Finance & Budget Committee
2019-2020 Meeting Minutes

Friday, April 24, 2020, 11:30am
HUB 314: GPSS Board Table

Present:
Shane Schrader – Treasurer; Committee Chair
Becky Tran – Budget Specialist, Staff
Julia Overfelt, GPSS Senator, 2020-2021 GPSS Treasurer
Terrence Pope, GPSS Executive Senator
Ted Cohen, GPSS Senator
Jared Canright, GPSS Senator
Simon Crean, GPSS Senator

Not Present:
Danielle Brown, GPSS Senator; Committee Vice Chair
A.J. Balatico, GPSS Senator

Shane calls the Meeting to order at 11:33 am.

Overview

Becky provides each member an agenda, copy of last week’s meeting minutes, and Endowment Projections excel sheet.

1. Call to Order
   a. Approval of Agenda

   Ted moves to approve the agenda. Simon seconds. No objections. Motion passes.

   b. Approval of the Minutes

   Simon moves to approve last week’s minutes. Julia seconds. No objections. Motion passes.

2. Endowment Discussion

   Shane steps away for a phone call and asks Julia to take over.

   Julia turns over the endowment discussions to Becky, who helped build this spreadsheet.
Becky says she will wait for Shane because she only made the original document but updated it into this version and brought it to Exec, so he knows more about Exec’s comments.

Julia, who was at Exec goes over the drop-down menus in the spreadsheet that allows us to play around with the numbers. However, they also had a conversation about whether SAF would decrease funds for us based on whether we spend down the General Fund. And SAF is funded by students who are in school, and due to this pandemic, their funds may go down and they may award less money to those organizations that have larger General Funds. So, Exec was leaning towards keeping our General Fund because we may need to pull from it more next year, which gives us additional flexibility.

Ted agrees with this sentiment. He shares that his undergraduate university started furloughing university staff this week and would not be surprised if UW’s staff allocation gets substantially cut down. Ted asks how many more Senate and Exec meetings do we have left?

Julia answers 3 Senates, and unsure of how manyExecs.

Simon asks where do they post Senate meeting links?

Julia says she hasn’t found it through the website but has been Googling it, and it comes up.

Terrence says to go to the GPSS’s homepage, on the right-hand side there is a little sub-menu, click “Meetings”, and it takes you to a page with all the meetings’ links.

Becky includes the link in the Zoom chat.

Shane comes back. He says Becky made the original projections spreadsheet, but he just made it simpler for people who are not used to looking at spreadsheets. So, there are drop-down items that people can play with and change the numbers to get an idea of what the money can look like year to year. In Exec, people expressed doubt in needing to spend down our General Fund because SAF may not fund at the same level as before. For example, the HUB has lost about $750,000 since COVID-19 and may ask SAF to help cover that. So, if SAF must reduce its funding to GPSS, we will need to cover the difference with our reserves. Shane says he originally wanted F+B to discuss growing the endowment but with COVID-19, we are going to keep our General Fund as is. With that, Shane asks if people have any questions about the spreadsheet or its usability or just how we want to think about this going forward.

Terrence asks for more information on how to use the drop-down menus.

Shane shows the group which column can be easily altered to play around with numbers. Different budget options include: the Provost Funding, SAF, General Fund, Endowment Distributions, and our Budget Increase %.
Julia asks if Shane can talk about whether he thinks there will be a problem with procuring the Provost funding every year.

Shane says it’s an interesting situation because the previous two provosts have agreed to give this funding, and the new provost did as well for this year because they came into the position later and felt like we were already expecting these funds so they granted it to us. It comes down to the President of GPSS making a compelling case for why this money is important to GPSS and what we have been able to achieve with it. But Shane thinks that it will be renewed.

Julia asks if Shane thinks it will be renewed at the same rate or is there a chance the amount may go down?

Shane says we haven’t been able to historically track how effective or successful GPSS has been with its Provost Funding – like we can’t say, we received $25,000 but did fine with $20,000. We don’t know how much has gotten rolled into the General Fund yet.

Becky says that prior to 2014, the Provost funded $35,000 before dropping to $30,000.

Terrence asks how do they determine that amount?

Shane has no idea; it was probably an agreement that GPSS and the Provost came up with.

Terrence says he is curious to know the process because it would help us understand what our points of leverage are to get more money, or at least secure the same amount we would receive every year.

Shane says that while it’s not ideal, it would be a strategic perspective if we have one year with no funding and we can see/prove a drastic drop in our programming and use this as leverage for why engagement has dropped off. It would be a worse case scenario that could turn into a good argument when funding doesn’t come through.

Julia asks: does ASUW get Provost Funds?

Shane says Washington state laws dictate what we can use our funding on for: training, recognition, alcohol, etc. ASUW gets their good funding from WSA, which is something completely different, but they can use outside funding for things like that or donations or whatever, but they can’t use SAF funding for food for general events. They also have campus partnerships that can pay for the food. It’s very different. They have a lot more lucrative partnerships and they have other avenues of getting it because they haven’t had Provost funding, whereas we haven’t really developed those avenues, because we’ve had Provost Funding.

Ted says that he remembers discussing using SAF funds to cover food during Senate meetings by categorizing it under Training.
Shane says that the Senate meetings food budget is $120/year. And we may only be able to cover the first Senate meeting under Training because we must train senators to do their job, but after that, it wouldn’t count.

Terrence points out how he thinks it is interesting that with some stuff, there isn’t a fine distinction between “training” or not.

Shane says that he has been trying to ignore the reality of the benefits of not spending anything too much, especially if we talk about the opportunity that we have to give some money to the relief funding, which is another proposal he’s writing for Senate for next week. Basically, it entails voting to give $25,000 to the Financial Aid Relief Fund, and depending on how the first $25,000 goes, if it is successful, we could give another $25,000 – versus a $50,000 lump sum now. It seems prudent to cap it at $50,000 because that is around what we’ll have left over from not spending this quarter, so it won’t hurt our reserves.

Ted says he doesn’t think we should put any money into the Endowment.

Simon agrees.

Shane agrees as well and admits he’s had personal values wrapped up into this Endowment project.

Ted agrees with Shane and hoped we would get the General Fund excess and Endowment project squared away this quarter, but it’s good that we didn’t because now it gives us flexibility with COVID-19, an economic downfall, and our available funds. But he thinks Shane’s spreadsheet should definitely be revisited in the future.

Shane asks the committee to take a quick yes/no poll on whether they agree with not putting anything in the endowment this year.

Everyone says yes.

3. Announcements

Shane says he just wanted to tell the committee that he’s working on a proposal to the Senate about contributing to the Financial Aid Emergency Funds. It’s a straightforward system where you can request emergency age from financial aid. You fill out a form with your situation and then they can disperse those funds to you. Our idea is to provide $25,000 upfront and $25,000 later once we have more of an idea what the situation looks like. The CARES Act is giving UW 19 million dollars to spend towards students. ASUW transferred $100,000 into the Husky Pride Fund with awards 200 students with $2,000 – this is great, but they are also asking for over $100,000 from SAF from their budget last year so it evens out for them. This would not be the situation where we’re asking for that money back in our pockets from the people that already paid it to us.
Ted asks how will this work procedurally where we pull the money from unspent line items and not the General Fund?

Shane says the way our budget line items line up, there isn't a good place for funds to come from. He doesn't want to pull from the General Fund when we haven't finished narrowing down procedures. So, he looked into our Endowment and we have one of the areas where distributions goes to student organization funds. And unlike the travel funds portion of the Endowment Distributions, this one's more open, but it's for student org funding. Shane is interpreting our agreement that this is a good place to pull that money from. We could do a portion of the $25,000 from there and then add it with other general line items. It's going to come from spring events in the VP internal budget, where we have a little money from. We have about $20,000 sitting in the student org fund distribution bucket. And then we have some more money sitting from supplemental funding for spring events for the first $25,000 and then for the second $25,000, it would be from the general fund on how we want to spend it until we know for sure how much money we're going to have leftover I just don't know the better way to pull it from the current budget.

Ted says that we would still include $5,000 from the general fund.

Shane says $5,000 from the supplemental funding for the first round of funding. The first round of funding is from current money and the second round can go through the general fund request procedure.

Ted says the General Fund Request procedure is another thing that's been on his mind for a while. Ted has started writing a resolution that requires F+B approval if we spend over $1,000 on an item directly from the General Fund, and Senate approval for anything over $5,000 – and wants these guidelines in a resolution that gets voted on by Senate.

Terrence asks Ted to speak more to why he is concerned with the lack of an approval process.

Ted says his concern is that Senate has never done has never formally weighed in on how the General Fund gets spent and what that has meant is that it falls on Exec. This procedure could lead to misuse of funds.

Shane says there’s interest from Jacob. In last year’s meetings, F+B debates getting a simple majority from F+B and then the Treasurer takes it to Exec who then does a simple majority vote, yet there’s no Senate weigh-in for this option. This was put into a memorandum that hasn’t been approved yet.

Ted says he is writing the Resolution this week. He will send it out to the committee and is asking for people’s comments and feedback.

Jared wonders how often something would get brought to Senate for their weigh in? Would it be brought to sessions once a quarter, year, every meeting, etc?

Ted does not think it would be often, which is why he is setting the limit at $5,000. Realistically, we shouldn’t be spending that amount of money too often on something that
we haven't originally budgeted for and if we do, then it's probably a substantial enough thing that it should be voted on by the Senate.

Shane says that for every budget unit that we have, we've had a provision in our budget for if we spend an amount from the general fund to cover programming. For example, our bus funding to go to Olympia this year wasn't planned for, it wasn't a budget oversight, but actually a change in exogenous things that we couldn't plan for which to me is more justified than other things that could happen.

Ted says that this is a good example of an expenditure that wouldn't have to go through Senate. Anything above $1,000 like this bus charter would just need to be approved by F+B and Exec. So We wouldn't be going through Senate for that many things.

Terrence expresses that he likes this process because it provides a way to prevent the long term growth of a budget. Being able to make $1,000-$2,000 expenditures completely unchecked might allow a Treasurer to then say at the end of the fiscal year: we needed all this money and so we need more of it and then sort of continually inflate the budget.

Simon leaves the meeting.

Ted thanks people for their feedback. Ted mentions to Shane that there's one memorandum from Brad where he noticed there isn't mention of the General Fund in our bylaws. Is there anything besides that memorandum that actually describes the general fund?

Shane clarifies that the bylaws state we are forced to cover 25% of our operating budget into our reserves. It was never intended to be a giant pool of money from the beginning. It happened and then we put a bunch of that money into an Endowment in 2013. And then the General Fund grew a lot between 2015-2017 due to bad budgeting. There is a document from a past Treasurer suggesting putting 15% of our excess funds into the Endowment every year, but that doesn't sound like a good plan anymore.

Terrence is interested in creating a task force within F+B to create easy to read materials to help people understand how the budget works. And this may empower people to do what Ted is doing with his resolution or we have people performing more of an oversight function as members of the Senate for big purchases perhaps.

Shane says he's putting something like this into his transition documents. It's more of an overview because this was something he struggled with when he came into this position. A lot of what he has is written down in Word, but having infographics would be nice. This will be helpful in not having to reinvent the wheel every year.

Terrence wants to create flowcharts that will go on the GPSS website. He's thinking of doing this project over the summer or in the fall.

Julia thinks this would be a great way to increase transparency between F+B and the senators in an easy to understand manner.
Ted agrees that it’s a good idea. Maybe someone would be interested in taking the budget spreadsheet and creating a visualization that can automatically generate itself as the budget is changed. That way, there’s a spreadsheet that could be handed off the next Treasurer to revise the new budget and add things it will just automatically generate all of these visualizations for them that they can use to present the budget to send it.

Terrence says he knows of one common program used in Psychology for people who do data science and UX research. He’ll bring it Senate to see if there’s anyone else who has more experience with creating something like this. Maybe putting together a data science task force within the Senate to work on specific projects like these – taking numbers and converting them into easy-to-read presentations.

Shane says it could be similar to the work groups we had in Senate. It would be a call to action within Senate, and then offline situations could happen from there.

4. Adjourn
   Terrence moves to adjourn the meeting. Jared seconds. No objections.

The Meeting was adjourned at 12:24 pm.