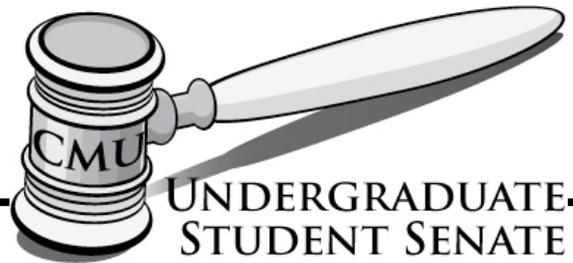


Minutes

General Body Meeting Fall 2011
November 3, 2011



Senators Present:

SCS:Peter Liang (1.5 absence, .5 proxy), Amy Quispe (1 proxy),

CIT:AnshulDhankher (.5 absence), Ashley Dickson, Willy Elmore, Jake Flitter, Kyra Gould (1 absence), Christopher Jarrett (1.5 absence), Abigail Ondeck, Sohini Roy (1 absence), Mala Shah (1.5 absence), Bryan Spencer (2 absence), Joshua Yee (2.5 absence)

HSS:Nancy Brown (1 absence), Aaron Chiu (2 absence),Jennifer Li (0.5 absence),Seth Vargo, Bryan Wade (2.5 absence), Will Weiner,

BHA/BSA/SHS: Andrew Biar (1 absence), Joseph Vukovich (1 absence),

TSB:Dixon Liang (1.5 absence),Rishi Patel (1 absence)

CFA:Jonathan Mark (3 absence), Travis Rozich, Nikhil Sambamurthy

MCS:NehaChaurasia (0.5 absence), Fermin Liang (1.5 absence), Ashley Reeder (1.5 absence), Rafael Segal (0.5 absence), Stephen Tjader

Senators Absent:Alyssa Danesh (2.5 absence), Daniel Pomeroy (1 absence), Mike Shin (1 absence),

5:07- Approval of Agenda

Motion to approve agenda. Seconded by Anshul. Voice Vote. Passed.

5:07 - Audience Participation

- Jon Mark: I heard how Jake came here to talk about giving out more money for special allocations, but I think we're doing really well with status quo. We should consider spending the reserve money well.

5:05 - Committee Reports

- **Academic Affairs**
 - o Most of the initiatives have been on hold because it's really difficult to meet with everyone
 - o More discussion during *Points of Discussion*
- **Business Affairs**
 - o We have a lot going on
 - o Textbooks reserves are happening
 - o Still figuring out what to do with UC basement, especially with pricing
 - o Table sharing signs are underway with pilot program
 - o Bike sharing program is going to be a collaboration with GSA
 - o We've been contacting sister schools regarding bike sharing

- Campus readership program will be in *USA Today*, due to the fact that we are a model school for reading print media
- Completion of project: lighting of upper class housing has been fixed
- People of housing and dining will be sleeping at some residences to gauge the problem well
- **Campus life**
 - Rishi is not present, Will Weiner speaking as proxy
 - Lot of things going on, especially with collaborations with GSA
 - FMS wants to take bike racks off campus, and we do not want that
 - Jon Mark: That is not true. He wants to relocate them.
 - Noted
- **Communications**
 - We will have a Tumblr in a week
- **Finance**
 - Two allocations this week
- **Internal Development**
 - Task sheet is going well, please keep up the good work
 - More things in the works
- **Chair Report**
 - Activities fee discussions are still going on
 - We are going to be ready with data next year
 - Computing services are coming to talk to Exec. next week
 - We will know next week regarding changes to the wireless infrastructure

5:16 – Deborah Moon: VP and CFO Carnegie Mellon University

- Information about the University's Financing
 - My goal is to answer the questions you have, as well as present
 - The slides will also be posted, so you can look at them closer
 - The treasury operations includes banking and loans
 - Investment departments includes asset allocation and investment
 - Financial Systems includes Oracle Systems
 - International Finance includes financing for international campuses
 - Budgeting and Financial Reporting, and Internal Audit are functional as defined by the vernacular
 - **Revenue:**
 - Total revenue 10 years ago was ~\$577 million, and the present fiscal year is about ~\$940 million
 - The university is growing due to some increasing points of revenues
 - The percentages have changed a little bit, international operations (not including joint degree programs) indicates where we have physical presence
 - The student tuition revenues

- Jon Mark: It looks like tuition and research funding has grown proportionally. Does this mean that increases in tuition indicate that research fundraising has also increased?
 - Yes. The undergraduate tuition has increased very little in real value (except in Qatar), but the graduate tuition has grown quite a bit.
 - Research money goes through University accounting
- The yellow column in chart (budget) indicates that the graduate tuition is a large part of tuition revenue
- **Where do we get the tuition?**
 - There is a process we go through every year, and the board of trustees decides the tuitions
 - We have to consider cost increases, but there are a huge number of factors
 - There is a tuition dinner that helps us get feedback from students and parents
 - The board sets the undergraduate tuition every year, and we try to control the tuition for staying students while increasing a bit more for incoming students; we expect to keep this trend
 - The graduate student tuitions are decided by the Deans of the schools, and they are set by them and reviewed by the Board of the Trustees
 - The financial aid seems to be reducing, but that's not entirely the case, due to the Qatar campus
 - We maintain at least as much financial aid as we had the year before
 - One of the sources to fund our financial aid is our general operating cost, since we don't have a lot of endowed scholarships
 - We are trying to grow dollars for undergraduate scholarships
 - There are also federal dollars that are coming in
 - Seth Vargo: A large proportion of undergraduate tuition is going to pay for financial aid, and that means I'm paying for other people's financial aid. Why don't we just lower tuition?
 - The cost to educate is significantly higher than tuition, and that's a factor in how that is applied to financial aid
 - Anshul: What determines the number of financial aid students?
 - It is sort of a contract that we keep for ourselves, and that is to have financial aid for our students

at the minimum at the same level as the year before

- Research funding is mainly for graduate students, and the graduate support and research support are purely external
- Departmental resources and donations support graduate students quite a bit
- **What is an endowment?:**
 - Dollar that come in from the donors, from which we are not allowed to use the corpus
 - Pennsylvania dictates that we cannot spend more than 7%, and we cannot spend more than 2%; we look at the average market value for 36 months, and we pull out 5% of the gaining. Other schools follow federal law.
 - The 36 month average is important for times like the 2008 financial crisis
 - Endowments can be used for general purpose, or be purpose directed at any level, and these are unrestricted and restricted dollars, respectively
 - Varying levels of restriction
 - These are like mutual funds, where a certain draw is allowed for department, and the donor-required use is what that money is used for
 - Financial aid for undergraduates is very lacking in endowed gifts
 - There are three ways for growth: new donors, investment, and reserve growth from saved money
 - Operating budget funded by the endowment draw was 5%
 - We do not have any where near the asset base of our competing schools. Princeton has over 50% of operating budget funded by endowment draw
 - The average to fund operations is 17% with schools above billion dollar endowments (we just broke that again)
 - Jon Mark: Are we better positioned for investment crises? Were we in Madoff?
 - We have a strong investments and private equity, and we are in a good position
 - We got a 28% return of endowment last year
 - We were taken by a fraud, although not Madoff, and we've recovered \$40 million and we are expecting to receive another \$3 million from the \$49 million we lost

- Guest: Is the reason for our small endowment that we are so young as a university?
 - Yes, and we hadn't invested in alumni relations and fundraising
 - The pay-off of investment in alumni relations will not be showing another 50 years or so
- Carnegie Mellon has very little money per student in comparison with other competing schools, but we perform very well
- This low amount of money makes us very thrifty, but the other schools may be capable of investing more in programs that have uncertain outcomes
- **Auxiliary and Other:**
 - These are like fees and services
 - These are business units that are expected to pay for themselves
 - Jon Mark: Does FMS actually turn a profit?
 - No.
 - Almost all of these, the University actually subsidizes most of these
 - Jon Mark: How much money comes in from Parking?
 - That's on the slides that will be posted
 - Kim Abel said she's willing to come and talk to you about Housing and Dining in particular
 - It's important to note that Auxiliaries are expected to break even, but last year, there was a slight surplus; these profits are reinvested into that department
 - Seth: Why is this year's auxiliary higher than the years before and next year's?
 - That's the international component, and there are programs there are going to phase out next year
 - Mala: Why do housing costs go up every year if there's no profit?
 - There's some capital renewal that's required, and costs go up
 - Jon Mark: Parking takes up over \$4 million?
 - Building structured parking is extremely expensive and extremely difficult to make the money back; this is particularly true for capital renewal
- **International Program Impact**
 - All of our international programs are expected to pay for themselves, including incremented costs like tax advisors, etc.

- Should we be there?
 - The international programs help this campus significantly
 - We've been receiving large profits from the international campuses
 - Rafael: Why are the international systems more stable than our budget?
 - They have to have a budget that must pay for themselves, and they are often contracted to deliver a surplus
 - Seth: Have you already budgeted how much money we are going to receive?
 - We have a predetermined contract that dictates that, if that is the case
- Expenses
 - We are human capital driven, and therefore that is the highest cost, i.e. salaries and benefits
 - Where we spend our money is on the slides that will be posted
 - The academic support is what aids the students, like career services
- Long-Term Debt
 - We have \$450 million in bond debt
- IT fee
 - This is central computing infrastructure
 - There's about \$55 million spent in infrastructure support, and we receive about ~\$3 million a year from fee revenue
 - These are core costs
 - Oracle financials are expensive, and we tried to make it work with homegrown projects before (e.g. SIO), but it simply didn't work
 - We need to make investments and maintain it
 - The differences year to year are one time expenses
 - The increase in media and tech fees were not correlated in anyway to the purchase of increase in one-time costs
- Results of Operations:
 - The investment performance is seen
- Questions:
 - Willy: How are you trying to grow our endowment?
 - Our investment strategy is for the long term, and increased donor base and alumni relations is key
 - Seth: You cleared up a lot of misconceptions here today. Is there way to make this available to all students?
 - We are making one in a Q&A format for students

6:25 – Special Allocations

- **CWCC11-12**
 - Finance
 - They are a new organization on campus
 - They are a Wing-Chun group, and they would like funding for capital
 - Four sets of fighting materials
 - CWCC 11-12
 - The sparring pads, etc. are for safety
 - Psychologically, one will be afraid with protective gear
 - Interaction, if there are safety equipments, we can share the equipment with other martial arts clubs
 - We can also use this in competitions as well
 - This is good for our community, since it's a capital investment
 - Questions:
 - Guest: What kind of posters are you talking about?
 - Those are posters that we put up
 - Anshul: What do you do?
 - We meet on Friday night in Morewood, and we practice Wing Chun
 - We interact with other martial arts clubs
 - Discussion:
 - Anshul: Is this a capital investment
 - Yes.
 - Bryan: Call to Question. Vote. Hand Vote. 17-0-2. Passed. \$370 to CWCC.
- **International Conference for Arts and Humanities**
 - Finance
 - Three students to travel to ICAH
 - They have been invited, and it is in Hawaii; it is quite expensive
 - They are comfortable putting in \$500 per person, and they are asking academic departments
 - ICAH
 - The conference is in Hawaii
 - We actually approached TartansAbroad, hoping that they would give us some resources, and they said Hawaii is not abroad
 - We are asking URO, Student Affairs, our departments, etc.
 - We are very interdisciplinary students, and it would be good to get professional feedback
 - Undergraduate opportunities are difficult to come by for humanities, and we are looking for ways to fund it
 - Questions:
 - Anshul: When do you expect to hear back from departments?

- I heard back from one department, and we received \$250
 - I received some emails from the Dean of H&SS, and they said they are overloaded with requests; it would be reimbursement either way
 - Anshul: When is it?
 - January
- Discussion:
 - Bryan: What are funding?
 - 3 * activities fee, and airfare. We are using the travel metric.
 - Anshul: Do we have any thing in the past for precedent?
 - Yes. The travel metric
 - Kyra: We've used the travel metric, but that's not always the case
 - Seth: Call to Question. Vote. Hand Vote. 18-0-2. Passed. \$570 to ICAH

6:39 – Points of Discussion

- Bianka's at a class right now
- We will wait until after advisors have spoken to people to talk
- Rafael: Special Allocations seems like some things are unnecessary.
 - I think more important thing is what we are expecting back to campus
- Nikhil: There are lots of new organizations?
 - Yes. There are significantly more.
 - There will be about 30 more this year that will be eligible for funding
 - If it's something that you guys are interested in, we can show how the activities fee works
 - We will give you guys the appropriate background information
- Travis: Do we ever turn people away when they come from funding?
 - Kyra: Yes. For things that are not appropriate for campus, or misuse of funding in the past indicates that we may recommend \$0. The body will be presented, and they can decided on this.

6:44 – Announcements

- Seth: Take food home

6:45 – Second Roll

Motion to Adjourn. Seconded to Bryan. Voice Vote. Passed.