History of ASI Fees

ASI FEES BREAKDOWN
WHAT IS A MANDATORY FEE. HOW THEY CAME TO BE. WHY STUDENTS PAY. WHAT THEY PAY FOR.
WHAT IS A MANDATORY FEE?

• A fee initiated by students that all enrolled students are required to pay whether they use the service or not (like a student-imposed tax).

• Mandatory fees ensure representation by students (student government) and pay for student-focused programs, services, and spaces.

• Traditionally, mandatory fees are initiated and adjusted by students through a student referendum.

• Mandatory fees can also be initiated by alternative consultation.
REFERENDUM:
The student body votes on whether a fee should be created or adjusted. A majority of the students voting must approve the fee to pass. The Fee Advisory Committee and University President must also approve.

ALTERNATIVE CONSULTATION:
A portion of the student body is consulted, especially a group of students who would be directly affected by an adjusted or new fee. A vote occurs just like in a referendum and a majority vote must be obtained, then the Fee Advisory Committee and campus President must review and approve.
HISTORY OF ASI FEE

1968
Annual Fee: $25.00
Students voted in a referendum for a $3 annual fee increase to cover increased administrative costs in order for ASI to provide the same level of service.

1982
Annual Fee: $34.00
Students voted in a referendum for a $3 annual fee increase to cover increased administrative costs in order for ASI to provide the same level of service.

1986
Annual Fee: $41.00
Students voted in a referendum for a $9 annual fee increase to support intercollegiate athletics.

1995
Annual Fee: $47.00
Students voted in a referendum for a $6 annual fee increase earmarked to provide funds for seven Academic Councils. This bottom-line guaranteed the amount of money for necessary council activities.

2000
Annual Fee: $65.00
Students voted in a referendum for an $18 annual fee increase to support intercollegiate athletics.

2003
Annual Fee: $80.00
Students voted in a referendum for a $21 annual fee increase for the Student Opportunities Initiative effective Fall 2003 and annual inflationary adjustments effective summer quarters each year, beginning in 2004. This would provide a meaningful college experience for current and future students to facilitate their academic success and enhance their career readiness.

2020
Current Annual Fee: $134.36
<table>
<thead>
<tr>
<th>Semester</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer Semester</td>
<td>$7.76</td>
</tr>
<tr>
<td>Fall Semester</td>
<td>$63.30</td>
</tr>
<tr>
<td>Spring Semester</td>
<td>$63.30</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$134.36</td>
</tr>
</tbody>
</table>
HISTORY OF ASI FACILITIES AND OPERATIONS FEE

1979
Annual Fee: $16.00

1980
Annual Fee: $24.00

1994
Annual Fee: $28.00

1995
Annual Fee: $50.00

1996
Annual Fee: $135.00
Students voted in a referendum for an $85 annual fee increase for the University Union Improvement Plan to provide for the renovation of existing facilities and an addition to the University Union which would more than double the size of the facility.

2003
Annual Fee: $206.00
Via alternative consultation, the ASI Senate and the Fee Advisory Committee recommended a $93 fee increase over two years as part of the Student Opportunities Initiative for the University Union Expansion.

2004
Annual Fee: $228.00
Via alternative consultation, the ASI Senate and the Fee Advisory Committee recommended a $67 fee increase over two years as part of the Student Opportunities Initiative for the University Union Expansion.

2014
Annual Fee: $708.89
Via alternative consultation in 2013, the ASI Senate and Fee Advisory Committee recommended a fee increase of $140 per quarter for a new Student Recreation Center effective with its opening in fall 2014. The alternative consultation process for the Student Recreation Center Initiative was done by giving a presentation and polling incoming freshman at summer orientations. In 2015, as this was the first group of students anticipated to be affected by this fee increase. The majority of the polled freshmen were supportive of a fee increase to pay for the facility.

2015
Annual Fee: $874.36
First summer quarter Student Recreation Center fee increase went into effect.

2020
Current Annual Fee: $994.16
ASI F&O Fee Breakdown Per Year

<table>
<thead>
<tr>
<th>Semester</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summer Semester</td>
<td>$186.22</td>
</tr>
<tr>
<td>Fall Semester</td>
<td>$403.97</td>
</tr>
<tr>
<td>Spring Semester</td>
<td>$403.97</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$994.16</td>
</tr>
</tbody>
</table>
WHY DO SUCH FEES EXIST AND WHAT PURPOSE DO THEY SERVE?(1)

Cal Poly Pomona (CPP) has six mandatory student fees:

• Associated Students Inc. (ASI)
• ASI Facilities and Operations (F&O)
• Health Medical Facility
• Instructionally Related Activities
• Student Health
• Student Success
WHY DO SUCH FEES EXIST AND WHAT PURPOSE DO THEY SERVE?(2)

The ASI mandatory fees cover the cost of student representation and governance, funding for student clubs and organizations, student services and programs, and debt payments and other expenses to construct and run the ASI-operated facilities: Bronco Student Center (BSC) and Bronco Recreation and Intramural Complex (BRIC).

2020-2021 SEMESTER FEES

- Associated Students, Inc. (ASI): $63.30
- ASI Facilities and Operations: $403.97

Total: $467.27
WHY DO STUDENTS HAVE TO PAY MANDATORY FEES WHEN NOT ON CAMPUS DURING THIS CRISIS?(1)

During the COVID-19 crisis, ASI representation and governance, student club and organization activities, and ASI programs and services have been moved online, which still costs money.
WHY DO STUDENTS HAVE TO PAY MANDATORY FEES WHEN NOT ON CAMPUS DURING THIS CRISIS?(2)

Staff are working! And, there are expenses for online programs and services e.g., contracts with artists, performers, and vendors; software and digital infrastructure; and costs associated with making content accessible.
WHY DO STUDENTS HAVE TO PAY MANDATORY FEES WHEN NOT ON CAMPUS DURING THIS CRISIS?(3)

Additionally, even though ASI facilities are temporarily closed, the operating costs and bond debt payments to cover the cost of construction do not go away. And maintaining clean, safe, and up-to-date spaces is essential for when students return to campus.
WHY DO ASI FEES SLIGHTLY INCREASE EVERY YEAR?

• Each year, the Higher Education Price Index (HEPI), an inflation index designed specifically to track the main cost drivers in higher education, must be finalized far in advance before the start of a new academic year.

• Once approved, the rates cannot be changed because they are tied to financial aid calculations.

• The current rates were approved before COVID-19. The University ASI Fee and ASI F&O Fee are adjusted annually by the HEPI with approval from Fee Advisory and POCPP.
The Cal Poly Pomona Fee Advisory Committee is an administrative committee of the University with the responsibility to advise the campus President regarding the establishment and adjustment of all campus mandatory, user, and penalty fees in accordance with the provisions of the Chancellor's Executive Order 1102 (supersedes Exec. Order 1054).

Five of the 2019-2020 committee members were students from Associated Students, Inc., including ASI’s President, Treasurer, Business Senator, Senator Pro-Tempore, and Senator-At-Large.
WHAT FACTORS AFFECT FEE REVENUE

**Enrollment**

Pandemic brought about tremendous uncertainty, but preliminary numbers look positive

Enrollment growth contributes to overall revenue growth

**HEPI**

Higher Education Price Index is the benchmark for inflation used by higher ed

The index has remained flat around 1.5 – 2% but spiked in 18-19 to 3.7%

Although fees are adjusted by HEPI (if approved by the Fee Advisory Committee and the President), the purpose is to offset inflationary increases in costs.
Based on fall enrollment
Changed from CPI to HEPI in 13-14
ANNUAL FEE TREND

Notes: excludes summer fees. Athletics fee folded into ASI fee in 14-15; discontinued funding Athletics scholarships in 16-17. F&O Fee increase in 14-15 due to opening of the BRIC. 18-19 converted from quarter to semester.
**BUDGET <= 1 YEAR**

**PROGRAMS**
- Marketing, supplies (including PPE) & services, insurance, assessments
- BEAT Programs
- Games Room Programs
- Poly Pantry
- Campus Rec Programs
- Kids University
- Student clubs & orgs

**SERVICES**
- Student Government
- Financial Services
- Human Resources
- IT
- Conference & Events
- Children's Center
- Software & contracted services (e.g., ADP)
- Supplies for all services

**SPACE**
- Building/equipment repairs & maintenance
- Custodial services
- Utilities

**HUMAN**
- Pro staff salaries & ben.
  Hourly staff wages (min. wage $14 eff. 1/1/21)
- Student leader scholarships
- Training, professional development, retreats, recruitment & retention
## BUDGET > 1 YEAR

<table>
<thead>
<tr>
<th>PROGRAMS</th>
<th>SERVICES</th>
<th>SPACE</th>
<th>HUMAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small equipment</td>
<td>Small equipment</td>
<td>Various capital projects to address deferred maintenance of structural &amp; mechanical systems, space renovation, etc.</td>
<td>CalPERS employee pension obligation (82% funded)</td>
</tr>
<tr>
<td>IT software &amp; hardware investment</td>
<td>IT software &amp; hardware investment</td>
<td>Bond debt payment</td>
<td>OPEB post-retirement health benefits (28% funded)</td>
</tr>
</tbody>
</table>
CAPITAL PROJECTS

**MAJOR PROJECTS**
$1.8M
(Completed over the past 3 years)
- Student Govt flooring, Poly Pantry, Eridanus flooring, BSC North HVAC replacement, BRIC fitness equipment, computer replacement, copier replacement

**PROJECTS UNDERWAY**
$810k
- BSC exterior ramp, BRIC Studio A office, BRIC 3rd floor operations office, TMA maintenance system, swimming pool restoration

**deferred maint**
$12M
- BSC — N. elevator, plumbing supply piping system, n. section plumbing drain piping system, BRIC pool

**Top Priorities for Next 3 Years**
$8M
- BSC feasibility study, BSC deferred maintenance, AV upgrades for meeting rooms, Games Room POS, BRIC drinking fountain, pool deck & deck draining, pool shade, fitness equipment, BRIC sound system, Maint dept lockout/tag out, computer replacement
## BOND DEBT

<table>
<thead>
<tr>
<th>Outstanding Principal</th>
<th>Maturity Date</th>
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<tbody>
<tr>
<td>$54,040,538 (3 bonds)</td>
<td>$43M, BRIC – 11/1/2042 (22 years remaining)</td>
</tr>
<tr>
<td></td>
<td>$10M, BSC – 11/1/2030 (10 years remaining)</td>
</tr>
<tr>
<td></td>
<td>$1M, BSC – 11/1/2030 (10 years remaining)</td>
</tr>
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</table>

**Annual Bond Payment**

$5,019,913 (20-21)

To ensure the CSUs have enough cash flow to make bond payments, the Chancellor Office mandates that total income must exceed total expenses by at least 25% (debt service coverage ratio of 1.25)
UNFUNDED BENEFIT LIABILITIES

As of 6/30/2020

Funded Status

<table>
<thead>
<tr>
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<th>Market Value</th>
<th>Unfunded</th>
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<tbody>
<tr>
<td><strong>Pension</strong></td>
<td>$12,639,360</td>
<td>$2,228,112</td>
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<tr>
<td><strong>OPEB</strong></td>
<td>$7,647,029</td>
<td>$5,499,151</td>
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</table>

82.3% funded

28.1% funded
• Even though ASI facilities are temporarily closed, the operating costs and bond debt payments to cover the cost of construction do not go away. And maintaining clean, safe, and up-to-date spaces is essential for when students return to campus. Funds to pay for these costly projects are planned for and paid from the ASI reserve funds, which is where any unspent revenue is captured.

• Examples of recently completed, current, and future projects include:
  • BSC Air Handler Replacement Project $2,000,000
  • BRIC Swimming Pool Restoration $400,000
  • Games Room Etc. Additional Seating $152,000
  • July 2020 BSC restoration from water damage caused by a broken pipe during the COVID-19 building closure $TBD.
BRIC Swimming Pool Restoration
$400,000
BSC Exterior Ramp Reconstruction
$180,000
July 2020 BSC Broken Pipe Water Damage $ TBD
July 2020 BSC Broken Pipe Water Damage $ TBD(2)
End of the presentation