

Associated Students, Inc.


Your Student Government...For the Students, by the Students!



Memorandum

DATE: January 9, 2003

TO: Dr. Steven N. Garcia, Vice President of Administration and Finance

FROM: Michael Tan, ASI Vice President of Finance 

COPIES: J. Aguirre, C. Illingworth, File

SUBJECT: GIA Proposal

The Board of Directors met on December 5, 2003 to review a fiscal report compiled by the R. Johnson-Smith, T. Williams, and myself.

The report presented and analyzed the authors' research into the stipends awarded to other Board of Directors throughout the various Associated Students in the California State University System. In doing so, the authors' recommended that the Board of Directors receive a staggered equity and cost of living increase of 10% this fiscal year, and 10% the following fiscal year. For the current fiscal year, the report also presented several alternatives for funding such an increase.

In reviewing the report, the Board of Directors has decided to adopt a staggered 20% increase (10% in the current fiscal year, and 10% in the following fiscal year). However, they recommended a different funding solution, whereby the funds needed for the increase in the current fiscal year will be taken from our current operating budget.

This memo serves to inform you that the GIA increase will be reflected in our 6 and 6 Budget review. For more information, please refer to the attached GIA Report and Board of Director's Recommendation. Upon reviewing these documents, should you have any further questions, feel free to contact me at (323) 343-4785 or email me at michaelwtan@hotmail.com.

Attachments: Grant-in-Aid Proposal, Board of Director's Recommendation

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Associated Students, Inc.
California State University, Los Angeles

Grant in Aid Increase Report and Proposal

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Tedric Williams
Vice-Chair of Finance

November 19, 2002

Executive Summary

The researchers collected data from 12 of the 22 California State University campuses. After analyzing the data collected; looking at the student population, AS budget size, and cost of living in the surrounding area of each campus, the researchers came to the conclusion that CSULA ASI was on average under paid by 26.41%. Moreover, since the grants in aid have not been increased since 1995, the cost of living in the Los Angeles-Riverside-Orange County Area has increased by 14.68%. Upon comparing ratio of stipend allocation to total budget the researchers found that Cal State L.A. currently allocates 6.24 % of its budget compared to an average of 4.172%. The researchers also came to the conclusion that the best way to bring the grants in aid up to par would be to implement a staggered 20 % increase encompassing both an equity and cost of living adjustment over the span of 2 years.

Among four funding alternatives, the researchers recommend choosing either option 1, "transferring funds for surplus of revenue over expenditures," or option 3, removing the necessary funding from reserves seeing as how we are unable to continue allocation to this specific account do to legislative practices. The other two options provided by the researchers do not necessarily have their recommendations, but have been provided to explore other possibilities.

Methods of Research and Analysis

Grants-in-Aid. To gather data on Grants-in-Aid, an email was drafted and sent to the presidents of the California State Universities with a student governments. This email requested information regarding the size of each campuses student body, student government budget, and stipend amount. Out of the 22 Associated Students, 13 responses were received. This provides enough information to be representative of all Associated Students.

From this data, campuses whose budget and student population most closely matched ours were selected for comparison. Thus, CSULA's Grant-in-Aid amounts were compared with those from 6 of her 23 sister campuses [See Appendix 1].

In this comparison, we determined the percentage by which each campus either under or overpaid their representatives with CSULA Grant-in-Aid information as the basis for comparison [See Appendix 2a]. In situations where a campus had more than one position for each job class, stipends for those positions we're averaged with members of their respective class. For example, many campuses, including CSULA, have various Vice-Presidents. So, for campuses that fit the above description, the stipend amounts were averaged before determining the percentage difference. Then an overall average percentage by which other campuses overpaid their representatives was calculated [See Appendix 2b and 2c].

Cost of Living/Inflation. Gathering data for inflation was relatively less time-consuming than that of gathering stipend data. By visiting the website for the Bureau of Labor Statistics, one can easily obtain the CPI (Consumer Price Index), a leading economic indicator of inflation, data from its databases. The CPI for 2001 was then compared to the CPI for 1995 in determining the percentage by which the cost of living has increased for students at CSULA [See Appendix 3a, 3b, and 3c]. The year 1995 was used for comparison because, from an analysis of previous administrations' minutes, it was determined that ASI has not increased Grants-in-Aid since that year.

Budget Analysis. Using our six comparison campuses, we have conducted a comprehensive research correlating the respective budget sizes of each campus with their stipend disbursements. By visiting both their respective websites and calling the ASI representatives from the six campuses, we were able to find the information requested by the finance committee. This information was used to find the percentage of the budget that is used for stipends.

Findings

Although Cal State L.A allocates 6.24% of its budget for stipends while on average the other six campuses allocate 4.172% of their budget, the research, shows that our ASI representatives are underpaid by an average of 26.41%.

Since 1995, the last year from which ASI previously raised Grants-in-Aid, data taken from the Bureau of Labor Statistics demonstrated that the cost of living for the Los Angeles-Riverside-Orange County Area has increased by 14.68%.

Recommendation

The researchers are recommending a 20 percent increase with a 10% retroactive increase for fiscal year 2002-2003 and another 10% increase in fiscal year 2003-2004.

According to projections [See Appendix 5], the staggered increase will require that an additional \$8,000 be added to the line item for Grants-in-Aid for fiscal year 2002-2003 and an additional \$8,800 be added to the line item for Grants-in-Aid for fiscal year 2003 – 2004. Thus, over two years, \$16,800 will be needed to fund this increase.

The researchers are also presenting four different scenarios that can be used to fund this increase.

Funding Alternatives

Scenario 1. The most direct way involves transferring funds from the surplus of revenue over expenditures that are projected for the end of our 2002-2003 fiscal year.

Scenario 2. Based on data regarding summer enrollment for 2002, there have been predictions that there may be an overall enrollment increase of 7%. Thus, creating an increase of 7% in student fee revenue. For Fiscal Year 2002-2003, student fee revenue is can be conservatively approximated at \$1.2 million dollars. A 7% increase in student fee revenue amounts to \$84,000 in additional revenue, from which the \$8,000 could be taken.

Scenario 3. ASI could also take this amount from the operating reserve balance. The operating reserve balance, according to legislation, is currently capped at 25% of revenues. In other words, the maximum amount that an auxiliary organization, such as ASI, is allowed to hold in operating reserves is equal to 25% of revenues. As of June 30, 2002, our operating reserve balance of \$275,932.00 calculates to 25% of revenues. Taking \$16,800.00 from this reserve results in a minimal decrease in this percentage to 23.5% of revenues. Thus, by selecting this alternative, ASI would remain in compliance with current legislation.

Scenario 4. Another alternative may be the imposition of a one-time operational fee referendum. This referendum would requires a per student fee large enough to fully establish a trailer system. Funds could then be diverted from the existing trailer system reserve to finance the proposed GIA Increase.

Recommended Alternative. The author would recommend the adoption of Scenario 1 or Scenario 3. There are several reasons that favor these alternatives. First, the imposition of a one-time fee referendum would seem pernicious in light of the recent fee increases that CSULA students have endured, discrediting Scenario 4. Second, in the event that projected surpluses are not as large as projected, they can still be used to replace the amount that was taken from either reserve account.

Campus	Std. Pop.	Budget	President	VPs	Reps	Comm.	Senators	Judicial	Perks	Notes
Chico	15,000	1,230,000.00	10,728.00	10,728.00	7,572.00		N/A	N/A	\$150/semester for books	
Dom Hills	13,000	1,755,000.00	6,500.00	4,500.00	400.00		N/A	N/A		there is a proposal to increase stipends
Los Ang	24,000	1,282,000.00	7,360.00	4,880.00	2,880.00	2,880.00	2,880.00	1,280.00	faculty pkg, priority registration	
Pomona	19,000	1,368,000.00	9,600.00	5,400.00	1,200.00	1,200.00	N/A			
Sacramen to	23,494									Their commissioners are paid hourly.
San Franc	26,500	2,226,000.00	11,100.00	11,100.00	7,500.00	N/A	N/A	N/A		
SLO		3,353,000.00	\$12,246.9	8,436.96						

Note: Shading indicates that stipends were averaged

Appendix 2A

Position:	CSULA	Chico	% Difference
President	\$7,360.00	10,728.00	45.76%
Vice Presi	\$5,120.00	10,728.00	109.53%
Board Mer	\$2,880.00	7,572.00	162.92%
Commissi	\$2,880.00	4,137.00	43.65%
Senators:	\$2,880.00	N/A	N/A
Judicial R	\$2,880.00	N/A	N/A

Position:	CSULA	Sac	% Difference
President	\$7,360.00	9,200.00	25.00%
Vice Presi	\$5,120.00	7,384.60	44.23%
Board Mer	\$2,880.00	3,000.00	4.17%
Commissi	\$2,880.00	N/A	N/A
Senators:	\$2,880.00	N/A	N/A
Judicial R	\$2,880.00	N/A	N/A

Position:	CSULA	DH	% Difference
President	\$7,360.00	6,500.00	-11.68%
Vice Presi	\$5,120.00	4,500.00	-12.11%
Board Mer	\$2,880.00	400.00	-86.11%
Commissi	\$2,880.00	900.00	-68.75%
Senators:	\$2,880.00	N/A	N/A
Judicial R	\$2,880.00	N/A	N/A

Position:	CSULA	SF	% Difference
President	\$7,360.00	11,100.00	50.82%
Vice Presi	\$5,120.00	11,100.00	116.80%
Board Mer	\$2,880.00	7,500.00	160.42%
Commissi	\$2,880.00	N/A	N/A
Senators:	\$2,880.00	N/A	N/A
Judicial R	\$2,880.00	N/A	N/A

Position:	CSULA	CPP	% Difference
President	\$7,360.00	9,600.00	30.43%
Vice Presi	\$5,120.00	5,400.00	5.47%
Board Mer	\$2,880.00	1,200.00	-58.33%
Commissi	\$2,880.00	1,200.00	-58.33%
Senators:	\$2,880.00	N/A	N/A
Judicial R	\$2,880.00	N/A	N/A

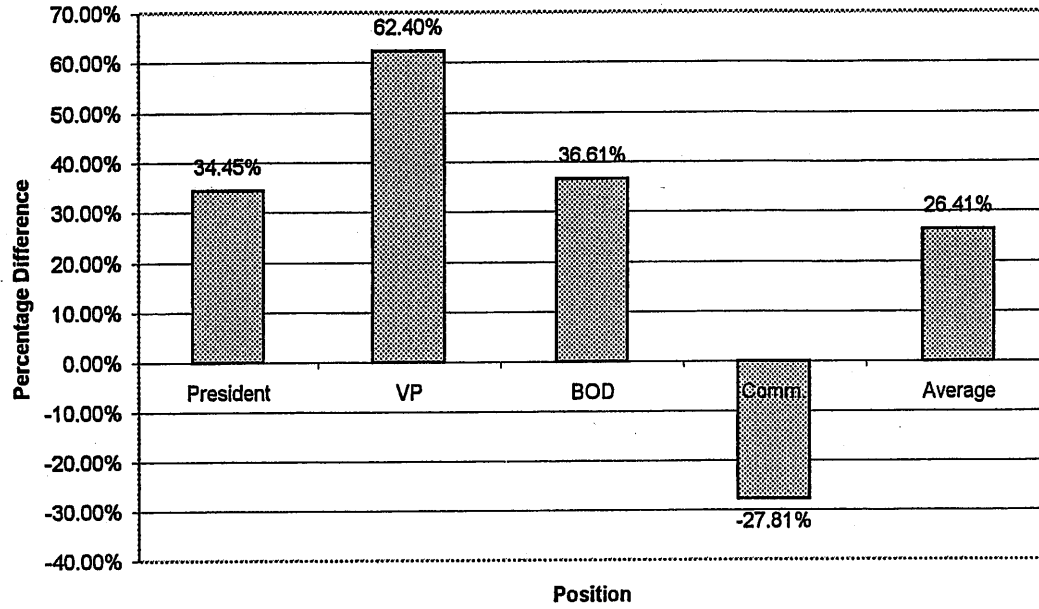
Position:	CSULA	SLO	% Difference
President	\$7,360.00	12,246.96	66.40%
Vice Presi	\$5,120.00	8,436.96	64.78%
Board Mer	\$2,880.00	N/A	N/A
Commissi	\$2,880.00	N/A	N/A
Senators:	\$2,880.00	N/A	N/A
Judicial R	\$2,880.00	N/A	N/A

Appendix 2B

Campus	President	VP	BOD	Comm.	Senators	JRC	Average
Chico	45.76%	119.84%	162.92%	43.65%	N/A	N/A	
Dom Hills	-11.68%	-7.79%	-86.11%	-68.75%	N/A	N/A	
Pomona	30.43%	10.66%	-58.33%	-58.33%	N/A	N/A	
Sacramen to	25.00%	51.32%	4.17%	N/A	N/A	N/A	
San Franc	50.82%	127.46%	160.42%	N/A	N/A	N/A	
SLO	66.40%	72.89%	N/A	N/A	N/A	N/A	
Average	34.45%	62.40%	36.61%	-27.81%	N/A	N/A	26.41%

Appendix 2c

Average Percentage Difference between CSULA and other campuses



Appendix 3a

Original Data Value

Series Id: CUURA421SA0
 Not Seasonally Adjusted
 Area: Los Angeles-Riverside-Orange County, CA
 Item: All items
 Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
1995	154.3	154.5	154.6	154.7	155.1	154.8	154.5	154.4	154.6	155.2	154.6	154.6	154.6
1996	155.7	156.2	157.3	157.7	157.5	156.7	157.6	157.3	158.2	158.8	158.3	158.3	157.5
1997	159.1	159.2	159.8	159.9	159.5	159.4	159.5	159.7	160.5	161.1	161.2	161.2	160
1998	161	161.1	161.4	161.8	162.3	162.2	162.1	162.6	162.6	163.2	163.5	163.5	162.3
1999	164.2	164.6	165	166.6	166.2	165.4	165.8	166.3	167.2	167.2	167.3	167.3	166.1
2000	167.9	169.3	170.7	170.6	171.1	171	171.7	172.2	173.3	173.8	173.5	173.5	171.6
2001	174.2	175.4	176.2	176.6	177.5	178.9	178.3	178.4	178.8	178.3	177.1	177.1	177.3
2002	178.9	180.1	181.1	182.2	182.6	181.9	182.2						

Source: <http://data.bls.gov/servlet/SurveyOutputServlet>

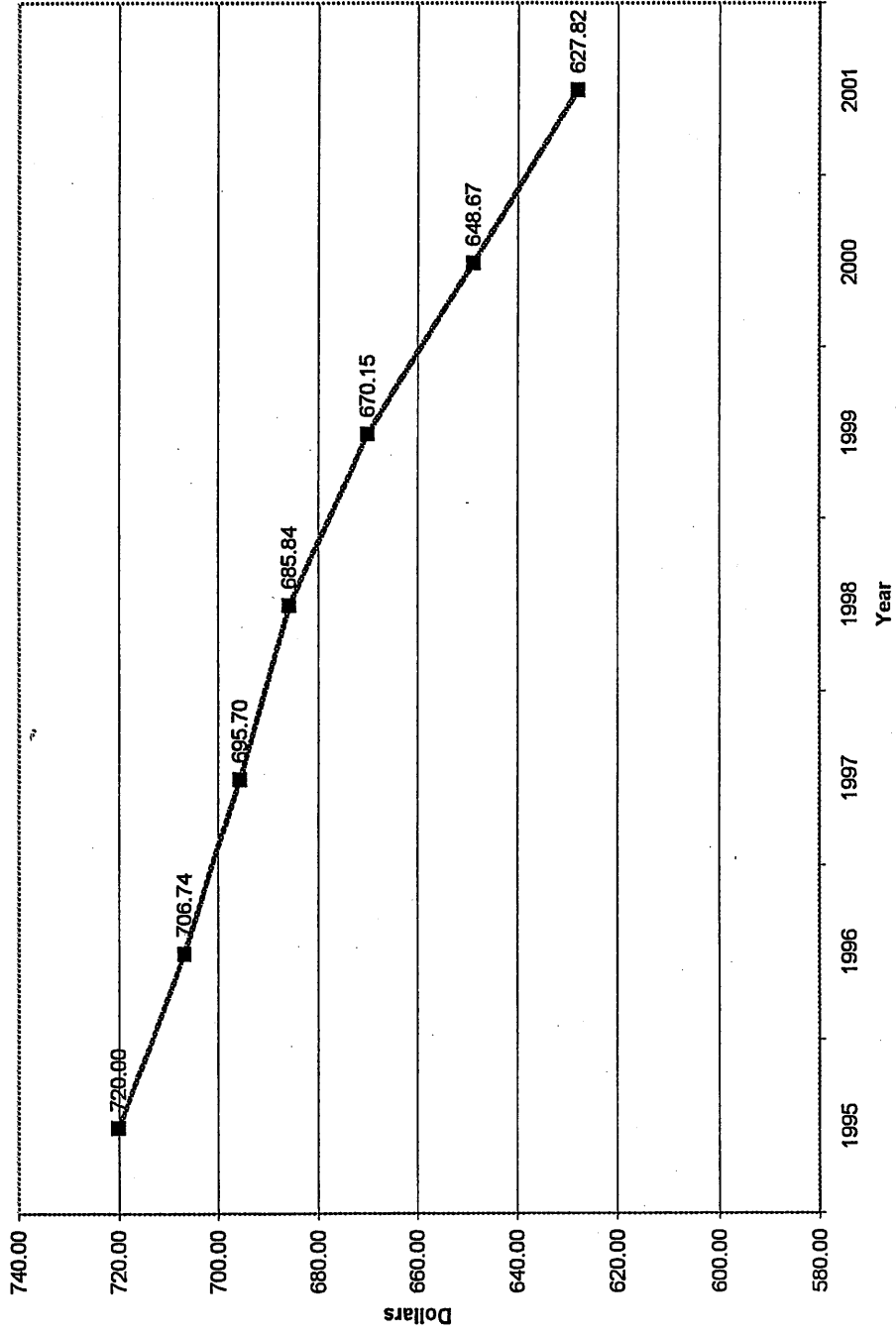
Percentage Change

14.68%

Year	CPI	%Change	value of \$1 value of \$720
1995	154.6		720.00
1996	157.5	1.88%	706.74
1997	160	3.49%	695.70
1998	162.3	4.98%	685.84
1999	166.1	7.44%	670.15
2000	171.6	11.00%	648.67
2001	177.3	14.68%	627.82

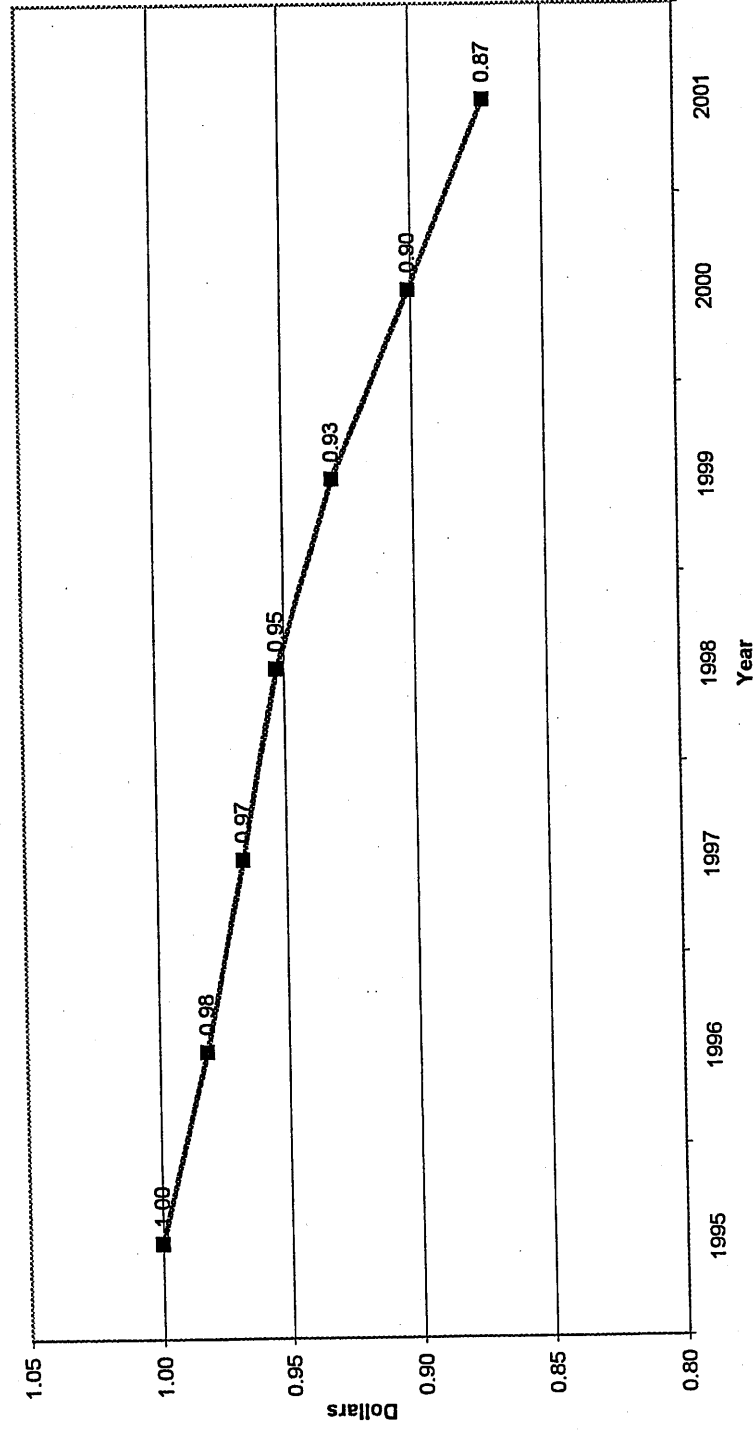
Appendix 3b

Inflation Adjusted Value of BOD Stipend



Appendix 3c

Inflation Adjusted Value of \$1



Appendix 4a

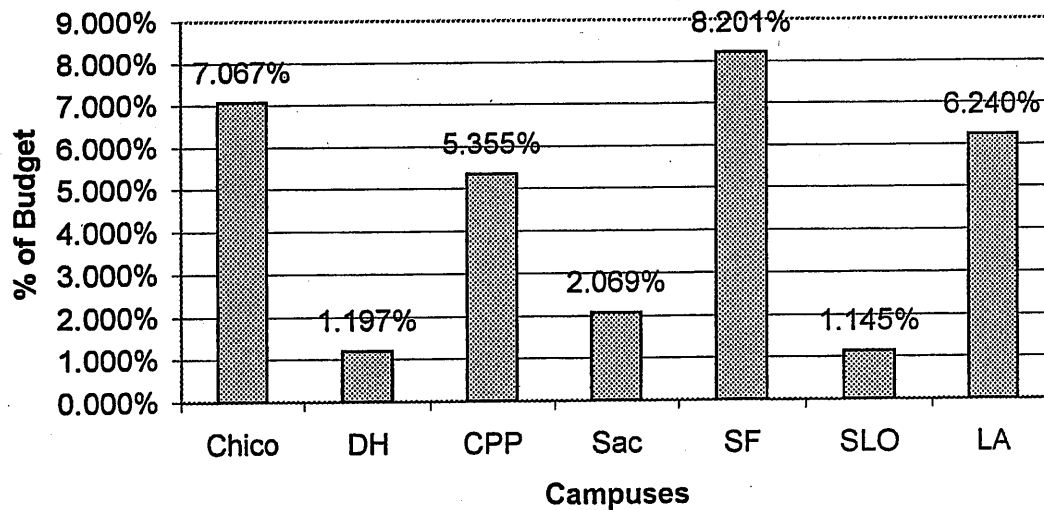
Campus	Budget	GIA	Percentage
Chico	1,230,000.00	86,922.00	7.067%
DH	1,755,000.00	21,000.00	1.197%
CPP	1,368,000.00	73,260.00	5.355%
Sac	5,300,000.00	109,646.00	2.069%
SF	2,184,000.00	179,100.00	8.201%
SLO	3,300,000.00	37,800.00	1.145%
LA	1,282,000.00	80,000.00	6.240%

Average* 4.172%

*Excludes CSULA

Appendix 4b

**Comparison of the Percentage of Total Budget
Devoted Towards Stipends**



Appendix 5

Position:	Quarter	Annually	Total	2002-2003	2003-2004
President	\$ 1,840.00	\$ 7,360.00	\$ 7,360.00	\$ 8,096.00	\$ 8,905.60
Vice Presidents:					
For Adm	1320.00	5280.00	5280.00	\$ 5,808.00	\$ 6,388.80
For Acad	1320.00	5280.00	5280.00	\$ 5,808.00	\$ 6,388.80
For Final	1120.00	4480.00	4480.00	\$ 4,928.00	\$ 5,420.80
Secretary/	1120.00	4480.00	4480.00	\$ 4,928.00	\$ 5,420.80
Board Members:					
Arts and	720.00	2880.00	5760.00	\$ 6,336.00	\$ 6,969.60
Business	720.00	2880.00	5760.00	\$ 6,336.00	\$ 6,969.60
Charter C	720.00	2880.00	5760.00	\$ 6,336.00	\$ 6,969.60
Engineer	720.00	2880.00	5760.00	\$ 6,336.00	\$ 6,969.60
Health a	720.00	2880.00	5760.00	\$ 6,336.00	\$ 6,969.60
Natural a	720.00	2880.00	5760.00	\$ 6,336.00	\$ 6,969.60
Represen	720.00	2880.00	8640.00	\$ 9,504.00	\$ 10,454.40
Finance C	720.00	2880.00	2880.00	\$ 3,168.00	\$ 3,484.80
Senators:					
Undergra	720.00	2880.00	8640.00	\$ 9,504.00	\$ 10,454.40
Graduate	720.00	2880.00	5760.00	\$ 6,336.00	\$ 6,969.60
Commissioners:					
Elections	720.00	2880.00	2880.00	\$ 3,168.00	\$ 3,484.80
Housing	720.00	2880.00	2880.00	\$ 3,168.00	\$ 3,484.80
Program	720.00	2880.00	2880.00	\$ 3,168.00	\$ 3,484.80
Student C	720.00	2880.00	2880.00	\$ 3,168.00	\$ 3,484.80
Judicial Review Committee:					
Chief Jus	720.00	2880.00	2880.00	\$ 3,168.00	\$ 3,484.80
Associati	320.00	1280.00	3840.00	\$ 4,224.00	\$ 4,646.40
Alternate	320.00	1280.00	1280.00	\$ 1,408.00	\$ 1,548.80
Total:					
	\$ 18,160.00	\$ 72,640.00	\$ 106,880.00	\$ 117,568.00	\$ 129,324.80
Less Allowance:			(\$26,880.00)	(\$29,568.00)	(\$32,524.80)
Net Cost			\$ 80,000.00	\$ 88,000.00	\$ 96,800.00

Recommendation from Board of Directors

At of the ASI Board of Director's meeting on December 5, 2002, the Board has recommended the following:

- To accept the Finance Committee recommendation to implement a staggered GIA increase of 10% for the current fiscal year and 10% for the next fiscal year.
- The funds for this fiscal year's GIA increase be taken from the current operating budget and that the matter be referred to the Finance Committee to locate the needed funds.
- To budget for the next fiscal year's 10% increase during the budget process in the Spring Quarter.