**Western Washington University**

**Services and Activities Fee Committee**

**Meeting Minutes**

**Thursday, May 14, 2020, 4:00-5:00 pm**

**Microsoft Teams**

**Present:** Adam Leonard, Cameron Allen, Caitlin Sommers, Chloe Ingle, Christian Rotter (Chair), Debbie Curry (recorder), Eric Alexander, Ichi Kwon, Jackie Baker-Sennett, Kevin Harris, Kurt Willis, Matt Coelho Nate Jo, Raquel Vigil, Rebecca McLean, Steve Card, Travis Cram

**Absent**: Annie Byers, Lani Defiesta, Steve VanderStaay

Christian called the meeting to order at 4:00 pm.

**Approval of Minutes:**

Draft copies of the meeting minutes for May 7 had been forwarded to the committee for their review prior to today’s meeting.

Christian asked the committee if there were any questions or corrections to the minutes of the meeting held on May 7, 2020; there were none. Christian made a motion to approve the minutes; Chloe seconded the motion. The motion passed unanimously.

**Spring 2020 Distributions:**

Kurt shared a bit of recent research with the committee; he could confirm the Board of Trustees, at their April meeting, were not working from a budget, but from projections.

Kurt shared a *Spring ’20 Actual vs Estimated Allocations* documentpresenting estimations of spring allocations-pre and post Covid19, hypothetical scenarios because enrollment is unknown. The crucial piece of information on this document shows the funds available using $117 fee and assumed a 5% Spring ’19 enrollment with COVID percentages:
*(Assumes 95% of Spring 2019=13,098. Post-waiver fee collection=$1,328.242. After H&D and Loan Fund, $909,235 available to constituents.)*

**Associated students $137,567 15.13%**

**Athletics $664,924 73.13%**

**Campus Recreation $106,744 11.74%**

**DRAC 0 0.00%**

Kurt offered to answer any questions; there were no questions or comments.

Travis and Rebecca explained to the committee that taking a hit on spring allocations took a toll on their reserves fund and after learning of some unexpected expenses, they felt their decision could put their reserves in a dangerous position; they also learned three areas in DRAC would be making a request for reserves funds, one of which is Student Publications, asking for $20K for fall publications. Rebecca added that DRAC has $100K reserves currently not earmarked and suggested a $20K spring allocation would be very helpful.

Eric reminded the committee that during budget deliberations all constituencies worked under the assumption we would preserve jobs, preserve operations, and reduce the fee. We all assumed a 5% reduction. Some groups could not take a reduction, and some groups were able to take reductions. All groups did agree to a decision.

Travis and Rebecca added they did not think that any group had acted in appropriately, but that everyone did act quickly in making their determinations and feels taking another look is a reasonable request. DRAC programs made cuts that will have long-range implications that had not previously been considered and would appreciate time to reconvene with the committee. Rebecca added that DRAC can live with the status quo, if that is the final determination of the committee.

Nate commented he understands that it makes sense to look at the spring budget, however it is the full year that will affect the final constituency allocations. Looking at the whole picture, the *difference* between what groups budgeted for the current FY and what they received is as follows:

Associated students -$737,593 from budgeted

Campus Recreation -$25,792 from budgeted

DRAC -$330,160 from budgeted

Athletics +$45,000 from budgeted *(approx.)*

AS took the largest hit and are able to manage financially because of their healthy reserves; DRAC took the next largest hit from their budget moving into next year, and if they would like to make a formal request for a redistribution of the spring 2020 fees, he agreed the committee should only consider funds awarded spring 2020, however, he felt the information from the whole year is relevant.

Christian asked for confirmation on next steps and Steve and Kurt confirmed the committee would need to make a recommendation to the Board of Trustees through Vice President Huskey.

Kurt added, according to the voice transcript of the Board of Trustees emergency meeting held on April 7, when the Trustees approved a reduced fee of $117, they were not voting specifically to approve the percentages constituencies approved and recommended to the Board, but there seems to be some implication they approved the dollar amounts listed above (highlighted in bold from Kurt’s spreadsheet). The recording does indicate the Board acknowledged reductions were being made. Documentation from the Associated Students indicated they would be taking an 85% reduction. Kurt added this was the interpretation of himself and Linda Beckman; the assistant attorney general may need to weigh in on this matter, but the Board would have to approve any redistribution recommendation as it would be a change to what they approved prior, because they must approve any decision the S&A Fee Committee makes. Kurt offered to provide the link to the April board meeting to anyone interested in listening.

Nate responded that he did not agree with Kurt’s assessment and stands on his belief the board only approved the $117 fee – no budget discussion took place.

Further discussion took place regarding decision making, the process, and the timeline the committee is working against at this point. Kurt indicated the final recommendation needs to be given to Dr. Huskey by May 25, but believes the potential redistribution matter can be packaged together with the final fees’ recommendation. However, considering all that needs to be managed in a short period of time, a decision should be made at the next meeting regarding the redistribution recommendation.

The committee agreed to give DRAC more time to discuss redistribution as a committee: final determination will be made next Thursday.

**Review Enrollment Projections:**

In response to the committee’s request last week regarding what the fall enrollment numbers would be, Kurt indicated there is not much information to share. Shelli Soto’s response was “We are not yet able to give a read on fall peak. That said, I would recommend that you calculate on a 5% drop from fall 2019 and on a 10% drop from fall 2019.”

Taking Shelli’s advice, Kurt shared the following calculations, referencing document titled *Enrollment Estimates FY2021 (5/6/2020)*:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Fall 2018 | Fall 2019 | Fall 2020 @ Fall 2019 Level | Fall 2020 @ 5% less than Fall 2019 | Fall 2020 @ 10% less than Fall 2019 |
| **S&A Fee Payers** | **15,161**  | **15,209**  | **15,209**  | **14,449**  | **13,688**  |
| Full-time2 | 92.1% | 91.7% | 13,916  | 13,220  | 12,525  |
| Part-time2 | 7.9% | 8.3% | 1,293  | 1,228  | 1,163  |

Footnotes:

1. The S&A Fee Distribution Report (Accounting Services) reports on fee-paying registrants. That figure may not match the WWU Fall “Peak Enrollment.
2. Full-time and part-time enrollment are pertinent to the Housing & Dining amount ($32/ft; $6.40pt). Fall 2020 amounts extrapolated from 2017, 2018, and 2019.

Based on the lack of enrollment information these numbers provide, Kurt encouraged the committee to move away from enrollment projections to the dollars: The reduction of allocated dollars, budget dollars or presumed dollars at 5% or 10%, rather than enrollment numbers.

**Proposed Starting Point for FY 20-21 Funds**

Referencing document *Starting Point for FY21 Scenarios\_5% & 10% Reductions (5/12/20)*, Kurt offered three options for the committee’s consideration to get a dollar figure to use as a benchmark starting point.

1. Original starting point: the 2019-20 academic year budget approved by the Board of Trustees: $8,323,592 (5% reduction $7,907,412 /10% reduction $7,491,233)
2. 2019-20 academic year: fall + winter actual + spring of Board of Trustees approved budget: 8,475,724 (5% reduction $8,051,938 /10% reduction $7,628,152)
3. 2019-20 academic year: fall + winter actual + spring enrollment x $223.98: $8,621,764
(5% reduction $8,190,676 /10% reduction $7,759,588)

Christian commented that options 2 & 3 make the most sense to him, because we know what fall and winter actuals were before COVID, and asked the advisors for their thoughts and recommendations based on their experience.

Varying thoughts were shared around the process Kurt presented. Eric felt that all constituencies worked on and presented their budgets, in what he hoped was good faith efforts looking ahead as much as possible, and trying to redefine a starting point could have a compounding effect. Others agreed this process seemed like more busy-work and the conversations were going around in circles. Travis agreed with Eric’s comments, adding every time the starting point is changed it triggers additional work from the bottom up and encouraged the committee to move forward in the direction Eric described.

**Fee Level for Next Year and Allocation Scenarios**

*2020-21 Academic Year S&A Fee & Distribution, Summer 2020 Distribution, and Summer 2021 Fee.* This spreadsheet allows real-time calculations based on the percent increase for 2020-21 (Step 1: Calculate the 2021 fee; Step 2: Estimate the 2020-21 available resources; Step 3: Fee distribution scenarios: 2020-21 academic year).

Kurt highlighted “Available to 4 Constituents” (G13 on the sheet) as a key number in the Step 2 example. Step 3 numbers (gray/green sections) include revised data from Associated Students provided to Kurt over the last couple of weeks and should reflect the accurate requests made (Column I). The blue section provides various scenarios depending on FY percentages as well as an interactive manual percentage section that can be manipulated for different outcomes for each constituency.

Raquel commented that the spreadsheet was not holding to the 6.82% request Adam had made for Campus Rec. Kurt confirmed it was slightly different due to the mixing of percentage and dollar requests, adding it is difficult to work with both dollars/percentages on requests like this. In this case the manual percentage increased Campus Rec to 7% or $475,299 and deferred to Adam for his response. Adam confirmed the original request of 6.82% or $467,941 was the percentage/dollar amount based on the Board of Trustees original budget for this past fiscal year. Given all the conversation around fluxes and dips, Adam explained the reason CR needs to stay right at 7%, as represented in column T on the spreadsheet. Knowing enrollment will likely be down, Campus Rec is working off a percentage to maximize as many dollars as possible.

Nate indicated he felt it was confusing that Campus Rec says they need 7% of the budget and other groups were asking for a dollar amount, and questioned why all groups were not working from the same page (dollars or percentages). Adam explained Campus Rec originally requested $467,941, but because we are realistically looking a reduction in enrollment, we decided to play the percentage game to maximize as many dollars as the fee will allow based on the distribution and where the fee will be set with enrollment. In order to fully cover Sports Clubs expenses, Campus Rec would need another $70-80K; understanding everyone is making cuts and we need to stay at that dollar amount, we decided to stay with 7% of whatever the final budget is. Adam further explained that all the years working with these budgets he has never asked for a percentage rather than set dollars, but he feels, with the uncertainty of the budget this year, going with a percentage is in the best interest of Campus Rec programs and the students.

Christian asked Adam if he felt it would be best for all groups to stick with percentages at this point; to accept whatever the budget will allow, and roll with the punches next year. Adam confirmed that is the best approach as he sees it. And that is basically what Eric outlined earlier in this conversation, and essentially what Kurt has proposed on this spreadsheet in column T (a vote on a percentage breakdown on whatever the fee is set at). Adam confirmed the advisors will need to determine what changes need to be made next year once all the facts are known.

Raquel commented she also feels like the committee keeps talking in circles; no one is on the same page; it doesn’t feel like we are playing the same game and she is finding this very frustrating. Nate agreed with Raquel. The conversations are going nowhere, and we keep talking about situations we do not know will actualize. Nate proposed, the conversation be greatly simplified; unless there are significant changes to request, or differences in how our groups will function from last year, the committee should adopt the proposed percentage distributions for the current fiscal year, and move forward to the discussion of the fee level.

Kurt asked the committee if it would be appropriate to table the distribution conversation and focus on the fee level? Nate stated that he feels trying to use the fee to determine how much money we will have next year is a futile exercise, because we just do not know how much we will have. Next year our organizations are going to have to make hard decisions on how to deal with what will come; Nate suggested for purposes of discussion at this time, the committee move forward with how the fees were distributed last year. It is as close as we can get at this point to knowing how much money we will have next year.

Rebecca agreed with Nate’s comments and his recommendation to move ahead with percentages from last year; we won’t know how much we get until we get it, and we will have to cope with decisions at that time. Going forward with similar distribution percentages made sense to her.

Kurt wondered if the committee isn’t getting ahead of itself, stating that deciding the distributions are meaningless without knowing what the fee will be; the fee, because this committee is representing all the student rate payers, the fee is the most important component. It does have merit using last year’s percentages, but there are several options we could use, but that decision is secondary to the fee determination. Kurt felt Nate’s recommendation had two components to it: 1) Let’s go with percentage distributions and 2) Let’s focus on the fee. Kurt asked if it was appropriate to decouple these two things, start with the fee and go from there.

Christian stated that, if he remembers correctly, there have been conversations on the fee in the past and there has not been an appetite to increase the fee, and offered for others to share thoughts. Kurt responded that may be, but someone needs to move to make this an official motion and have it seconded to put that recommendation in place officially.

Kevin asked Kurt to confirm, if a zero percent fee increase was recommended, would this mean taking the fee back to 2019/20 before we added the reduction and that fee would sit at $223.98 for the academic year. Kurt confirmed that was correct. And that decision, in theory, could address the primary task of the committee. If you go with a percentage allocation, you technically do not need to work with available resources – you allocate what you get.

Nate made a motion to recommend the S&A Fee level for the following academic year at $223.98, as well as the current distributions for the fiscal year 2020 for the following fiscal year 2021. The motion was seconded by Kevin.

After the motion, Eric asked Kurt, given the motion of $223.98 and distribution of last year’s model, assuming the same enrollment as last year, what he estimated the total loss or gains might be. Referencing the *Starting Point for FY21 Scenarios* spreadsheet, Kurt responded with Option 3: based on fall and winter actual distributions and actual spring based on the current fee, would be $8,621,764; with no enrollment decline, constituents would be planning programs with about $7,000,000. Eric asked how that figure compared to the requested budgets; Kurt indicated an approximate $157,000 excess. Eric wanted to be clear the committee recognized, without raising the fee, $157,000 is over the amount they had requested for this year’s budget. This amount can be absorbed should enrollment be low – then constituencies would have to go from there to make their individual program decisions.

Steve pointed out that Eric’s $157K overage is based on assumptions; looking at the 2020 budget of $6,732,965 and the 2021 budget request of $6,859,000, you have a shortage of what the requests were of $126,035. By not changing the fee or making any assumptions on enrollment, we are looking at a short fall. Steve added that Nate’s motion was good in the fact it addresses the possibility of excess and loss. But all constituencies should share in that outcome equally, regardless which way it goes. Eric agreed and thanked Steve for making that point. Rebecca agreed this was a great starting point.

Christian confirmed that Adam would be agreeable to using the 6.95% for Campus – Adam confirmed that percentage was fine.

Christian requested a vote on Nate’s motion to recommend the S&A Fee level for the upcoming academic year with a zero percent increase, to remain at $223.98; and to move forward with the same budget percentage distributions which were used in fiscal year 2020 for fiscal year 2021: 44.32% for Associated Students, 32.31% for Athletics, 6.95% for Campus Rec, and 16.60% for DRAC. The vote was 5 in favor, 0 “nay” and 1 abstention.

Christian asked Kurt to confirm all the recommendations the committee needed to address today had been made at this point: Kurt confirmed that the fee for the upcoming year had been set; the budget distribution percentages had been established; and the previously determined summer 2021 fee would remain at $14.59.

Kurt and Christian will develop the memo to Dr. Huskey and present that to the committee next week. Next week’s meeting is a public hearing meeting to approve the recommendations and any applicable documentation and to discuss the summer 2021 fee proposal. We will also discuss the spring redistribution request for DRAC.

Kurt thanked the committee for their patience and commitment to this process; it has not been a typical year and he appreciated their dedication.

The meeting ended at 5:34 pm

**Next scheduled meeting**: May 21, 2020, 4:00-5:00 pm – Microsoft via Teams