

Student Fee Advisory Committee

October 31, 2014

Meeting Minutes

Present: Sonali Madireddi, Sarada Cleary, John Delshadi, Matthew Tsai, Alexander Le, Sara Lone, Sherwynn Umali, Felicia Martinez, Reza Zomorrodian, Justin Chung, Myron Lozano

Absent: Isaac Straley, Sanaa Khan

Guest: AVC Rich Lynch

Staff: Karen Mizumoto

1. Meeting called to order.
2. October 31, 2014 meeting agenda approved.
3. October 24, 2014 meeting minutes approved.
4. Planning & Budget AVC Rich Lynch
 - a. Planning & Budget Overview and Structure
 - i. Reports to Chancellor and Provost.
 - ii. Major function is to plan resource usage and is advisory staff for the analysis and allocation of campus financial resources.
 - iii. VC Meredith Michaels is the head of Planning & Budget (AVC Lynch reports to VC Michaels).
 - iv. P&B Subdivisions include:
 1. Budget Office
 - a. Provides analytical and resource management expertise, and the implementation policies and procedures supporting campus decision-making and effective management of campus resources. Areas include:
 - b. Budget Operations (capital budget oversight, debt management, permanent budget, non-academic budget analysis and review)/
 - c. Analysis
 - i. Student fees
 - ii. Strategic planning (forecasting, financial modeling, planning)
 - iii. Other resource analysis and planning (indirect costs, recharge rates, campus assessments)
 2. Academic Budget Office
 - a. Formulates and administers resource plans, policies, and procedures related to the academic areas of the campus.

3. Institutional Research
 - a. Gathers and maintains campus data (enrollments, faculty statistics, graduation rates, etc.)
 - b. Performs research, analysis, and reporting supporting campus academic planning, strategic decision-making, enrollment management, and program assessment.
 4. Planning, Space Management, and Real Estate
 - a. Space Management
 - b. Capital Planning
 - c. Trademark Licensing
 - d. Campus Asset Management
- b. Student Services Fee
- i. Approximately \$25M-\$26M in expenditures and approximately \$30.4M in annual appropriations (including carry forward funds).
 - ii. Majority of funding (~82% of the total) resides in Student Affairs, Intercollegiate Athletics, and Academic Affairs (non-academic student support/ counseling in the Dean's offices/school Student Affairs Offices).
 - iii. Student Affairs: \$13.3M in appropriation (~44% to total) and ~\$11.8M in expenditures. Most of the SSF funds (approximately 70% in both appropriations and expenditures) in Student Affairs support the Student Health Center, Counseling Services, Student Life and Leadership, Career Center, and Student Mental Health.
 - iv. The Provost makes SSF allocations to campus units based on:
 1. UC Regents and UCOP SSF Policy/Guidelines with input from campus advisors and advisory committees.
 2. The SFAC is the primary source for input for the use of SSF funds and the committee's purview includes:
 - a. Recommendations on how to allocate new \$250K incremental funds.
 - b. Purview of entire \$25M -\$26M in SSF permanent funds. This could mean hard decisions may need to be made and could mean taking away from some areas to give to others. AVC Lynch encourages the committee to spend some time reviewing how funds are currently allocated to existing organizations; focus on chipping around edges first and where some reallocations can be made; look at multi-year planning range rather than a short-term focus.
 3. Other advisors to the Provost on the use of SSF funds include VC Student Affairs, Graduate Division and DUE Deans, Planning and Budget and miscellaneous input including school deans.
 4. Funding is provided incrementally in addition to the permanent budget base.
 - a. Schools and campus departments make request for funding support, not necessarily specifically SSF. The Budget Office

then decides how to fund and what resources will be available for Provost's funding decisions

- b. When SSF funds are used, the Budget Office will consult with the SFAC.
- c. Campus Funding Sources
 - i. The campus operates in a fund accounting environment; funds include:
 - ii. Core funds: state general funds, UC general funds, student fees, indirect cost recovery funds
 - iii. Extramural funds: state/local/federal contract and grant funds, gift funds
 - iv. Other: sales and services, auxiliary revenue, recharge funds, hospital revenue.
 - v. Total UCI budget = \$2.4B with funding from:
 1. State – 9%, hospital – 36%, tuition and fees, including aid – 17%; federal funding 12% (direct funding to campus through federal agencies for research, includes financial aid); state contracts & grants – 3%, private gifts and grants – 5%, sales of educational activities – 9%, auxiliaries (non-hospital) – 7%, and other funds – 3%.
 - vi. Total expenditures = \$2.1B – 81% of expenditures are for the teaching hospital, instruction, research, and academic support; the remaining 19% costs are for utilities, central administration, auxiliaries, student aid and public service.
 1. Teaching hospital – 36%, Instruction – 25%, Research – 12%, Academic Support – 8%, Student Services – 3%, Auxiliary Enterprises – 6%, Student Aid – 4%, OMP – 2%, Institutional Support – 4%, Public Service <1%.
 2. Auxiliary Enterprises function similarly to non-profit businesses and have no state general funds; most profits will go towards debt service, maintenance, rate reviews and cost increases.
 3. Budget Office and Student Affairs make recommendations to Provost's office on housing fees; Parking fees are handled similarly with the Budget Office and A&BS making recommendations. The Bookstore pricing is handled as more of a retail business. Student Center events/room rates are not reviewed by the Budget Office.
 4. Academic and staff salaries and benefits are approximately 71% of costs (30% academic salaries, 26% staff salaries and 15% employee benefits), 20% for Student Financial Aid and the remaining 10% is for equipment, utilities and other.
- d. UC Budget Development Cycle
 - i. UC Budget
 1. UCOP drafts budget request (summer)
 2. President meets with Department of Finance (fall)
 3. Regents approve budget request (~November)
 - ii. Governor's budget (mandated to be submitted by January 10th)
 1. Generally UC can count on appropriations if they are included in the Governor's budget. If an allocation is not in budget, it rarely gets added.
 - iii. Legislative Process (January – June)

1. The Legislative Analysts' office reviews and makes recommendations.
 2. The Legislature conducts subcommittee hearings.
 3. May Revise. Includes revised revenue projections for the current year and the next year's Governor's budget. If there is an improving economic situation, some additional funds may be available; if there is a declining economic situation, all state agencies/programs are vulnerable to changes.
 4. Conference committee (May/June).
 5. Senate assembly approves the budget bill (June).
- iv. Line item veto and the Governor signs the budget bill (July).
1. The Governor can sign the budget as is or blue line/veto anything Governor wants to take out; the Governor cannot add anything to the budget.
- e. Q&A
- i. What if the Regents approved budget and Governor's budget don't match? UC lobbies the Governor, DOF and Assembly to get funds back in, and/or OP and the campuses figure out how to live with fewer funds or find other resources (cut budgets; find temporary funding; strategize on how to get more; find other revenue sources etc.).
 - ii. How is financial aid funded? Need-based aid is mostly funded by Tuition and a little bit by SSF. There are also some federal and state-funded financial (not including Pell/Cal grant funding).
 - iii. SFAC allocation: \$250K in incremental funding each year.
 1. Even though there haven't been any fee increases, campus expects to maintain the \$250K allocation for the near future.
 2. The committee can advise on both existing and new funding for now.
 3. No significant fee increases for last three year; increased costs (retirement; salary increases); held some funds back in reserves
 4. Temporary funds will go away when the funds are expensed, but the permanent funds remain unless there are budget cuts or strategic changes in operations.
 5. The Provost provides funds of \$250K and unallocated permanent funds may be carried forward to next year in addition to new \$250K incremental funding.
 - iv. What % of SSF funds go to Athletics? ~23% in SSF funds go to fund sports programs. Irvine a little bit of an outlier and has more SSF funds in Athletics than other campuses. Athletics handles details of how each individual program is funded and is in compliance with SSF guidelines.
 - v. Utilization of SSF for Athletics: As Justin mentioned, SSF funding for IA is something worthy of more investigation and worthy of a conversation. The committee can see what do other campuses do, opine to Provost how SSF funds are used, etc. Many years ago, IA reported to Student Affairs, so that in part is probably why IA has been funded with SSF. IA is looking to for other fund sources (trademarks, licensing, etc.).

- vi. Is the \$5M difference between SSF expenditures and appropriations carry forward funds? Yes.
- vii. What were the other areas of growth other than mental health? Student Health Center, Disabled Student Services, Career Center.
- viii. What is debt coverage? It is the cost of repaying debt.
- ix. Will the campus have more funds now that the campus can keep Tuition funds on the campus? The funding streams model did not create more money. It is just a new model for allocating funds and to create more transparency on how funds are allocated. Revenues are now kept on campus, but OP also now taxes campuses as well. The tax process allows the campus to participate in the discussion of the OP budget funded by tax.
 - 1. Funding streams and re-benching changed the way some allocations were made to campuses and was created to rebalance state \$ per student that are allocated to campuses. UCI has received \$8M-\$12M from re-benching over last few years, but that might change under the new president.
 - 2. The state changed in how it funds students. Graduate students were funded at a higher rate than undergraduates, but now the state funds enrollment at the marginal cost (no difference between funding for graduate students and undergraduates); most of Irvine's student growth happened in the 90s and 00s at the marginal cost and this created inequality between younger campuses like Irvine and older campuses.
 - 3. Berkeley and UCLA receive about \$13K per student; UCI, Riverside, Santa Barbara, and Santa Cruz get about \$7K per student; Davis is somewhere in between. Incremental new funding is being given back to lower-funded campuses to equalize state funds per student.
- x. Since Tuition increases will stay on campus, what is the campus's funding priorities? The Budget Workgroup is a committee that advises the Provost on faculty salaries, the instructional budget, retirement programs, etc. and will be meeting in the next couple of weeks to begin developing recommendations to the Provost. The campus will need to fund what are we obligated to fund mandatory cost increases (negotiated contracts, faculty merits, utilities, etc.) and then programmatic priorities (strategic faculty hires, graduate student support, administrative priorities-SIS, KFS, Law School).
- xi. Are there new student priorities? Not particularly, but there are some new undergraduates programs are being launched in Nursing, Public Health, Public Policy, and School of Education.
- xii. What is the difference between a school and a program? Accreditation, number of faculty, capacity.
- xiii. When will the Regents approve the UC budget? At the November 19th Regents meeting. The agenda will be available after the election.

5. Committee Budget Discussion

- a. Justin provided his opinion on Athletics' allocation of SSF funds. Athletics gets 20% of SSF funds and the campus needs to find other fund sources for IA (IA was supposed to wean themselves off of SSF funds), and because IA provides limited

service to students, it doesn't make sense to fund IA with SSF revenue to the degree it is funded. SFAC should look into what other campuses do.

- b. The argument has been made that athletes are students too, so they deserve some SSF funding. The committee should look at per student funding to see if IA students are they treated the same as other students.
- c. If APG is working on enrollment planning, then AGS and ASUCI should seek to get invited back onto APG.
- d. The committee should look at how the other \$23M in SSF funds are being allocated.

6. Student Survey Update

- a. Matt and Sarada provided an update of the student survey revisions.
 - i. Updated pictures so they are all now the same size.
 - ii. Added hyperlinks for more information about fees and services provided by fee revenue.
 - iii. Grouped the Measure S and Anteater Express shuttle fee questions together.
 - iv. Fixed error in fee amount.
 - v. Added question about Club Sports Fee and added drop box question about which sports survey takers participate in.
 - vi. Added questions about Student Center usage.
- b. Additional revisions:
 - i. Add information about when participants will be awarded prizes (end of winter quarter).
 - ii. Provide students an understanding of what the SSF and how SSF is different from Tuition.
 - iii. Rearrange questions to put SSF questions first.
 - iv. Provide information about the units that receive SSF funds.
 - v. Number of questions – are there too many? Only two questions are required, and the rest can be skipped.
 - vi. Add note that campus-based fees can be adjusted through referendum process.

7. The committee voted to table the unit request discussion, CSF campaign update, and new business until next week's meeting.

8. Meeting adjourned.