
Minutes of the Executive Board Meeting on February 15, 2009

A special meeting of the GAPSA Executive Board was convened at the request of the Chair and the Vice Chair for Finance on February 15, 2009 at 5:51 PM on the second floor of 929 Walnut Street, Philadelphia Pa.

Roll Call and Declaration of Quorum

Present were: Andrew Rennekamp, Sarah Smith, Alejandro Hagan, Christa Heyward, Jessica Kim, Natalie Williams Esther Agbaje, Christina Arlt, Nikki Thorpe, and Jonathan Lukens

Also present was: Timothy Shokair

Notice of Absence was received from: Jessica Kim

Absent was: Omar Khan

Special Orders

Discussion of the Recent Increase of the Social Activities Budget

Executive Board members raised concern about the decision made by the General Assembly to allocate an additional \$30,000 to the Social Activities budget out of the current GAPSA surplus. Executive Board members expressed concern that the recent allocation was based on misconceptions and a lack of data.

GAPSA Vice Chair for Finance Christa Heyward stated that in the last General Assembly meeting the presenters of the motion stated that \$105,000 was allocated to Social Activities in FY2007 but didn't mention that the entire GAPSA budget had been reduced since then during the restructuring; at that time a significant amount of social activities funding was redistributed to the school student governments.

GAPSA Vice Chair for Student Programs Christina Arlt pointed out that in FY2007 a number of policy Vice Chair positions had not yet been created and that the intentional creation of more policy seats was accompanied by a reallocation of funds from social activities to policy and advocacy activities in FY2008 and FY2009.

GAPSA Deputy Vice Chair for Social Activities Timothy Shokair expressed concern that the current GAPSA surplus of about \$100,000 is far too large and that in general the members of the General Assembly and of GAPSA's constituency would like to see the

surplus spent down at a faster rate than in previous years. If the General Assembly knew the actual facts about the surplus they might be more discerning when it comes to spending it.

GAPSA Vice Chair for Research Students Jonathan Lukens stated that he too was initially in favor of the motion because he was under the impression that GAPSA had a very large surplus, which needed to be spent down. Ms. Heyward noted that the recent allocation was 30% of the current GAPSA surplus, and that the GAPSA surplus has not increased over the past three years, as many people have suggested, but that in fact it has been decreasing each year as GAPSA allocates portions of it each year to capital projects like improvements to the Graduate Student Center (e.g. “Wish List” items) and to GradFest.

GAPSA Chair Andrew Rennekamp stated that without a substantial surplus, GAPSA would have never been able to initiate projects such as the creation of the Graduate Student Center, GradFest, and policy projects such as the funding of the “OctoBus” Center City pilot shuttle last year. Mr. Lukens pointed out that it’s unusual for a non-profit to spend money on programming out of a surplus, and that the typical protocol is to use surplus on capital projects.

Ms. Heyward also pointed out that the \$30,000 allocation was 37% of the original Social Activities budget of \$81,000, and that the Social Activities Committee had not planned well if they had already spent most of their budget and were in need of an additional \$30,000 to finish out the year. Mr. Lukens, who was not a member of the Executive Board in August, asked whether or not the Social Activities request for more funding was the result of under budgeting at the beginning of the year. In theory it’s always best to have operating budget cover yearly expenses. Vice Chair for Student Life Nikki Thorpe stated that it’s important that we encourage people to be sustainable with their budgets from year to year and that we set the appropriate budget at the beginning of the year. We don’t want to tap into surplus for undetermined amounts each year. Mr. Rennekamp stated that the answer to the question of under budgeting was likely to be different depending on who was giving the answer. At the beginning of the year GAPSA budgeted \$81,000 to social activities and this was actually an increase over what the Social Activities Committee had received the year before. The Social Activities Committee over spent its budget in the fall and because of that they are asking for more money now. Ms. Heyward asked Mr. Shokair if the Social Activities Committee knew in fall that they were spending at an unsustainable pace. Mr. Shokair stated that the committee understood the rate of spending. The Committee saw money available in surplus, and thought that the General Assembly wanted to spend down the surplus.

Discussion Concerning the Appropriate Size of a Surplus

Mr. Rennekamp suggested that the Board discuss what, in its opinion, is appropriate use of the surplus without getting into more specifics of the recent Social Activities allocation. Mr. Rennekamp stated that the Executive Board could first suggest an appropriate level of surplus spending, second appropriate guidelines for how the surplus ought to be spent, and finally comment on the recent decision to increase the Social Activities budget. Mr. Rennekamp reminded the Executive Board that only the General Assembly has the power to make GAPSA's budgetary decisions and that the Executive Board acts merely as an informed guide in the process.

Ms. Heyward presented a list of projects and items that GAPSA had previously funded out of the surplus in years FY2002 through the current year. The majority of these were capital improvements to the Graduate Student Center, funding for the undergraduate mentorship program, for legal services, GradFest, and policy projects like the "Octopus." The maximum amount spent in any one year was \$60,000. This year, if GAPSA allocates \$5,000 to the Maya Angelou event, \$4,000 to Finance Requests, \$30,000 to social activities and \$22,000 to GradFest, the total will have already reached \$61,000.

GAPSA Vice Chair Alejandro Hagan asked the Executive Board what a reasonable surplus buffer should be. Ms. Heyward stated that GAPSA should have a surplus but that it shouldn't be as large as it is currently. Everyone agreed.

Ms. Heyward suggested carrying a surplus of about \$50,000 from year to year. Mr. Shokair pointed out that GAPSA typically spends \$20,000 to \$30,000 out of surplus every year and that carrying \$50,000 to \$60,000 would be ideal. If the General Assembly felt that a special upcoming project merited more funding, GAPSA could work to accumulate a surplus in the year(s) ahead.

Mr. Lukens stated that \$50,000 is a good number but that he would rather have \$60,000 to provide more of a buffer. He suggested making this recommendation to the General Assembly. Ms. Thorpe asked where the figure came from. Mr. Shokair stated that it looks like roughly \$30,000 is asked for each year from the surplus. GAPSA should be able to cover this in a year, but not carry much more beyond that because it would be unfair to the students currently paying into the General Fee. Mr. Hagan noted that the most spent any given year was \$50,000.

Mr. Rennekamp suggested thinking about defining the surplus in terms of a % of the operational budget rather than a set dollar amount. As GAPSA provides more services and takes on more responsibility, GAPSA will require more surplus flexibility. Currently \$60,000 would be about 20%. Mr. Lukens stated that the General Assembly should make the decision and the Executive Board can present both ideas.

Mr. Shokair stated that the \$60,000 should be a maximum. Vice Chair for Communications Natalie Williams asked whether or not there should be a minimum since everyone at the table agreed that there should be some surplus carried over each year. Mr.

Rennekamp agreed that a minimum was also a good idea. Mr. Lukens agreed that GAPSA should never spend down to a zero balance. There should always be at least some accounting buffer. Mr. Lukens suggested a \$20,000 minimum, which means that in a single year GAPSA could spend up to \$40,000 in addition to the operating budget. Mr. Hagan asked if there were any objections to presenting a recommendation of have \$20,000-\$60,000 a surplus target to work toward. There were no objections.

Discussion about the Appropriate Use of Surplus Funds

GAPSA Vice Chair for Equity & Access Esther Agbaje raised the question how then surplus should be spent. Should it cover programming or capital expenses or both?

Ms. Heyward stated that the current Executive Board and General Assembly shouldn't be the ones to spend the entire existing surplus down to \$60,000. Instead there should be a graduate withdrawal. Ms. Heyward stated that in her opinion the surplus should be spent on capital improvements that everyone can enjoy rather than programming which will only be enjoyed by a few and then not sustained over the long-term. Mr. Shokair noted that GradFest is not a capital expense despite the fact that it's been paid for out of the surplus in the past few years.

Ms. Thorpe stated that the surplus should only be used to fund certain types of things and that a protocol should be put in place for how GAPSA can allocate these funds. Specifically, the funds should be used at least in part for policy projects. Ms. Heyward stated that when the policy Vice Chair positions were created the budgets were kept low with the expectation that the policy Vice Chairs could ask for money out of surplus to fund one-time projects. Mr. Rennekamp expressed concern that the Executive Board should not limit the powers of the Assembly by imposing surplus spending rules.

Mr. Rennekamp stated that other piece of critical information, which the Executive Board and General Assembly should consider is that the GAPSA budget will most likely increase next year by at least \$50,000. Given this information, GAPSA could spend current surplus on programming with the expectation that the programming funded out of the surplus would be picked up by the operational budget next year. Ms. Thorpe stated that, as Mr. Lukens pointed out earlier, it is inappropriate for a non-profit to spend its surplus on programming. Ms. Arlt suggested that next year the extra \$50,000 should go to GradFest so that GradFest is then a part of the annual budget. This is appropriate because it is a programming expense and GradFest cannot be funded out of the surplus indefinitely.

Mr. Hagan suggested making Graduate Center "Wish List" items a line item in the GAPSA budget. He suggested \$10,000 per year, and also stated that GradFest should be a line item in the annual budget. Ms. Heyward agreed. Mr. Rennekamp also agreed and

said that as the GAPSA budget increases, eventually GradFest will be a part of operating budget.

Ms. Heyward pointed out that given the current surplus, if the recent Social Activities allocation stands and GAPSA allocates a total of \$22,000 to GradFest the remainder of the surplus will be \$0, which is under the maximum target. Mr. Hagan stated that the funding request from the GradFest Committee will actually only be \$17,000.

Request to Revisit the Recent Social Activities Funding Allocation

Ms. Heyward asked if, in light of the previous discussion on the surplus, the Executive Board was going to ask General Assembly to reconsider the recent Social Activities funding allocation of \$30,000. Mr. Lukens stated that GAPSA shouldn't be using the surplus to augment operational costs. If the Executive Board doesn't like the decision made, it needs to come up with budget rules in future to address this. Mr. Lukens cautioned the Executive Board on how it addresses this issue stating that its credibility hinges on this and the Executive Board could be undermined. Ms. Heyward agreed saying that it looks bad to come back and say "we don't like your decision," but the General Assembly didn't have the information on which to base its decision. Mr. Shokair cautioned against undermining the General Assembly. He stated that the General Assembly will not respond well to being undermined.

Ms. Thorpe stated that in her opinion the \$30,000 allocation was a done deal unless the Assembly decided to revisit the decision on their own. The impression was that the Executive Board supported the request. Ms. Thorpe stated that she thought the Vice Chair for Social Activities has run the request by the Executive Board already. Other General Assembly members probably thought the same. Many of them were not tuned in, doing crossword puzzles, etc. When it came to end of the conversation, the argument was that we need to spend money and this is a way to do it. Mr. Rennekamp stated that this proposal did not come from Executive Board and the Assembly needs to know that. Mr. Shokair agreed that the request was never presented to the Executive Board.

Mr. Rennekamp stated that for the record, he thinks the decision was a terrible one. Not because the General Assembly is stupid, but because the decision was not well thought out. The Executive Board should present more information to the General Assembly so that they can decide whether or not they want to reconsider their decision. As the Executive Board, it is our right to present and report information. Because of the way to spending motion was introduced, we were not given that opportunity at the last Assembly meeting. If, after hearing all the relevant information they decide to uphold the decision, that's their choice whether we like it or not. Mr. Lukens agreed, but again advised caution.

Mr. Rennekamp stated that he thought the decision should be revisited; he recommend that the Executive Board decide to recommend that the Assembly revisit the decision. Ms. Heyward agreed. Mr. Rennekamp reminded the Executive Board of the point made earlier: (1) The funding is not sustainable, Social Activities will not be able to receive \$100,000 out of the GAPSA budget next year. (2) The balance between academic and social activities is thrown off. This fundamentally changes the attitude, of GAPSA as an organization, and the good proportionate budget which GAPSA, both the Executive Board and the General Assembly approved in the fall. In the past we have been academically minded, and we've shown an academic commitment by the way we're budgeted in the past. The \$30,000 allocation may negatively impact our credibility with the administration and may impact our ability to secure additional funding in the future. Administrators and students need to see GAPSA is a much bigger organization than one that funds social events. (3) The decision was made based on the incomplete historical data which neglected to mention that money was moved to the school governments and to policy vice chair positions.

Mr. Hagan called for a vote on whether or not the Executive Aboard should present this information to the General Assembly. The vote was 7 yea, 1 nay, and 2 abstentions.

Should there be a Procedural Rules Change?

Ms. Heyward stated that GAPSA should put forth a measure, like Ms. Thorpe suggested earlier, so that this type of financial decision isn't made again without the appropriate information. There needs to be a rule in place so the Executive Board, and specifically the Vice Chair for Finance, has the opportunity to provide background information. Mr. Lukens agreed that in future large financial requests like this need to be handled in a different manner.

Mr. Rennekamp explained that several things went wrong in the meeting, from his perspective. First neither the Vice Chair for Social Activities nor the Social Activities communicated to any member of the Executive Board what the total amount of the request would be. Ms. Heyward had no way of being prepared for the discussion. Second, the request wasn't made during the Committee and Vice Chair Reports section of the meeting, as it should have been; rather it came us as New Business. If the Social Activities Committee or the Vice Chair for Social Activities had presented the request during that time there would have been time allowed for any number of questions in the "Follow up questions and actions on reports" section of the meeting. Because it came up as New Business, and there was a vote to limit debate, the General Assembly was able to cut off any presentation of information and go directly to a vote. Mr. Rennekamp agreed that a procedural rule needed to be created, probably in the form of a constitutional amendment. If this problem happened once, it could certainly happen again. Mr. Rennekamp suggested spending time in another meeting to come up with the proposed amendment.

Mr. Rennekamp also reminded the Executive Board that there is an expectation among its members that if an Executive Board member knows that a request like this is coming down pipeline, then he or she ought to let the rest of the Executive Board know about it; this is simple teamwork and common courtesy.

Mr. Arlt recommended that budget requests and relevant information be passed out one week in advance of the meeting where they will be voted on. Alternatively they could go to the Executive Board first, as notification, or to the Vice Chair for Finance at the very least. Ms. Agbaje agreed that there ought to be an appropriate mechanism.

Mr. Rennekamp expressed concern that a rule change presented now would be too reactionary and that the Executive Board shouldn't attempt to take power away from the General Assembly. Ms. Arlt stated that she was not suggesting taking power away but that there should be a step put in place so that a full finance report is made before a big financial decision is made.

Mr. Shokair stated that the Executive Board has right to say it feels blindsided during the discussion, and the Vice Chair for Finance can say that she felt blindsided by the proposal and can motion to table discussion until more information is given. The procedure is already in place. Mr. Rennekamp agreed. Ms. Heyward reminded Mr. Shokair that she had a hand up to table the discussion at the meeting but the Assembly decided to vote anyway. Mr. Shokair responded saying that if General Assembly doesn't want to hear what an Executive Board member has to say then they don't have to hear it.

Mr. Hagan suggested voting on whether or not the Executive Board should recommend a procedural rule so that future requests from surplus can be reviewed or processed before presenting to the General Assembly. There was disagreement among the board members.

Mr. Rennekamp asked if the rule would only pertain to financial request. Ms. Arlt suggested limiting it to surplus requests.

Ms. Heyward suggested including something to the effect that the Executive Board would be given some advanced notice. Mr. Lukens suggested that if the General Assembly proposes spending part of surplus, there should be an automatic report on where the surplus currently stands. We don't want to be a vetting body, but we should have a procedure in place so that a request over a certain amount automatically triggers a finance presentation. Mr. Rennekamp agreed that this would be appropriate. Ms. Heyward suggested that if the request comes up in a meeting and the Vice Chair for Finance is unprepared, then the motion will automatically be tabled until the next meeting. Ms. Agbaje recommended having a 36-hour notice in place, similar to what is already required by the GAPSAs constitution for resolutions.



Mr. Rennekamp suggested that the discussion be tabled until the next meeting where Ms. Heyward can present a proposal which she will draft between now and then. Mr. Lukens agreed. The item was tabled.

Mr. Hagan thanked the Executive Board for a productive meeting and for the members' willingness to attend an extra meeting outside of the regularly scheduled time.

Adjournment

The meeting was adjourned at 7:43 pm.