

Harmon Room - Library

April 18th, 2024 | 12:00 PM CST



MACALESTER COLLEGE
STUDENT GOVERNMENT

Legislative Body Meeting Minutes

[Land Acknowledgment](#) (We are on Indigenous land) ~ *Emma Kopplin* ~ 2 minutes

- Updated land acknowledgement

[EPAG Committee Presentation](#) ~ 5 minutes

- Emma: We are going to start with an EPAG update from Joel Sadofsky and Riley Hodin
- Joel: We are here as the students who are on EPAG as per the MCSG bylaws
 - AAC Chair attends EPAG and appoints the student representative
 - Due to a vacancy, Riley has stepped in to fill this position
- Riley: Who is on EPAG?
 - Seven elected faculty and MCSG AAC Chair, as well as an appointed student member
 - Non-voting includes many people including the registrar, Director of Academic Programs and Advising, Library Director, Dean of Faculty
- Joel: For regular business, EPAG is the rules committee
 - Interprets bylaws
 - Makes sure that departments and concentrations are fulfilling various charges through regular reviews
 - Assisting with external reviews of departments and concentrations
 - Allocations is a subcommittee without students
 - Responsible for awarding professorships to departments
 - Includes tenure-track, NTT, etc.

- Any professorship is granted through EPAG
 - See this in faculty handbook
- Special business
 - Working with Faculty Personnel Committee to create ad hoc committees
 - Curricular Implementation Committee (CIC) is a new committee
 - Advises the offices in the roles of its four non-voting members on an as-needed basis
 - EPAG considers and advises on large proposals
 - Makes decisions or advises
- Academic year
 - CIC, curriculum, cross-listing and service courses
 - Approved some experimental timeslots to make it easier for courses to fit field trips into the week
 - Advising the Faculty Handbook
 - Background Check Policy
- The bulk of what happens in EPAG is confidential
- Apply soon when the applications open
 - Talk to Riley or me about it, or Tristan
 - Thursdays from 3:30-4:30pm
 - Be a representative on Curricular Implementation Committee
 - Opportunity for paid summer work
 - Different timeline than campus committees
- Emma: Thank you! We don't have time for questions, but please reach out to Riley or Joel by email!

Visit from Patricia Langer ~ Mariah Loeffler-Kemp ~ 40 minutes

- Mariah: Thank you, Patricia Langer, for joining us
 - We are very lucky that she is here to talk to us
 - I was really interested in making this connection with her because I want students to be involved in communication surrounding how much we are paying each year and why
 - We are really lucky that she is here presenting to us and sent us the email yesterday
 - Presentation is a chunk of time, then we have question time
- Patricia Langer: If you have any questions, write them down and we can always return to slides
 - Make sure we get all the content out there first

- Where does Macalester's funding come from and what do we do with it?
 - Macalester's current year budget
 - Revenue
 - Largest source of revenue is net tuition revenue
 - Followed by endowment drop
 - Room and Board
 - Gifts and grants
 - Other
 - When outside folks rent space from us
 - Short term cash interest revenue
 - Spending
 - Faculty salaries, Staff salaries, Student salaries
 - 65%
 - 26% on Program
 - Expenditures related to debt service
 - Capital
 - Equipment and facilities
 - Revenue headwinds
 - Decline in number of high school graduates going forward
 - Institutions like Mac have to think of this and what the future looks like
 - Demographic cliff
 - Increase in public skepticism about the value of a four-year degree
 - Is it worth the cost?
 - Challenge of slowing year-over-year revenue growth at places like Mac and elsewhere
 - Revenue budget
 - Concept of net tuition revenue
 - Biggest revenue piece
 - What the college charges all of our students
 - We have generous financial aid packages distributed based on need to students
 - What does it look like at Macalester?
 - The goal of this presentation is transparency
 - This is the same presentation as what I recently showed staff at Macalester

- Where is our money coming from and how do we spend it?
 - Tuition and fees
 - Millions of dollars
 - When we look over the last ten years, this is what Mac has charged from a budget perspective year over year for total tuition and fees
 - Tuition and student activity fee
 - This is what we have collected
 - Big message is about the discount rate
 - How much financial aid do we offer?
 - You can see that the actual charges have been very large and have grown exponentially over the years
 - What is actually being collected has not grown as quickly
 - In fact, this net tuition number year over year is about 3.6%
 - The dotted line here is an annual discount rate based on the needs of the entering and returning student body
 - Moves every year based on what student body looks like
 - Overall discount rate has grown year over year
 - Financial aid budget is growing faster than tuition
 - Revenue has not grown at the rate we see as the sticker price
 - Graph shows what average student experiences
 - Some students pay more or less
 - Next chart is average fee over same time period for individual students
 - Real dollars

- \$20000-\$28000 is average net revenue per student
 - Over the past ten years, we can see that the net revenue per average student has grown over the past ten years
- Revenue growth slowing at institutions of higher education in general
 - Steady growth of 2.6% per year over the past ten years
 - Struggle is that the previous five years were 3.4% and the last five years was 1.8% per year
 - Revenue growth is slowing over time
- Endowment
 - Endowment is a collection of gifts made to the college
 - Endowment gift agreements are legal documents
 - Individuals define how the college can spend this money
 - Gift needs to exist in perpetuity
 - Get to spend some share of the annual earnings
 - Not spending the gift, spending what you can earn when you invest the gift
 - This is the definition of an endowment
 - Money must be invested wisely
 - Support a specific thing into perpetuity
 - Idea that the original gift never gets spent
 - Macalester has a large endowment, but we are tied to legal documents stating that the original gift cannot be touched
 - Spend a share of investment earnings

- Donors expect their gift to support in today's inflationary environment the same thing in ten years
- Endowment should grow
- How do we decide what to spend?
 - If the endowment was a mutual fund and you owned a share, what is it worth over the time period?
 - Extended time period
 - Capture huge dip in value back in dotcom bust
 - You might not remember, but there was a huge dip in all endowment values
 - Dip in recession
 - Dip in pandemic
- How has the endowment value changed over time?
 - Why can't we spend more right now?
 - Because over time, endowments are intended to live in perpetuity
 - We have to average out what the value of the endowment looks like over time
 - 16 quarter average
 - What has the last four years looked like for endowment value?
 - Apply formula that says we have to look back but expenses are growing
 - Second half of formula applies a two-percent increase
 - Little green boxes
- What do we spend per share on the endowment on an average basis?
 - Value of a share was around \$30 last fiscal year and we spent fifty

- Endowment has to exist before and after us
 - What has that looked like over time?
 - Between 25 and 40 million dollars going into the budget every year
 - Actual draws from endowment to budget
 - Ten-year number is about 2.6% per year
 - In earlier half 3.7% most recent 1.4%
 - Revenue growth is slowing
 - How big is the endowment?
 - Quarterly values
 - \$860,561,067
 - Number is from January of this year
- Expenditures
 - 1.8 and 1.6 per year over the last several years
 - What are we spending?
 - Inflation impacts program costs and traveling, as well as supplies
 - Everything we want to do is a lot more expensive
 - Inflation impacts Macalester employees
 - Higher gas bills, groceries, utilities
 - Think about how to raise compensation
 - Your families are dealing with inflation in everything they are facing and they are trying to afford Macalester College fees
 - Healthcare cost is killing everyone
 - Cost increases are rocking our world
 - Dealing with competition over faculty and staff from other institutions
 - Industries, government, other colleges
 - We used to just have to compete with places like us, now it is the whole world
 - Budget
 - Mac is a service industry
 - A lot of the money that comes in comes right back to the people

- Most individuals are expecting a higher increase in their wages than what we are able to grow in our revenue stream
- Compensation
 - Actual expenditures from a millions perspective
 - Growth of 3.1 per year over ten years, 3.3 and 2.8 in previous five year pieces
 - Difference is closer than in revenue
 - We are working hard to pay our people
 - Want to retain our people
- Program
- Debt and Capital
- FAQ from staff
 - What happens to net income?
 - If the college brings in more revenue than it spends, what do we do with it?
 - Unrestricted reserve that we either add to or subtract from for capital improvements
 - Using unrestricted reserve for CC renovations
 - Strategic priorities
 - One-time expenditures
 - Several years ago, we used one-time dollars for rebranding project
 - I've heard Macalester is so lucky because our endowment is unrestricted
 - This is not true!
 - 91% is restricted
 - Donors gave us money and said how it should be spent
 - Makes our lives more complicated
 - 78% of those restrictions are for financial aid
 - This is a huge part of what we charge versus receive
 - This is where we want to be spending money
 - This is in line with our mission and the endowment is NOT unrestricted
 - Some restrictions include things like endowed professorships or someone endowing fund for athletics or academic departments
 - Endowment contracts are legal documents

- We cannot spend that money outside of what the original donor told us to use the money for
- Other questions?
 - Emma: We have about 12 minutes for questions
 - Sean: Since the strategic plan includes a lot of building and changes across campus, how is the 5% from debt servicing going to change?
 - Patricia Langer: Expiring debt issues
 - Mortgages paying off
 - More cautious about debt load than we need to be
 - Very cautious
 - We will add new debt but our goal is to maintain a debt load that does not overburden what we are charging for fees
 - Have a debt structure that is in the right place to be ready for new investment
 - Emma: On the slide that you talked about college income, I didn't see federal funding
 - What portion does that play, and is it restricted?
 - Patricia Langer: Federal aid to Macalester lives in the little 2% zone
 - Most of the federal aid that Macalester receives comes from a student employment budget of 5 million
 - Largest student employment budget of any close peer
 - We get a tiny little piece of federal and state aid for student employment
 - Get a little bit for financial aid budget
 - Restricted and goes straight to students
 - Alec: I could not do what you do
 - I have a questions about faculty competition
 - With the headwinds and less people going into academia, what does this competition for faculty look like?
 - There are many people who want these jobs
 - Patricia Langer: We are all wondering this same thing
 - Macalester is a very desirable location in a metropolitan area
 - People can more easily find positions in the Twin Cities than in rural campus areas
 - We have this advantage

- To your question of colleges closing, we are all kind of sitting in the background watching and waiting to see how to recruit and keep faculty and staff
- Tristan: You said that the responsibility of the endowment is to invest wisely. What is wise about investing in companies that support the genocide in Palestine?
 - Patricia Langer: In the past, we have worked on divesting from Fossil Fuels
 - I have great thoughts about how we will end up with the new social responsibility process
 - Tristan: Why does it come to students having to bring forward a proposal about this?
 - What is the ongoing process for the college to not be relying on students' voices to push the college not to fund the genocide?
 - Patricia Langer: I will step forward and say that it is important to remember that from the college's perspective, our goal is to achieve returns in the endowment in a way that we feel good about
 - As new information comes in, that is when we take a step back and think about it
 - I sit on the investment committee and was sitting when staff brought forward a proposal
 - This is confidential information, as investors don't come forward unless it remains confidential
 - We received questions from staff about how we feel about what the company is doing and if Mac should invest
 - Macalester has a large group of legacy investments
 - Mac For Palestine group wants us to look at these legacy investments
 - Co-mingled investments that we are looking at
 - Faculty and staff ask these hard questions about what feels right or wrong
 - We have said no more than once
 - Even if we lose money
- Student: Can you talk about tuition increase and what portion we expect to add to net revenue?

- Joel: The email we received yesterday has been interpreted as a \$4000 increase in tuition
 - There is nuance about how much the comprehensive cost changes what we pay
 - Do we know how this will relate to financial aid?
 - Patricia Langer: The current discount rate at Macalester is 55%
 - This number is not going down
 - Thinking about total increase and average students' experiences post-financial aid, most people will pay around half of that money
- Elizabeth: Has there been a change in the number of full-pay students accepted over time because we need students to pay the full tuition sometimes?
 - Patricia Langer: I am not the best professional to answer this question, but I can give you an answer from my seat
 - Admissions knows more
 - There is an ever-increasing competition for students who can pay
 - Mac's model relies on some students to be able to pay
 - We want all students
 - If you think about this average revenue per student, there are students that are much lower or higher
 - We want all of those students
 - The desire to get to that lovely sweet spot and community that we want here in St Paul is an art and science
 - Combination of students who can pay the full fee and none of the fee is what we want
 - There is so much nuance here
- Andrew: Thank you for coming
 - What seemed jarring about the most recent increase was the sharpness of it
 - It was larger than the previous increases
 - Would you say this increase is commensurate with increase in inflation and healthcare?
 - Patricia Langer: I would say that it is still lower
 - For federal government collusion reasons, institutions don't talk to each other about these things
 - This time of year is a discovery time
 - Other institutions have come in way above us

- Some that were more aggressive during pandemic years remain lower
 - How institutions have reacted during and after the pandemic changes what we do
- Looking at peer group of institutions, it is all over the place
 - Some schools are right with us, and some above
- I will say that when we think about what our fee increase should be, we are thinking about what we spend our money on and what we need to keep doing
- We don't do it randomly
- We are non-profit
- We are looking at what is the thing we need to be who we want to be
- Eliora: Thank you for your presentation
 - Can you tell us a bit about the current capital campaign and how much the college is seeking to gain for the strategic plan?
 - Who is the college seeking to get it from?
 - Patricia Langer: This is not completely my boathouse
 - The capital campaign will be looking for money for admissions and strategic planning
 - Request for financial aid
 - A gift to financial aid in my mind is an unrestricted gift because it is an endless need
 - Give to financial aid
 - As far as who we are raising money from, it is everyone
 - Our largest donors and people who can afford to give frequently
 - We don't discriminate
- Emma: Thank you so much
 - I encourage you to follow up via email with any more questions

FAC Appeal ~ *Eliora Hansonbrook* ~ 3 minutes

- [Macalester Run Around the World](#)
- Eliora: This is Chloe, she has an appeal for us
- Chloe Vasquez: She/her, senior
 - Doctors without borders is a nonprofit that provides emergency medical support
 - Planning a 5K fundraiser this weekend to support this group
 - Submitted an additional allocation for tshirts for the 5K

- People are paying, so it is not a gift
- Elicora: FAC rejected this because giving out tshirts generally qualifies as a gift
 - I still recommend that people vote against this because it is not the best use of funding
 - If anyone has something to add, please do
- Question
 - Andrew: Does people paying for it technically put it not in violation of the Financial Code?
 - Elicora: You could interpret it as not being a gift
 - Liza: If people are paying for it at full cost, then it is not a gift
 - Chloe: People are paying more than the cost of the shirt
 - Mariah: Have you already started working with Zimmerman's?
 - Chloe: I thought we already had the money for it so they started making it
 - They offered to work overtime and make the shirts without payment
 - He deserves to get paid
 - How much money do we have left for allocations?
 - Elicora: We have enough
 - Emi: \$937.60, and this is the last allocation
- Vote
 - Alec: Motion to approve for \$700 for Friends of NSF
 - Owen: Second
 - In Favor: 16
 - Opposed: 4
 - Abstaining: 1
 - Emma: With that, the appeal is approved

SPARC Statement ~ Joel Sadofsky ~ 2-3 minutes

- [Student Statement V2](#)
- Joel: We have the second version of the SPARC statement
 - This is just a small change in language, but for the purpose of due process, I want to give everyone the opportunity to vote on this second version
- Vote
 - Tristan: Motion to approve the updated statement
 - Tor: Second
 - In Favor: 20
 - Opposed: 0

- Abstaining: 0
- Emma: With that, the motion passes

Committee & Cabinet Updates ~ *Committee & Cabinet Members*

AAC: AAC has begun to solicit textbook reserve titles. We have closed our application for GSAT subsidy grant with 11 applicants. Since this is under 25, all students are in theory awarded this grant with no need for a financial need assessment. Joel and Riley Hodin presented an annual update on EPAG happenings.


Cabinet: We had a self-reflection meeting to talk about how we can improve the Cabinet in the future, and we look forward to the conversations about reworking Belonging & Accessibility liaison + Health & Wellness positions to become more efficient.

Health & Wellness: The Hamre center is piloting a credit card reader, AOD and Hamre Advisory are both looking at the NCHA data to set goals for the coming academic year, and we are close to hiring a new associate director of health promotion (final interviews are this week and next)

SOC: SOC had our last meeting this week! End of the year org transitions and student leadership awards are ongoing projects!

CEC: We're working on our end of year newsletter. Please send in information if someone has reached out to you!

Announcements ~ 2 minutes

- Sign up for election tabling (filing and voting)
 -  Class Rep & Liaison Election Tabling Sign-ups (Spring 2024)
- Voting is open from Friday, April 19 until Monday, April 22 – tell your friends to vote!
- RSVP for [Student Leadership Ceremony dinner](#)
- Campus Committee applications will be open from Friday April 19th-Friday April 26th
- Joel! [A fight over college textbook prices is leaving students unsure who to believe about costs](#)
- Today is Else's birthday!