

Student Fee Advisory Committee

October 10, 2011
Meeting Minutes

Present: Justin Chung, Chris Dunckle, Sandra Jones, Jason Lee, Johnson Liu, Vikram Nayudu, Clara Schultheiss, Lowell Trott, Aaron Tso, Jack Williams IV, Elaine Won

Absent: Patrick Le, Wonsup Hwang

Guest: Rich Lynch, AVC Planning and Budget

Staff: Karen Mizumoto

- 1) Meeting called to order
- 2) Introductions of the 2011-12 committee members were made.
- 3) Rich Lynch, AVC Planning and Budget provided a budget update for the committee
 - a) UC received a \$650M budget cut for this fiscal year, or a state budget cut of ~25%-26%.
 - b) UCI's share of the state budget cut is ~\$66.4M. The campus also has mandatory cost increases of ~\$40M, plus an additional \$5M cut related to UCOP allocation model changes, for a total budget shortfall of ~\$111M.
 - c) \$39M-\$40M of the mandatory cost increases include union contract/wage agreements, faculty merits of ~\$3M, escalation of employer contribution to UC retirement system of ~\$10M (core funds only), and health and welfare contract increases of 5%-8%.
 - d) \$18M in cuts have been distributed to campus to date in 2011-12; cuts range from 2%-18%. Academic units have been somewhat protected; administrative areas, including student services have taken a bigger % hit.
 - e) Most state funds and student tuition are in core academic areas (~70%-75%).
 - f) New revenues to offset budget cuts include increases to mandatory UC student fees and additional Nonresident Supplemental Tuition revenue from attracting more out of state and foreign students.
 - i) Mandatory UC student tuition/fees have gone up ~17%; tuition/fees were originally increased by 8%, and then the Regents approved another increase of 9.6% over the summer in response to the additional \$150M budget cut from state. Mandatory UC tuition/fee increase will provide ~\$28M to campus, net of return-to-aid; with return-to-aid, it will be ~\$40M.
 - g) Campus cost reductions will include ~\$2.5M savings in off-campus lease savings from consolidation of space on campus and favorable renegotiation of off-campus leases, reduction in GSHIP premiums, and reductions in administrative service areas.

- h) Not all cuts could be taken in 2011-12; \$18M will be taken in 2011-12 and an additional \$22M will be permanently addressed in 2012-13, but covered by temporary funds in 2011-12.
- i) The \$22M will need to be addressed in 2012-13 and does not include possible additional state budget cuts. All indications are that UC will get an additional \$100M cut from the state budget trigger due to lower state revenues. OP and the campuses will handle the additional budget cuts without distributing additional budget cuts to units in 2011-12 and will roll it into the 2012-13 budget. UCI is ~10% of the system, so the campus can estimate at least another \$10M-\$11M cut. The strategy to address the additional budget cuts may be to offset part of the cut with a 6% fee increase, cut services and reduce programs.
- j) The highest priority for OP's proposals for state funding is to try to get the state to contribute to the UC retirement system. Over the last two years, there have ~\$20M+ in permanent cost increase to UCI alone. The state contributes to the Cal State retirement system and all other public employees (CALPERS); whereas UC has self-funded the UC retirement system since '80s (UC has received no additional state funds for the retirement system).
- k) The Campus Budget Work Group had its first organizing meeting a couple of weeks ago. The workgroup includes ~25 people with wide campus representation including students, faculty, and administrators. It has become more and more difficult to implement budget cuts, and the campus may not be able to approach budget cuts in the same manner as it has in the past.

4) Questions and Answers Regarding UC and UCI Budget

Q: How will AB131 affect the budget?

A: The governor's approval of AB131 should not impact the UC budget; Cal Grant funding is separate from the UC budget and UC's USAP funding will be based on need as always, although there may be more people in the pool.

Q: What is "Plan B" for state funding from OP?

A: This has not yet been clearly articulated. The Regents raised their own "Plan B" which would be increasing private support, but it is not very viable to sustain this type of private support annually. More may come out of the November Regents meeting.

Q: What are your thoughts about recent executive pay increases?

A: UC competes in a broad range of labor markets from executive services to administrative support and trade services. UC attempts to provide fair pay rates in all of these markets to attract and retain the human resources necessary to best operate and manage UC programs. I

have no intimate knowledge of the pay increases referred to, but assume those decisions were made consistent with UC HR objectives.

Q: What about the free sweatshirts for UCI students [*given the budget situation*]?

A: This is an initiative from the Chancellor's office trying to show support to students and increase campus spirit.

Q: What will happen to Center for Service in Action funds?

A: This was an organizational change in Student Affairs and some activities were consolidated; funding that was not part of any budget cuts should be reallocated to the Student Affairs department/division where CSA activities/programs are now housed.

5) Chair/Vice Chair Elections:

a) Aaron Tso has been re-elected as 2011-12 SFAC chair.

b) Vice chair nominations:

i) Johnson Liu, Chris Dunckle and Jason Lee have been nominated for 2011-12 vice chair.

ii) Johnson Liu has been elected as the 2011-12 SFAC vice chair.

6) Next meeting

a) Aaron will send out another Doodle to see if another meeting time can be set to avoid schedule conflicts with the Monday 1:00 – 3:00 pm time.

b) The committee will need to begin deciding which programs/departments to review in depth.

c) The committee will need to develop a timeline/schedule for the 2011-12 year.

d) The Budget Office will provide an update regarding the committee's 2010-11 recommendations.

e) Johnson will email information to the committee regarding the proposed eTech Fee, and would like comments/feedback he can provide to the Electronic Technology Initiative Advisory Committee (ETIAC) at their next meeting on Wednesday, November 2nd.

7) Meeting adjourned.