

## Student Fee Advisory Committee

February 25, 2011  
Meeting Minutes

Present: David Chung, Elaine Won, Aaron Tso, Jason Lee, Payel Chowdhury, Andres Gonzalez, Clara Schutheiss, David Curry, Natalie Goudarzian, Sitara Nayudu

Absent: Erin Kelly, Nidal Zmily, Sandra Jones

Staff: Karen Mizumoto

Guest: Richard Lynch, AVC Planning and Budget

1. Meeting called to order
2. Budget Update Discussion (AVC Lynch)
  - a. UCI faces an effective \$90M-\$95M cut (budget cut of \$54M plus mandatory cost increases).
  - b. Based on Governor's budget UCI will have a \$54M cut in state funds; ~16%-17% decrease in state funding.
  - c. In addition to \$41M in mandatory increases need to be funded, including an increase from 4% to 7% employer contribution to the retirement system.
  - d. EVCP has been meeting with Deans and Vice Chancellor councils, Budget Workgroup committee, etc., to discuss strategies and options; no details yet on how budget cuts will be implemented.
  - e. The campus will communicate initial thoughts for a budget cut implementation plan to UCOP, however the campus will also communicate that UCI's \$54M cut cannot be addressed in one fiscal year; the campus is targeting to take about half of this amount in 2011-12 and the rest in 2012-13, and perhaps 2013-14.
  - f. Budget strategies may include:
    - i. Identifying new revenue (~\$10M) from increased nonresident enrollments, 8% student tuition/fee increase and other initiatives;
    - ii. Issuing cuts to academic and academic support units of ~\$7M-\$8M;
    - iii. Efficiency, reductions, or elimination of programs and services of approximately the same amount.
  - g. Details regarding how budget cuts will be implemented are to be determined, but there will not be across the board cuts; the EVC/P is gathering data to make data-driven decisions such as quality and productivity of programs (both academic and non-academic).

- h. If there is no state ballot measure on tax/fee extensions or the ballot measure doesn't pass, the budget impact could double to as much as \$100M cut to UCI.
- i. If the governor is successful in implementing cuts, and tax extensions, this will hopefully take care of structural deficit in the state budget, so if state revenues improve, perhaps 2012-13 will be a better budget situation for UC.
- j. Regents don't have the appetite to change student tuition/fees already approved; so far, there is no change to 8% increase to 2011-12 systemwide mandatory tuition/fees or to have a mid-year increase.
- k. Enrollments: no growth to overall enrollment (incoming freshman class may be larger, but that is offset by larger graduating classes); Irvine is just about at state-budgeted enrollment, but the campus is hoping for growth in international and nonresident student enrollments.
- l. For Student Services Fee areas, the EVC/P may be looking for recommendations on how to deploy additional resources and also for how to look at possible budget reduction scenarios. The EVC/P may be pushed to look at further cuts to Student Services Fee-funded areas. The committee should convey recommendations to EVC/P clearly articulating Student Services Fee-funded programs absolutely essential (to be held untouchable); for example, if you (EVC/P) have to cut things, here is where students could best work with/tolerate cuts.
- m. Budget Update Q & A :

**Q: Will there be stabilizing of enrollments in professional programs?**

A: Graduate programs are small portion of total enrollment, but it is still in the campus strategic plan to grow overall graduate enrollments; graduate enrollments are still under enrolled (currently ~18%-19% of total enrollments; our goal is to move that to ~25%).

**Q: Will there be more freshman or transfer students? Is there a cost/benefit to either, or which is more beneficial?**

A: Generally transfer students' time to degree is shorter.

**Q: In regards to academic reductions, what areas will be targeted?**

A: It is not known what deans will do yet, but it may likely mean larger classes; it may be a little bit more difficult to get classes---a continuation of what is happening now.

**Q: What will happen to interim positions?**

A: The hiring freeze has been lifted by EVC/P, but it is up to deans and vice chancellors to make a decision about how to manage their staffing positions; filling critical positions can move forward if deans and vice chancellors feel they can afford to fill the positions. There may be isolated cases of layoffs and freezes.

**Q: Will there be increased marketing to international and nonresident students?**

A: Yes, EVC/P has redirected funds to Enrollment Services to increase recruiting activities and has also asked UNEX to assist in nonresidents/international student recruiting efforts. It has been hard to compete with UCLA for international students. The campus is working with consultants on how to increase international recruitment activities.

**Q: There haven't been cuts to the grad block last two years, what will happen now? ~120 less grad students?**

A: The EVC/P has communicated to the deans that grad block will be cut, so yes, there will be a smaller budget for grad student support and less \$ for hiring grad students. Deans/faculty may need to look at increasing funding for graduate students from other sources.

**Q: Is this the same for TAships?**

A: That will hold steady; it is the grad stipend amounts that will be less. The amount of hiring will depend on each school.

**Q: Has there been a change to the Housing plan?**

A: The campus doesn't have any plans for new construction/projects/beds right now. As long as enrollments stay steady, no new housing will be built or at least new construction will probably be delayed. The campus strategic plan includes enrollments of ~32K in 2015-16 and ~29K-30K in 2010-11, but currently actual enrollments are ~27K, so the strategic plan enrollments numbers are being pushed back.

### 3. Funding Streams Model Discussion and Q&A (AVC Lynch)

**Q: Does the funding stream model include tax to certain services on campus?**

A: The campus is moving towards implementing funding streams model in July 2011; the technical details are being worked out, and it still could get derailed.

OP taxes hospitals, auxiliaries, and holds back overhead recovery in addition to Ed Fees. A fair amount of general funds go to fund the OP budget.

There will be a transfer of monies to campuses, and there will be a new tax that will fund OP. The campus will get all of the funds and then tax the same people as OP taxes to pay the tax in 2011-12; down the road, fund allocations may be shifted. The campus needs to be sensitive to creating new taxes to the hospital and auxiliaries without giving them time to plan for dealing with the additional tax.

**Q: Is this good or more lucrative for UCI campus?**

A: Yes, it should be because in the past, UCI has been a significant "donor campus" of Ed Fees. There may be some beneficial and some detrimental outcomes. In 2011-12, there should be little or no effect on any campus programs.

The proposed 1.6% tax is applied to 100% of all expenditures, but the effective tax rate is higher because certain fund sources, e.g., federal contract and grant funds, cannot be taxed.

**Q: Will OP be receiving more or less funding with the tax?**

A: The plan is supposed to be revenue neutral to all parties; however, OP will be receiving a budget cut, so that may reduce the tax %. The original tax is calculated to fund the \$305M OP budget; the tax % should go down if OP's budget is reduced. This gives Chancellors and EVC/Ps the chance to review and opine on OP funding; the President will need to share with Chancellors his plan to adjust OP's funding level for proposed programs, so there will be more transparency in terms of funds campuses contribute towards OP programs.

**Q: Will tax change from year-to-year? Undergraduate council was told the tax would only be enough to fund UC programs.**

A: The philosophy is that the tax rate will not change significantly from year-to-year. However, it is likely there will be a review of the tax rate and OP's funding needs every two to three years or perhaps even annually. It is not reasonable to conclude that increases in campus expenditures automatically create the need for more services from OP. So, it seems logical to assume that the tax rate should be reviewed periodically.

**Q: Which campuses would be most affected?**

A: The campus most negatively affected will probably be UCSF; UCSB, UCSC and UCI would probably be advantaged.

**Q: How does UC Merced budget cut affect UCI?**

A: Merced will continue to be protected, but this has a very small impact right now to other campuses because of the size of their budget. Their most pressing issue is to increase their enrollments.

**Q: UC Santa Cruz plans to use the savings towards campus-based fees, what about UCI?**

A: Every campus is different; UCSC has more campus-based fees than Irvine. Irvine does not currently plan to use the savings towards campus based fees, but it may come to pass in future years; this is an unknown.

4. Budget reduction recommendations to EVC/P

- a. Two ways the SFAC could advise EVC/P on budget reductions to Student Services Fee-funded units:
- b. A positive approach would be for SFAC to advise EVC/P what things are most important and which programs should be protected from budget cuts; and/or
- c. Recommendations also could be in terms of what could be cut if absolutely necessary.

5. Follow up discussion (committee only)
  - a. Given the budget situation, it is likely there will be cuts to Student Services units.
  - b. SFAC should give EVC/P a ranking of most important programs and which programs under any circumstances should not be cut.
  - c. Add to agenda for next week's meeting; the committee will discuss recommendations to EVC/P.
  
6. SOAR referendum
  - a. Committee has up until week 10 to review ballot language for new referendum.
  - b. 25% turnout for referendum conditions come out of ASUCI bylaws and campus policy on mandatory campus-based fees.
  - c. Add vote on referendum language to agenda for next week's meeting.
  
7. Meeting adjourned.