects we won’t meet the mandated increases and the number will be closer to $6.2M – Linda agreed, based on the numbers she got from Mike. No matter how we figure it, we’re going to be $50K short of what we need to meet our budget.

Steve asked the student representatives on the committee how comfortable they are with a $6-$8+ S&A Fee increase per quarter, considering the other (additional) fee increases taking place across campus. Adam stated that 4% is our max increase and whether we use $7.7M or $6.15M, we won’t have enough to cover the budgets; there’s not much to discuss here with regards to options. Keith shared that he personally didn’t feel that the increase is unreasonable on a per quarter basis – it’s the price of a Starbucks coffee. For the programs and services provided to constituents represented here, he didn’t feel that increase was unreasonable. No other student attendees objected or made comments. Eric added that our choices are we either go forward with the maximum 4% increase, programs run at a deficit budgets (which just stack up over time), or we cut programs, going back to the individual areas and tell them they need to make cuts – those are the hard choices students on this committee will have to make. All areas would have to determine what those cuts would mean for their specific areas.
It was agreed that all areas have been impacted by the minimum wage increase. Adam added that January 2020 the minimum wage increases to $12.15 per hour and that’s going to really hit the departments hard. Rebecca added that DRAC is having a hard enough time catching up with last year’s increase – while we may be okay this year, after next year, it will take us 4 years to catch up, and that’s taking full increases and we may still have to hit reserves because of publication changes; and could eventually deplete our reserves.

Megan added that due to wage increases and policy/law changes last year regarding their journalists, they had to cut publication staff by 50% in some areas and they continue to determine the most efficient way to run the other publications and still provide quality products.

Eric commented that it’s critical we capture the stories for these areas to be sure the Trustees understand, so that anyone who comes to the public hearings to understand what the process has been to this point.

There was brief discussion regarding other institutions and how they handle (or don’t handle) S&A fees – many campuses handle fees differently than Western does. Adam shared that other campuses have a separate campus rec fee for example and raise fees $15 every semester, while Western struggles with $4.

Linda commented that she just learned a week ago the new Multicultural Center Fee will not be an S&A Fee; it’s a pledge to the system, not a pledge to the bonds. Given this definition, she indicated she will reconfirm with bond counsel that the Recreation Center Fee is technically an S&A Fee (bond counsel had determined that at the time of bond issuance). The Recreation Fee is pledged as a gross fee to the Recreation Center, not a net fee pledge, but the System revenues are pledged to bonds. Chris added that every institution has their own mouse-trap.

Jaden moved to adjourn the meeting at 8:52 am, Keith seconded the motion.