



## UAS Anna Bing Arnold Children's Center Reallocation Reasoning

The ASI budget has many expenses which are hard to change. These expenses are the Administrative expenses and Student Government expenses which include staff salaries, benefits, equipment and technology related expenses, Grant-in-aids, travel, and other operating expenses. These expenses are needed in order to have an operating governing body. ASI needs elected student officers to make the decisions and the staff and resources to help execute these decisions. These expenses usually amount to about \$800,000 and should be considered along the lines of fixed expenses. The left over money (about \$400,000) is free and clear and is essentially the only lump sum of money which ASI can use to implement programs, provide funding, and use for our students in order for them to receive a return on their student fees. This small "usable budget" is what is utilized to fund the UAS Child Center. For over 19 years now, the Center has been receiving well over a quarter (in many years over a third) of the usable budget. This ties up our money and prevents more money being spent on advocacy, programming, scholarships, and to our own student run clubs and organizations. The basis of ASI is largely represented in our slogan "For the students, by the students." Money is being continuously funneled to another organization and is absolutely leaving out the second half of our slogan "by the students." Like many other campuses, ASI should implement their own programs and only be allowed to fund and allocate money to student run organizations.

After reviewing the financials and looking at the big picture, there is evidence to support the claim that UAS has a greater responsibility to the center than ASI. The child center already takes money directly from our students' pockets through our IRA fees. Non ASI funding sources consists of the following: General fund which has a \$76 million budget, Lottery which has a \$1.8 million budget, and IRA which has a \$1.4 million budget. Almost all of these budgets have completely usable money since their main purpose is to allocate money and they don't have large expenses similar to those of ASI. The most money being spent among these three is from IRA (our students' pockets) which has the smallest budget of the three. ASI tops all of these in allocation of money to the children center with only a \$1.2 million budget, and with a much lower usable budget than any of the above three mentioned. The most money is being taken from our students' voices.

(Discrepancy: The sources of these funds have been hidden from the public view. In the official audit report General fund \$47,650, Lottery \$40,000, and IRA \$80,000 have been summed together and indicated through a line item labeled "California State University allocation." This report should be more detailed; it is

Tel: (323) 343-4780

Fax: (323) 343-6415

[www.calstatela.edu/asi](http://www.calstatela.edu/asi)



preferable to have separate line items indicating each fund source in order to maintain full transparency.)

Source:

UAS Children Center Auditor Report:

Nonoperating revenues:	
California State University allocation	167,650

Children Center Budget report sent to ASI:

Lottery	(40,000.00)
General Fund	(47,650.00)
IRA	(80,000.00)

ASI has been funding the UAS child center for about 19 years, with amounts totaling \$3.1 million. ASI had no obligation to fund \$2 million of this amount, however funded it anyways. With respect to the time value of money, ASI had given up way more than the value stated. Putting this into perspective, this is practically donating a building to the Children Center, all while ASI still resides in a small room within the USU building. This is clear evidence that ASI is prioritizing the center and UAS over its own organization and its own cause.

The ASI finance policy associated with the funding of the Children Center (Policy 206 Reporting and Budgeting Guidelines for External Organizations Receiving Over \$3,000) was created in 1999. According to this policy in section 5.3 "Referenda changing the student body fee with a specification as to how additional money is to be spent shall be binding to the Board for the first three years of implementation." This indicates that the voting generation of students who have agreed to let their student fees allocated to specified locations will remain constant for the remainder of their University career at CSULA. The last time referendum that was passed to increase the student body fee was in 1996 and this was regarding the allocation of money to the Children center. Since then, there have been four generations of graduating students who have not voted on this issue, and subsequently did not specifically agree to have their student fees allocated to the Children Center. Section 5.4 states "Beyond the first three years, referenda are advisory to the Board of Directors." Allocation of money to the Children Center remained unbinding since the year 2002 and is at the sole discretion of the ASI BOD.

UAS has a \$34 million budget and one of its primary objectives is to provide child care services. UAS website - <http://web.calstatela.edu/univ/uas/> "The main operations of UAS include the following services to the University community: financial support services, human resource management, contracts and grants administration, bookstore operation, campus food services and **child**

Tel: (323) 343-4780

Fax: (323) 343-6415

[www.calstatela.edu/rsi](http://www.calstatela.edu/rsi)



**care services.”** This primary function is also mentioned in their operating agreement with the University. The full legal name of the Children Center is *Cal State L.A. University Auxiliary Services, Inc. Anna Bing Arnold Children’s Center* and as mentioned in the audit "The net position of the Center is controlled by UAS as part of its general operations account." This means that UAS receives any positive net income from the Children Center, and if it operates at a deficit, must cover the costs to neutralize the net position. The center is clearly an entity of, run, and owned by UAS. Many students had no knowledge of this. The previous notion was that the children center was a separate entity and that it was our responsibility to upkeep the program. UAS owns and operates the children center and had recently only put in \$2,998 to cover a small deficit.

Source:

Change in net position before transfers	(2,998)
Transfer from Cal State L.A. University Auxiliary Services, Inc.	2,998
Change in net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

UAS also took \$9,484 from the Children Center’s cash and cash equivalents

Decrease in due to Cal State L.A. University Auxiliary Services, Inc.	(9,484)
---	---------

From ASI’s point of view UAS could be construed as a big organization which puts such small amounts of money into their own program, along with expecting an organization with one of the smallest budgets to provide the largest allocation.

UAS had been receiving the most money from ASI which has the smallest of all the other budgets lending support. If UAS were to cover the full amount that ASI had been providing to their center it wouldn’t even scratch their budget. It would not even amount to half a percent of their total budget. That same amount puts a big dent in ASI’s budget and amounts to about 10% of our total budget.

**Additional Discrepancy:**

The audit had placed ASI’s allocation of funds under operating revenues and labels the allocation “Associated students fees”. ASI fees are operating revenue to ASI, not the Children Center. This current record indicates that the Children Center is charging ASI for providing a direct service. This just isn’t the case. ASI allocates funds to the Child Center out of our own goodwill and deserves recognition for the success of the program. We should not be seen as a client being charged for receiving service. ASI funding must be placed under nonoperating revenues next to the current placement of the line item California State University Allocation (which should display its three sources of fund allocation).

Tel: (323) 343-4780

Fax: (323) 343-6415

[www.calstatela.edu/asi](http://www.calstatela.edu/asi)



Source:  
UAS Auditor Report:

**Operating revenues:**

Grants and contracts:

State assistance

Child Development Programs (CCTR-3070)	\$ 234,423
State Preschool Program (CSPP-3146)	244,788

Federal government assistance

Child Care Access Means Parents in School (P335A100069)	246,867
Child Care Food Program (19-Q967-00-2)	69,005

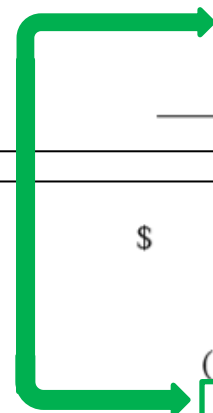
Other revenue:

Associated students fees	125,211
--------------------------	---------

Parent fees

Certified children (CCTR-3070)	23,536
Certified children (CSPP-3146)	29,537
Non certified children	439,321

Total revenues	1,412,688
----------------	-----------



**Cash flows from operating activities:**

Federal grants and contracts	\$ 306,974
State and local grants and contracts	484,992
Payments to suppliers	(400,165)
Payments to employees	(1,197,639)
Other receipts	617,605
Net cash used for operating activities	(188,233)

**Nonoperating revenues:**

California State University allocation	167,650
Change in net position before transfers	(2,998)
Transfer from Cal State L.A. University Auxiliary Services, Inc.	2,998
Change in net position	-

**Cash flows from noncapital financing activities:**

Transfer from Cal State L.A. University Auxiliary Services, Inc.	2,998
California State University Allocation	167,650
Net cash provided by noncapital financing activities	170,648

Antonio Canzona  
Associated Students Inc.  
California State University, Los Angeles  
Vice President for Finance

Tel: (323) 343-4780

Fax: (323) 343-6415

www.calstatela.edu/rsi

5154 State University Drive, Room 105  
Los Angeles, California 90032