

Student Fee Advisory Committee

October 15, 2012

Meeting Minutes

Present: Justin Chung, Traci Ishigo, Jason Lee, Johnson Liu, Myron Lozano, Naaz Mirreghabie, Meerae Park, Vishal Patel, Melody Wang, Elizabeth Pace, Robert Gomez

Absent: Andrea Gaspar, Patrice Kiiru

Guest Speaker: Planning and Budget Associate Vice Chancellor Rich Lynch

Staff: Karen Mizumoto

- 1) Introductions
- 2) SFAC Binders
 - a) Karen provided an introduction and brief overview of the SFAC binder contents; members are advised to review the contents in more detail before the next meeting and are welcome to discuss or ask questions about the information included in the binder.
- 3) SFAC Chair and Vice Chair elections
 - a) The committee voted to elect Justin Chung as chair of the 2012-13 SFAC
 - b) The committee voted to elect Naaz Mirreghabie as the vice chair of the 2012-13 SFAC
- 4) Student Services Fee Budget Information
 - a) As a starting point, Justin would like the committee to familiarize itself with the Student Services Fee budget and would like to set up tutorial sessions for members who are interested in learning more about the SSF budgets and funding.
 - b) One goal for the 2012-13 committee would be to review all of the SSF budget allocations, and then to begin in-depth review of selected SSF units including reviewing their budgets, services provided, to investigate if there are any discrepancies between the original intent of allocated SSF funds and their current usage, etc.
- 5) UC/UCI Budget Update (Associate Vice Chancellor Rich Lynch)
 - a) 2012-13 Budget Issues
 - i) The state budget act currently includes new state funds to UC in the amount of \$94.3M for 2012-13.
 - ii) \$100M from the 2011-12 mid-year budget cut made permanent in 2012-13.
 - iii) Mandatory cost increases of \$21.6M related to academic merit programs, multi-year collective bargaining contracts with built-in escalations, cost increases to employee

- health, dental and vision plans, increases to employer contribution to the UC retirement program (~10% in 2012-13, but will continue to increase). If fees are increased, the mandatory costs would defray fee increases as the campus mitigates the effect of fee increases for graduate students.
- iv) No planned merit increases for non-represented employees.
 - v) \$26M of previous state budget cut pushed forward to 2012-13.
 - vi) November 6th ballot initiative implications
- b) If Prop 30 Passes:
- i) UC will not be subject to automatic trigger cut of \$250M (~\$25M to UCI)
 - ii) State buys approximately the equivalent of what would have been a 6% fee increase in 2012-13 by providing funds in July 2013.
 - iii) Campus Budget Plan
 - (1) The 2012-13 shortfall is approximately \$58M (\$21.6M in mandatory cost increases, plus \$26M in prior permanent budget cuts made permanent in 2012-13, plus \$10M in additional state budget cut to UCI) to be managed as follows:
 - (2) All campus units will absorb benefit cost escalation including retirement contribution and medical/dental/vision increases for 2012-13. This equals approximately \$12.8M;
 - (3) Approximately \$6M-\$8M in funds is anticipated to be generated by increased Nonresident Supplemental Tuition (NRST), redirection of Summer Session revenue and elimination of additional off-campus leases;
 - (4) \$12.8M will come from UCI's share of additional \$93.4M state funding to UC;
 - (5) UCOP has directed campuses to borrow funds to cover the costs that would have been funded by a 6% fee increase in 2012-13 (approximately \$10M). These funds will be permanently replaced by state funds in 2013-14;
 - (6) Balance of approximate \$16M will be temporarily funded by other campus resources such as the short-term interest pool funds and will be pushed forward to 2013-14.
- c) If Prop 30 Does Not Pass:
- i) UC will receive an automatic trigger cut of \$250M.
 - ii) No state buyout of student increases for 2012-13.
 - iii) Campus Budget Plan
 - (1) In addition to the plan outlined above if Prop 30 passes, UCI will need to absorb an additional \$25M in budget cuts. The additional budget cut will be managed by a combination of increased revenue including NRST. In the past, because NRST may be unpredictable or highly fluctuating because of changes in nonresident enrollments, the campus has been very conservative in increases to the permanent NRST revenue budget, but the permanent budget may be revised upward to reflect more recent growth trends. Cuts will also be funded from other campuses

resources, borrowing carry forward funds from campus units, and pushing forward additional costs.

(2) To address the \$250M trigger cut, the Regents are looking at a myriad of solutions, including increases fees.

6) Meeting adjourned.