

CAMPUS FEE ADVISORY COMMITTEE

April 26, 2013

MINUTES

ATTENDEES

Members: David Ely Tom Rivera
Matt Cecil Eric Anderberg
Javier Gomez Channelle McNutt
Kimberlee Reilly Debra Bertram

Administrator Alternates: Andrea Bauer for Ethan Singer Linda Lewiston for Eric Rivera

Non-voting member: Crystal Little

The meeting was called to order at 2:15 P.M. by Dr. David Ely, in absence of CFAC Chair Robert O'Keefe.

Informational Items:

The CFAC committee reviewed the following informational items:

- a. Approved SDSU Athletic Cheer Team Membership Fee (Attachment 1)
- b. 2013/14 IRA budget (Attachment 2)

The committee reviewed the approved SDSU Athletic Cheer Team Membership Fee presented as information item; the approved 2013-14 Housing rates were emailed on Wednesday to the committee.

Ms. Little gave an overview of attachment 2, which includes the approved 2012/13 IRA Budget, the 12/13 budget based on actual expenses as of 4/22/13 and projected expenditures through year-end and the proposed 2013/14 IRA budget. The committee is only to consider the initial IRA fee (IRA1) for approval, which supports specific programs throughout the campus. The total 13/14 IRA Fee Distribution (IRA1, IRA2 & IRA3) is included for information purposes (attachment 2, page 2). For the last two years there was a planned use of reserves and the current plan includes additional contributions from the university operating fund to mitigate the budget deficits for 2012/13 & 2013/14. The two-year plan to balance the IRA budget, which included a proposal to increase the basic component of the IRA fee to be effective in Fall 2013 has been delayed to Fall 2014. The committee did not move forward with a proposed fee increase for Fall 2013 due to reorganizations at the campus and CSU level, the governor's stance on fees and the previous chancellor announcing that new fee proposals will not be considered.

Part of the current plan is to propose an IRA fee increase to cover the expenses no longer supported by the current IRA fee and to reinstate and expand program allocations. Athletics is currently contributing \$25,000 towards Athletics insurance and is receiving \$25,000 less in its program allocation. Sports Clubs is not receiving the \$5,000 program allocation and its insurance is being paid by Associated Students. These negotiated changes are temporary and program allocations would be restored to 10/11 allocations with a successful IRA fee increase (Ms. Little).

Dr. Ely noted that the committee is only to consider the program allocations for approval, which are: \$200,000 for Academic Affairs, \$0 for Sports Clubs and \$512,000 for Athletics.

Mr. Rivera asked about the amount of the IRA fee increase. The committee is to discuss the best approach and the amount of the increase next year. (Ms. Little).

Mr. Cecil asked about conversations to reduce Athletics expenditures; there have been conversations in the past, but a proposal to reduce expenditures has not been made (Ms. Little). With IRAs 2 and 3, Athletics has increased revenues with a portion of IRA2 to Academic Affairs and a portion of IRA3 to Sports Clubs and a fraction of it to support IRA1 allocations, but this distribution is not sufficient to support the current IRA budget needs (attachment 2, page 2).

The current IRA fee is \$350 per year. The big driver for the IRA budget deficit is the unpredictable rise in insurance costs, which can vary significantly from year to year; leveled enrollments also keep revenues flat (Ms. Little).

Mr. Cecil noted that the actual 12/13 insurance cost is higher than the estimated amount for 13/14. The estimated amount was provided by the risk management entity, but it is possible to have a higher insurance cost (Ms. Little). Dr. Ely noted that in past years actual insurance costs have been higher than initially forecasted.

With the original IRA fee there was no cost index increase built into it. IRA3 does have a cost index built in, but it is not effective until 2015 and will have little impact on the IRA1 budget.

The committee discussed other figures from the proposed IRA budget; the overhead covers the cost of administering the fees. Athletics has historically relied on the \$537,000 allocation, which has been reduced to \$512,000 for the past two years. Academic Affairs also has relied on its \$200,000 allocation. The interest income is earned on the IRA fund balances, but interest rates are low so earnings are low (Ms. Little).

Mr. Rivera noted that the AS fees will be going up with the opening of the new building; this would make it harder to ask students for a new fee. Mr. Cecil asked about any other fee increases; Ms. Little is not aware of any other fee increases to be proposed for next year. Another option would be a student success fee (Dr. Ely).

Mr. Rivera asked about other revenue sources for Athletics. Mr. Anderberg sits on the Intercollegiate Athletics Committee and he can pull the information on donations that come to the Aztec Club and what portions go to Athletics and Aztec Clubs.

Mr. Rivera asked how much would a reduction to Athletics hurt them. Dr. Ely suggested that a reduction could affect other operations and create a hole somewhere else. Per Mr. Anderberg, the 13/14 Athletics budget has been passed by the Intercollegiate Athletics Committee. Any changes to the IRA budget as proposed will affect the Athletics budget (Ms. Little). Ms. McNutt also noted that it would be hard to project the impact of a reduction when they have relied on this source of funding for so long.

Dr. Ely reminded the committee that this is an information item and the committee can vote on the proposed IRA budget at the next meeting. Ms. McNutt asked about the feasibility of making any changes to the proposed budget. Ms. Reilly noted that even with a reduction to the program allocations there is still a deficit. The budget presented today includes contributions by the university to get it through 12/13 & 13/14 (Ms. Little).

The allocation that Athletics receives goes into their overall allocation to cover their operations and they are contributing \$50,000 to the IRA budget for a 3rd year (Ms. Little).

Ms. McNutt made a motion to move the 2013/14 IRA budget to an action item, which was seconded by Mr. Rivera. The committee voted in favor of moving information item b to action; there were no objections and no abstentions.

Action Item:
2013/14 IRA Budget

Mr. Rivera made the motion to approve the 2013/14 IRA Budget, which was seconded by Ms. Bertram.

Ms. Bertram stated that the IRA budget needs to be looked at next year to address the deficits. Deciding the direction and implementing a plan to balance the IRA budget will be the first priority in the fall (Ms. Little).

The CFAC committee voted to approve the 2013/14 IRA Budget, there were no objections and no abstentions. **The 2013/14 IRA Budget was approved unanimously.**

Dr. Ely asked about any plans to prepare for the fall. There has to be a conversation with campus leadership to form a solution to the IRA budget, but the plan is to have an action item early in the fall (Ms. Little). The AS executive officers will be available this summer for any of these conversations (Mr. Rivera).

Mr. Rivera made the motion to adjourn the meeting, which was seconded by Mr. Anderberg. The meeting adjourned at 2:55 PM.

Reminder: Next Meeting is scheduled for Friday, May 3, 2013 at 2:00 PM in SS-1608.