To Implement the Partitioning of the Association Buffer Fund into the Undergraduate Buffer Fund and the Graduate Buffer Fund

Review of Special Fees Committee Bill VI

Authors: Chris Lin, Undergraduate Senator; Josh Shipp, ASSU Undergraduate Senate Chair; Sandeep Wasan, ASSU Undergraduate Senate A&R Chair; Robert Rudnitsky, Graduate Student Council Representative; Travis Hopp, Graduate Student Financial Officer; Surya Singh, Graduate Student Council Member

Sponsors: Review of Special Fees Ad Hoc Committee; Kyle Alisharan, ASSU FM, SSE CEO

Submitted: May 24, 2004

Action Requested: Approval by 2/3

WHEREAS to the Special Fees system has been split both politically and financially since Fiscal Year 1996, and the General Fee has been split politically and financially since FY2000,

WHEREAS the Association Buffer Fund has not reflected these splits,

WHEREAS a fair and historically based partition of the Buffer Fund would reflect the long standing split nature of the Fee system,

WHEREAS ASSU Financial Manager Kyle Alisharan and ASSU Capital Group Director Garrett Reed have researched the historical levels of the Association Buffer Fund, and have created an accurate model that tracks a theoretical split between Undergraduate Buffer Fund and Graduate Buffer Fund from FY1996,

WHEREAS the historical model of the split was determined as follows:

Beginning in FY1996, the split of the Association Buffer Fund was assumed to be strictly by population, as all contributions to the Fund were made on a population basis,

From FY1997 to FY1998, contributions to the Association Buffer Fund were calculated by population according to the actual fees levied to each population,

From FY1999 to FY2004, contributions to the Association Buffer Fund through fees and withdrawals by student groups and refunds were totaled to determine the net change in the Undergraduate Buffer Fund and Graduate Buffer Fund,

At the end of winter quarter of fiscal year 2004 the Association Buffer Fund (Account #2-2100-0-0-2250) held approximately $315,909.
As a result of these calculations, as of the end of winter quarter FY2004, the Undergraduate portion of the Association Buffer Fund was approximately $123,295, and the Graduate portion of the Association Buffer Fund was approximately $192,614.

At the end of Spring quarter FY2004, the Undergraduate portion of the buffer is projected to be approximately $83,000 and the Graduate portion approximately $179,000,

WHEREAS it is the belief of the Financial Manager that $83,000 may not be sufficient to ensure the financial stability of the undergraduate buffer for the start of next year.

THEREFORE BE IT ENACTED BY THE GRADUATE STUDENT COUNCIL AND THE UNDERGRADUATE SENATE OF THIS ASSOCIATION:

THAT

The Association Buffer Fund be split into two funds: the Undergraduate Buffer Fund and the Graduate Buffer Fund,

The ASSU Financial Manager shall create the Undergraduate Buffer Fund and Graduate Buffer Fund, and dissolve the Association Buffer Fund, and on July 1, 2004 retire the name and account number for the Association Buffer Fund,

As of the end of Spring Quarter 2004, the Undergraduate Buffer Fund be set at $83,000 (100% of the undergraduate contribution to the Association Buffer Fund), and the Graduate Buffer Fund be set at $112,000 (100% of the graduate contribution to the Association Buffer Fund, less $67,000),

On July 1, 2004, the remaining $67,000 be transferred to a new account with a new number, called the Graduate Special Distribution Buffer Account (GSDBA). No later than each of these dates, 1/5 of the initial GSDBA shall be transferred to the Graduate Buffer Fund until the GSDBA has no funds remaining:

- January 10, 2005 ($13,400)
- April 1, 2005 ($13,400)
- July 1, 2005 ($13,500)
- October 1, 2005 ($13,400)
- January 1, 2006 ($13,400 or balance of GSDBA)

The ASSU Financial Manager shall give three weeks written notice to the ASSU Executive Committee of any potential transfers from the GSDBA to the Undergraduate Buffer Fund, along with a hardcopy of the Bill ‘To Implement the Partitioning of the Association Buffer Fund into the Undergraduate Buffer Fund and the Graduate Buffer Fund’. If funds are transferred from the GSDBA to the Undergraduate Buffer Fund, the Undergraduate Buffer Fund is responsible for returning 50% of these funds back to the Graduate Buffer Fund within fifteen months of the transfer.

The Graduate Special Distribution Buffer Account shall exist for the following purpose:
"The Graduate Special Distribution Buffer Account shall be a temporary account created to ensure the transfer of graduate student contributions from the Special and General Fee buffer system of the ASSU to the Graduate Buffer Fund. It shall exist from July 1, 2004 through January 1, 2006. It shall serve as a fixed, defined, and temporary account during the transition from the (Joint) Association Buffer Fund to the split Undergraduate and Graduate Buffer Funds. After January 1, 2006, the GSDBA shall be dissolved with all remaining funds being transferred to the Graduate Buffer Fund."

In the event that money is transferred out of the GSDBA in support of the undergraduate Fee system, it may only be done after all money has been depleted from the Undergraduate Buffer Fund.

In the event that the Graduate Buffer Fund becomes depleted, the Financial Manager may transfer money out of the GSDBA in support of the Graduate Fee System.

In the event that the Undergraduate Buffer Fund reaches a desired target level, the Financial Manager may transfer the remaining funds in the GSDBA to the Graduate Buffer Fund in advance of the specified transfer schedule.

Article VI, Section 7.A.7.a of the Joint By-Laws currently reads:
Refund Cost surcharge — shall cover the direct and indirect costs of providing refunds of the General and Special Fees. This surcharge shall be calculated independently for the Graduate and Undergraduate populations.

Article VI, Section 7.A.7.a of the Joint By-Laws shall be replaced by:
Graduate Refund Cost and Undergraduate Refund Cost surcharges — shall cover the direct and indirect costs of providing refunds of the General and Special Fees for the relevant populations. This surcharge shall be calculated independently for the Graduate and Undergraduate populations. They shall be held in a Graduate Student Refund Cost surcharge account, a Graduate Student Administrative Cost surcharge account, an Undergraduate Refund Cost surcharge account and an Undergraduate Administrative Cost surcharge account.

Article VI, Section 7.A.8 of the Joint By-Laws currently reads:
At the end of the fiscal year, any balance in the Refund Cost, Rounding, and Administrative Cost surcharge accounts shall be debited or credited to the Special Buffer Fund.

Article VI, Section 7.A.8 of the Joint By-Laws shall be replaced by:
At the end of the fiscal year, any balance in the Graduate and Undergraduate Refund Costs, Graduate and Undergraduate Rounding, and Graduate and Undergraduate Administrative Cost surcharge accounts shall be debited or credited to the relevant population’s Buffer Fund.

Appendix I Section 4.E.1.b.ii of the Joint By-Laws currently reads:
In the event that the constitution, structure, finances, policies, or operations of such an organization is substantially modified, as defined by the relevant Association legislative bodies, so as to impair student control and/or prevent the Special Fee funds from being used for the purposes for which they were originally intended, the relevant Association legislative bodies may by a 2/3 vote pass a resolution halting the disbursement of Special Fee funds to that organization. Upon the approval of such a resolution, any and all Special Fee funds already disbursed to the organization shall revert to the Association and shall be placed in the Special Buffer Fund.

Appendix I Section 4.E.1.b.ii of the Joint By-Laws be replaced by:
In the event that the constitution, structure, finances, policies, or operations of such an organization is substantially modified, as defined by the relevant Association legislative bodies, so as to impair student control and/or prevent the Special Fee funds from being used for the purposes for which they were originally intended, the relevant Association legislative bodies may by a 2/3 vote pass a resolution halting the disbursement of Special Fee funds to that organization. Upon the approval of such a resolution, any and all Special Fee funds already disbursed to the organization shall revert to the Association and shall be placed in the relevant population’s Buffer Fund. If a joint group, then the funds shall be split into the Graduate and Undergraduate Buffer Funds to reflect the monetary contributions of each population.

Appendix I Section 4.E.4 of the Joint By-Laws currently reads:
If a Special Fee request which has met all Elections Commission deadlines is left off the ballot, then the request may be funded from the Special Buffer Fund by a 2/3 vote of the Association legislative bodies.

Appendix I Section 4.E.4 of the Joint By-Laws shall be replaced by:
If a Special Fee request which has met all Elections Commission deadlines is left off the ballot, then the request may be funded from the relevant population’s Special Buffer Fund by a 2/3 vote of the relevant Association legislative bodies.

Article VI, Section 7.A.17 shall be added, to read:
The Graduate Buffer Fund and Undergraduate Buffer Fund shall be administered by the relevant legislative bodies in a manner specified in their by-laws. The Graduate Special Distribution Buffer Account shall be administered by both the Undergraduate Senate, the GSC, and the ASSU Financial Manager as specified in the Bill ‘To Implement the Partitioning of the Association Buffer Fund into the Undergraduate Buffer Fund and the Graduate Buffer Fund’. Funds from the Undergraduate Buffer Fund, Graduate Buffer Fund, and Graduate Special Distribution Buffer Account may not be used for any purpose unrelated to special fees without 2/3 majority approval from both legislative bodies.