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BUDGET PROPOSAL FOR THE 2015-2016 FISCAL YEAR

I am writing to advise the Finance Committee to not seek financial support from University Auxiliary Services, hereinafter referred to as "UAS", to supplement Associated Students, Inc.'s; hereinafter referred to as "ASI"; funding of the Anna Bing Arnold Children's Center, hereinafter referred to as "ABACC", and offer my alternative solution instead.

PERTINENT INFORMATION

On August 13th, 2015, I met with Alma Sahagun, the Executive Director of UAS. At this meeting, I was supplied with information from the 2014 audits of UAS and ABACC. My findings are as follows:

- As of June 30th, 2014, the net position of UAS was -\$5.4 million. For members of the committee unfamiliar with the term, net position is equal to the difference between an organization's assets and its liabilities. Essentially, this means that UAS is \$5.4 million in debt.
- Although the operating income of UAS for the fiscal year ending June 30th, 2014 was \$1.9 million, UAS paid \$1.2 million in interest on its debt during said year. The \$658,475 left after this transaction went directly to paying off its \$6.1 million debt estimated at the end of the previous fiscal year, leaving the organization \$5.4 million in debt for the fiscal year ending June 30th, 2014.
- In the fiscal year ending June 30th, 2014, ABACC received \$795,083 from grants and contracts, money which is received and distributed by UAS to ABACC. This money is accounted for under the grants and contracts section of UAS's operating revenues and expenses.
- In the fiscal year ending June 30th, 2014, ASI allocated \$125,211 to ABACC, a figure roughly 15.7% of UAS's annual funding towards ABACC.

- In addition, during the fiscal year ending June 30th, 2014, ABACC was operating at a loss of \$170,648 due to underfunding.

PROPOSED SOLUTION

While I personally believe that ASI should continue to provide money to ABACC with the money they get from student fees due to the fact that it is a program that directly helps students, I know that this is not the feeling of all members of ASI. It is to my understanding that ASI would like UAS to provide more funding to ABACC. Given UAS's financial situation, I believe it to be fiscally irresponsible for ASI to ask an organization that is millions of dollars in debt to provide even more funding for an organization that they already allocate upwards of \$700,000 to each year. I do, however, have an alternative solution in mind.

My alternative solution, which I believe to be fair, is to ask for UAS to assist ASI in acquiring a grant to help fund ASI. The student fees received by ASI would still be going towards ABACC, but ASI would have more funding without having to raise the student fee. However, acquiring a grant can take up to a year so this solution would not take effect until next year. Therefore, the budget proposed for the 2015-2016 school year would not take this grant into account.

It is my understanding that President William A. Covino has requested that ASI fund ABACC with approximately \$246,000 during this coming school year. I strongly urge ASI to meet this request. ASI has operated successfully on a similar budget in the past and I believe that it is entirely possible for ASI to do the same this year. I would advise those primarily responsible for writing the budget to refer to past ASI budgets which have allocated a similar amount of money to ABACC as well as contact those who wrote them in assistance for this task.

I would like to reiterate the fact that the grant in question would go towards funding ASI, not ABACC. This is due to the fact that if a new grant for ABACC were to be acquired by UAS, the money would still be going through UAS's grants and contracts and not be a part of ASI's budget. This would not be consistent with what President William A. Covino has requested of ASI, which is that the student fee money go towards funding ABACC. If ASI were to attain a grant, the student fee money would still go towards ABACC, but ASI would have additional funding for other areas in its budget.

BENEFITS

I urge ASI to look at this budget proposal as an opportunity to improve its relationship with students, faculty, and staff across campus. It will require ASI to work with other organizations on campus to fund events and programs as well as reevaluate its budget, both of which I believe will greatly improve the organization and the campus overall for years to come. In addition, this will improve ASI's relationship with administrators as well as UAS as ASI will be working side by side with UAS to acquire a grant to help increase its funding.

Although this stage will only last for approximately a year, these relationships forged by ASI will remain vital to the organization for the duration of its life. By forging these relationships, ASI will also be able to connect student organizations looking for financial assistance to other organizations on campus, creating a more connected campus and a greater sense of community among students, faculty, and staff.

CONCLUSION

If the finance committee decides to take this course of action, I respectfully request that I am involved with the initial meetings between UAS and ASI representatives as I have a good relationship with the UAS staff and believe I have a good understanding of the needs of both organizations.

This solution will not be an easy one to implement, but I believe that it will be worth the effort. I believe that the UAS staff is more than capable of assisting ASI with the acquisition of a grant. I would advise ASI to primarily look into grants for advocacy, programming, and community service.

In summary, this proposal is an opportunity for ASI to not only increase their funding, but become more connected with other organizations on campus, create a better sense of community, and rebuild relationships that may be damaged at the present moment.

Thank you for your consideration.