

MINUTES
Student Activity Fee Board Meeting
Friday, February 27, 2009
404 Old Main

Attendance:

Board Members:

Jack Rayman, Senior Director, Career Services: Chair, Student Activity Fee Board
Kendra Carr, UPAC Chair
Christopher Cycak, CCSG Representative, Penn State Altoona
Mary Edgington, Senior Director, Union & Student Activities
Roger Egolf, Faculty Senate Committee on Student Life, Penn State Lehigh Valley
Kathie Flanagan-Herstek, Director of Student & Enrollment, Penn State Wilkes-Barre
Ben Gilson, CCSG Representative Penn State Erie (Behrend)
Gavin Keirans, UPUA President
Alfonso Mendoza, GSA President

Substitutes:

Ed Newell for Erin Kennedy
Nick Borsuk for George Khoury
Andrew Karasik for Ralph Crivello
Cindy Jo Harter for Heide Port

Staff:

Jay Arcuri, Assistant Director, Central Office for Commonwealth Student Activities

Present via PolyCom:

Chris Rizzo, Director of Student Affairs, Penn State Beaver

Welcome and Roll Call

Roll call taken.

Adoption of the Agenda

A motion to accept the agenda was made by Mary Edgington and a second by Andrew Karasik. All were in favor.

Adoption of the Minutes

A motion to accept the minutes was made by Nick Borsuk and a second by Christopher Cycak. All were in favor.

Announcements by the Chair

Jack Rayman distributed and read aloud a letter written by Damon Sims, the Vice President for Student Affairs. The letter was Vice President Sim's response to a summary of probable Board recommendations that Jack had shared with him prior to the Board meeting. Here is Vice President Sims letter:

Dear Jack—

I appreciate the discussion we had about the good progress made by the Student Activity Fee Board. Although I understand that our informal conversation only suggested what will likely be the formal recommendations from the Board, I also appreciate the tight timeframe within which the Board must conclude certain key elements. Since previous obligations preclude my attendance at today's Board meeting, where I might have otherwise engaged the group in a discussion, I thought perhaps you would be willing to share the observations and questions I raise in this message with the full Board as it continues its important deliberations and reaches conclusions.

The identification of discrete allocations for both UPUA and GSA, as well as CCSG, prospectively, seems sensible to me, but I am unclear about the percentages. Is it expected that the percentages, 5% and 8.5%, respectively, will determine the allocations to UPUA and GSA from this point forward, or will their budgets be subject to adjustment on the basis of demonstrated need that identifies specific sums? If the basis is simply the percentages, wouldn't any subsequent significant increase to the total fee that's attributable to a discrete new initiative that might be identified by that year's Board result in largess flowing to the student government groups without a necessary showing of need on their part? Similarly, if either student government group happens in a given year to be able to demonstrate justification for an extraordinary increase in their funding, would not strict adherence to the percentage formula preclude such action? Or am I misreading the significance of the percentages? Is it actually the case that the Board has determined that UPUA requires about 139K and GSA requires about 59K to effectively operate next year and those sums simply work out to the percentages identified? Any insight in this regard will be helpful when the formal recommendations come to me.

I certainly understand the impulse present among at least some members of the Board to freeze the fee. These are difficult times, and the cost of higher education—particularly the cost of a Penn State education—should worry all of us. Still, freezing the activity fee would be little more than a symbolic gesture in that regard. The current activity fee represents about 1% of the total cost—tuition and mandatory fees—paid by PSU students. When books and other supplies, room & board on some campuses, and other necessary expenses are added to the equation, the activity fee's contribution to the total cost of a Penn State education is very, very small indeed.

Unfortunately, we tend to think in percentages whenever fee increases are considered. A seven percent increase in the activity fee may seem large, for instance, even though there is every reason to believe that tuition will receive a similar increase. Yet while a seven percent increase in tuition would cost students around \$450 more each semester, a comparable increase in the activity fee would cost only slightly more than \$5. We're comparing apples and oranges when we think this way. Instead, we may want to consider the actual impact any increase in the activity fee would have on the cost of a student's education, not the amorphous and meaningless percentages involved. After all, the cost of providing the programs and services supported by the activity fee will not go down, and for the equivalent expense of one hamburger to every student those services and programs can be preserved. Is the academic enterprise so much more important than the out-of-classroom experience to students' lives that they should pay \$400-500 more in tuition, but not a dime more for the many programs and services that enrich our campuses and give opportunities for students to fill the 153 hours each week during which they

do not inhabit classrooms? In my experience, noble but draconian efforts to keep costs down in this way are shortly followed by the impulse to increase fees to catch up. A freeze this year is likely to be followed shortly by a greater increase than would otherwise be required. I hope the Board will give due consideration to these observations.

Finally, I'm very interested in the Board's consideration of Gavin Keirans' proposal for the establishment of a student legal service. Most of our Big Ten colleagues have such services, and some that don't are in the midst of considering proposals similar to Gavin's. The arrival of the Dickinson Law School on the University Park campus makes possible an arrangement long-overdue here, and a legal service that's narrowly tailored initially to the primary legal needs of the UP student population would be a wonderful addition to the programs and services that support student life.

While I have consistently supported Gavin's effort, I have made clear that my support is predicated on several factors: 1) The aforementioned involvement of the law school, 2) That the service would be a stand alone unit within Student Affairs, not an appendage of UPUA, and 3) Funding from the activity fee. Dean McConnaughay and I have discussed the service concept several times, and he stands ready to recognize it as a clinical offering within the school. The participation of a half-dozen or more second and third year law students, who would be given academic credit for their work in the service, is critical to the concept's success, as is the oversight of at least one full-time attorney, who would be given a clinical appointment with the law school. The labor cost of the interns alone would be a significant contribution that would not be borne by the students benefiting from the service. Student Affairs stands ready to supply space to the service suitable for housing the attorney and the interns, so that they may conduct their confidential work. And we will provide the administrative oversight and support required for any department in Student Affairs, including IT support. Locating the service within a significant University administrative structure will ensure it the continuity, stability, and legitimacy it requires. But funding for the creation of a new service to students is not available in either the law school's budget or Student Affairs'. We already face an extraordinarily difficult fiscal year in which our operating funds will be cut. If a new and much needed service is to be established, student fee funding is required.

You mentioned that the Board is reluctant to move in this direction because of existing activity fee policy, and you cited language that precludes use of activity fee money for "legal services." I do not interpret that language to apply in this instance. At Indiana University, a robust Student Legal Service has existed for more than 35 years. It is funded wholly from activity fee money—about \$10 a semester from each student, or about \$800K annually. Yet even at Indiana a written policy precludes the use of activity fee money for legal services. I am persuaded that the intent in both instances is the same. The language is meant to preclude student organizations from using activity fee money to procure the services of outside counsel. There is simply no rational justification for believing the language was intended to deny the creation of a service like the one Gavin has proposed here.

Of equal importance are the concern expressed by several parties that activity fee money not be used to backfill or otherwise replace general fund support for various services and the worry that opening activity fee use to funding salaries would invite a similar shell game, whereby costs that should be borne by general funds would be supported by activity fees. I am equally sensitive to those concerns. However, the current activity fee policy includes language that addresses the former concern, and since more than three years have passed since the previous, somewhat paler version of a student legal service was present at UP, the policy would not be violated in this instance. All the same, if the Board would like to beef up the existing language in some way to address this first concern, it should do so. The language should not, however, be used to preclude the legal service concept proposed by Gavin.

As for the second concern about salaries, I wonder if language could be adopted that would minimize the worry, even as we allow important services and programs requiring salary support to proceed. Would you and the Board consider the language below?

“Activity fees may fund wages, preferably student wages, and may, only in extraordinary circumstances, fund salaries. Approval for use of activity fee money for specific salaries must be given by the Student Activity Fee Board and must be endorsed by both the Vice President for Student Affairs and the President. It is understood, however, that funding salaries with activity fee money is not the preferred means. Every effort to find alternative revenue sources to support salaried positions should first be explored before these approvals are given.”

Any worries at the campuses that Chancellors may cost-shift positions away from general funds and toward activity fees should be minimized by this language. Efforts by Chancellors or others to do so would face the impediment of both the three-year provision and the proposed language above. There would be multiple layers of review, and student representation in the decision-making process would be substantial.

Enough for now. I know the group meets this afternoon, but I want to insert these thoughts into the discussion if I can. The Board’s careful and deliberative consideration of the many important questions it faces is deeply appreciated by me, as is your leadership of the group. I look forward to receiving the formal recommendations you and the others will soon produce.

Many thanks.

Damon

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Jack Rayman handed out Appendix B – Student Activity Fee History. It lists from 2003-2008, the per semester fee, summer fees, and incremental percentage increase from one year to the next. Gavin Keirans questioned the summer increase. Nick Borsuk said the Board approved an increase to the overall fee which would have included an increase to the summer fee but was not discussed with the Board. Kendra Carr stated that this could have occurred from the transformation of FAB. There is quite a percentage difference between the increases during the year and over the summer.

Jack reminded the Board that our role is to make recommendations to the President through the Vice President. The President and Vice President can either accept or reject board recommendations or refer board recommendations back to the board for reconsideration.

Public Comment

There were no comments from the gallery.

Discussion Items

Jack Rayman said that two items should be discussed simultaneously, which are:

- 1) the issue of raising the activity fee level at University Park;
- 2) the use of activity fees in support of legal services.

Jack reminded everyone that while there are strongly held views, but please be civil towards one another other.

Kendra Carr asked when the level of the student activity fee will be determined.

Jay Arcuri said that typically the level of the fee is determined by February and the recommendation is then made to the Vice President for determination. This then goes to the President who presents it to the Board of Trustees at the June meeting. Last year the level of the student activity fee was decided in February. The facility fee was decided in April 2008.

Chris Rizzo said the drive for getting the numbers set in February helped with UPCA lump sum allocations and knowing what UPAC would have to work with for the upcoming year.

Jack Rayman said that with the April meeting being so far down the road, we should possibly consider having a March 27th meeting.

Andrew Karasik said that if the Board of Trustees doesn't meet until June this will allow more time to effectively discuss all issues.

Gavin Keirans said the subcommittee has a lot of concerns. The biggest concern is the \$2 activity fee raise. Gavin sympathizes and respects the commonwealth campuses that don't want it, but would like the same respect for University Park

Andrew Karasik said if you read page 6 of the minutes, the motion was to remove legal services from item #9 on page 10 and allow them to be funded by student activity funds. Andrew is not proposing that it be removed because he is going by the definition of legal services that is provided by the Vice President of Student Affairs.

Nick Borsuk said to look at the minutes from the last meeting and what was happening. The paragraph states that "Nick Borsuk reminded the group that Jay Arcuri stated that the handbook currently states NO legal services can be paid with student activity fee funds. This would be a policy change to the handbook.

Ralph Crivello stated that the handbook issue should be resolved first. At that time, there was no objection from the Board from this interpretation. Now that Vice President Sims interpretation is different, some members of the Board now interpret it differently.

Kendra Carr said that it is not Vice President Sims job to interpret what the handbook says. It is the Student Activity Fee Board member's job to interpret it.

Ed Newell said he appreciates Vice President's interpretation of the handbook, but it is the role of the Student Activity Fee Board. This was determined at the last Board meeting and the Board voted not to remove legal services and to keep the handbook as is.

Gavin referred to comments made at the last meeting that said that he doesn't buy it. We shouldn't ignore Vice President Sims opinion—his opinion matters.

Andrew Karasik asked if we need a motion to reconsider. Nick's motion was to remove the prohibition to fund legal services and allow it. But then Nick wasn't in favor of said motion.

Kendra said the handbook states that money can't be used for legal services. If this (legal services) was a program that was already in place it could be interpreted differently, but since this is a new program that you want the fee to be used for, it must be decided if student activity fee money can be used for it or not.

Nick Borsuk stated an item that will not be funded under #9 is legal services. Board discussed this at many meetings.

Roger Egolf suggested that we vote on a motion to accept Vice President Sims interpretations. He has a different interpretation, but we should accept his interpretation.

Ed Newell said it would have been good to discuss his interpretation earlier, but not now. It undermines how the Board has been looking at the handbook—a semantics game.

Gavin agreed that the Board should have had the letter weeks ago to provide a solution. UPUA and GSA need this at University Park. Rejecting this idea is a disservice to the University Park students. The Board should look at what Damon Sims states in his letter. There is no money for this program and by rejecting the use of the fee for this service it is rejecting the will of University Park students. One University, yes, but needs are not the same on the individual campuses.

Ben Gilson stated that we should vote on the interpretation of legal services.

Nick Borsuk stated that we would be repeating ourselves if we did this. The Board has already voted on this. He suggested that we should check parliament procedure on this.

Kendra stated that we need to clarify the role of Vice President and the Student Activity Board.

Jack Rayman stated that Damon Sims is telling us how he interprets this phrase in the Handbook.

Gavin stated that there are clear voting blocks on the board and that this makes it challenging for University Park to have its voice due to the make up of the board.

Nick stated that the Commonwealth Campuses have it out (issues) at CCSG meetings and that is why we stand as one voice.

Andrew stated that there are three separate organizations at University Park with different constituencies, issues and goals.

Alfonso stated that Damon Sims is providing language to the Board and we should adopt his language.

Alfonso made a motion to consider the statement in Damon's language. Andrew seconded the motion.

Nick Borsuk /Ed – suggested that we already voted, now accepting interpretation.

Kendra – this will overturn the vote that the Board already made.

Jack stated that we need to justify reconsideration based on the fact that additional information has come to light.

Chris Rizzo stated that the removal of “legal services” was already voted upon. The interpretation is a new issue to redefine Legal Services.

Jack stated that we could vote to consider Damon's interpretation.

Ed asked, “Aren't we considering it now?”

Jack suggested that there is confusion as to what is meant by Legal Services. If Vice President Sim's interpretation is accepted, the Board's previous vote can stand.

Ed stated that all board members clearly understood what was meant by “Legal Services” when the vote was last taken.

Jack asked whether or not all Board members clearly understood the meaning of “legal services” when the vote was taken at last meeting?

Kendra expressed her concern about an additional March meeting because people might not be able to attend.

Nick Borsuk expressed a concern that if proxies are permitted at the March meeting it changes the view.

Gavin said, “Nick, you are a proxy.” He expressed that he has major concerns with parliamentary procedure.

Ed stated that a 2/3 majority is needed to overturn the original vote.

Roger stated that we thought we all knew what we were voting on. The original concept could not have been clearer.

Andrew asked whether a definition of legal services was provided at the last meeting.

Kendra stated that it is irresponsible to say we can do one thing one way and then another at the next meeting.

Chris Rizzo stated that utilizing students at the Dickinson school of law is important. There is strategic value in this. His campus would love to develop this. Not just legal services, but adding the extra component having academic value.

Ed suggested that at the previous meeting Legal Services were thought to be “x”. Now Damon’s letter states that Legal Services are “y”.

Ben made a motion to reconsider our previous vote to remove line item #9 (legal services) on page 10 and for it to be funded, based on this new interpretation from Damon Sims. Kendra seconded the motion.

Roger Egolf asked for a reinterpretation to move ahead with the next step.

Jack Rayman stated that this was a vote to reconsider because they’ve received additional information from Damon Sims.

Roger explained that his vote would be to keep language and have legal services.

Gavin said that while he can’t speak for Vice President Sims, we now have a concrete definition of legal services.

Nick Borsuk asked, “If the Vice President gave Gavin his opinion why didn’t Gavin bring it to the Board?”

Mary made a suggestion that the Board could possibly make a motion to add language to the handbook clarifying what is meant by “legal services.”

Andrew proposed that the letter that is on the table is what Damon Sims is saying.

Ed stated that the motion is null and void.

Ben stated that we have already voted to leave the language in the handbook.

Roger stated that if take out language, we couldn’t vote for legal services. With a new interpretation, keep in the language.

Nick Borsuk made a friendly amendment to Ben's motion

Ben withdrew his motion.

Jay suggested that unless we are changing to a new policy we do not need a 2/3 rd vote.

Kendra explained what she believed the letter meant.

Andrew asked what is prohibited.

Nick Borsuk stated that this is correct. If a student organization uses legal services these items will not be funded by Student Activity Fee resources.

Kendra asked how this definition is different.

Nick Borsuk stated that Damon is playing a game of semantics based on his experience at Indiana University

Gavin stated that because of Risk Management issues UPUA Cannot sue

Kendra stated that the language at Indiana University is different from that at Penn State.

Ed pointed out that Damon is stating how it is at Indiana University.

Jack pointed out that there is no motion on table.

Gavin stated that the handbook was authored in the 1990's and needs to be updated.

Nick Borsuk made a motion to table this issue until the next meeting.

Ed Newell seconded the motion.

Nick Borsuk made a motion to move to a vote. Ben Gilson seconded the motion.

Discussion bogged down.

Nick Borsuk – rescind previous motion

Nick Borsuk made a motion to move to table.

Ed seconded.

Vote: 8 in favor, 2 opposed. There were two abstentions.

DETERMINATION OF ACTIVITY FEE

Nick Borsuk made a motion for a zero increase of any fee at any location

Ben Gilson seconded the motion.

Gavin objected

Kendra suggested that we not increase the fee but allow legal services for the following year

Roger suggested that we invite Damon to the March meeting and then vote.

Chris Rizzo said that if we wait until March, it won't take any less debate. He suggested that we have a subcommittee meeting and invite Damon.

Nick made a motion for a zero increase in student activity fee for the academic year 2009-2010 at all locations of The Pennsylvania University.

There was no second

Andrew –resolution with them

Ed suggested that at CCSG that was passed not enough information to decide the level of the fee

Gavin offered a friendly amendment that the University Park fee be considered separate from that at the campuses.

Andrew seconded

Kendra made a plea for keeping the integrity of the fee at all locations.

It was determined that a simple majority vote can make an amendment to the motion.

Nick suggested that this issue is null and void for CCSG

Andrew suggested that it is not null and void for UPUA/GSA

Ed stated that decisions made at University Park do affect Commonwealth campuses because student transfer here.

Kendra suggested yet another idea, that a new fee be implemented for legal services at University Park only.

Gavin suggested that if there are no other options but a separate student activity fee for funding of legal services, it may be possible to implement a totally separate \$3 fee.

Jack Rayman suggested a vote on the amendment to the motion. There will be a zero dollar increase at the Commonwealth Campuses (they will remain at their current level) and that University Park will operate separately. The vote was 7 to 5 in favor of this amendment.

Amendment to the motion: Nick Borsuk stated that there is a zero dollar increase at all Commonwealth Campuses for the 2009-10 academic year at The Pennsylvania State University and no recommendation has yet been made for the University Park campus. The vote was 12 to 0 in favor.

Nick Borsuk made a motion to table the CCSG funding proposal and was seconded by Ben Gilson. Gavin called the question and Andrew seconded. The vote was unanimously in favor.

Kendra Carr expressed a desire that a rough agenda be established prior to future meetings.

Roger Egolf made a motion to have a Board meeting on March 27th and invite Damon Sims. Andrew seconded the motion.

Kendra Carr asked if the meeting can be moved from 4:30 pm – 6:00 pm so George Khoury can attend. She added this as a friendly amendment to Roger's motion. The vote was 10 to 2 in favor. The location will be determined at a later time.

Jack Rayman will schedule a subcommittee meeting with Damon Sims prior to the March 27th Board meeting. PolyCom will be arranged for those who cannot physically attend.

A motion was made by Mary Edgington to adjourn at 5:15 p.m. and was seconded by Ben Gilson.

Minutes respectfully submitted by Cindy Jo Harter.