Minutes approved 04/09/13

2012-2013 Student Services Fee Advisory Committee
For 2013-2014 Budget
Date: 01/18/13
Time: 03:00 – 05:00 PM
Location: HUB 355

Name	Association	Voting[1] Privilege	Attendance
Cardenas, Laz. [Alt]	ASUCR	X	P
Cervantes, Serena	GSA	X	P
Diaz, Jose	Staff	X	P
Dow, Liam	ASUCR	X	L
Fan, Li	Faculty	X	P
Flores, Stephanie	Ex-Officio-AP&B	-	P
Hong, Ashley	ASUCR	X	P
Jo, Kevin	ASUCR	X	P
Jones, Aaron	GSA	X	P
Kim, Crystal	ASUCR	X	L
Kim, Danny	Ex-Officio-VCSA	-	P
Michels, Georg	Faculty	X	P
Polishko, Anton	GSA	X	P
Salazar, Susana	Ex-Officio-AP&B	-	P
Sedita, Jolene	Staff	X	P
Smith, Vanessa	ASUCR	X	P
So, Eric [Alt]	ASUCR	X	P
Taliaferro, Alexander	ASUCR	X	P
Choi, Erica	Secretary	-	P
Lillie, Sue	Staff Support	-	P
Guests			
Boson, Dalshawn	ASUCR	-	P
Hull, Matt	AVC – RP&B	-	P

P- present A-absent L-late Exc.-excused

[1] X indicates voting privilege

Meeting Minutes

1. **Welcome** 3:05 PM
2. **Approve Agenda**

MOTION:	**Jolene Sedita/ Serena Cervantes**

   a. Move to approve agenda for 01/18/13 meeting
      i. Vote: unanimous – motion carries
3. **Approve Minutes**

MOTION:	**Kevin Jo/ Serena Cervantes**

   a. Move to approve minutes for 11/16/12 meeting
      i. Vote: unanimous – motion carries
4. **R&PB SSF Presentation by Matt Hull**
   a. Handouts: Student Services Fee Advisory Committee FY 2012-2013 booklet and "Higher Education" packet
      i. Presentation on fiscal year 2013-2014's initial state budget requests and summary of student requested fees
      ii. Highlights in the Regents' budgets include:
         1. Cost adjustments for core admission of 6%
         2. $125 million from the government to UC system for not raising fees
         3. $125 million programmatic improvement fee next year for the UC system of 6%, or a fee buyout
   b. 2013-2014 Budget Proposal chart on page 2 indicates proposed increases in revenues (left) and expenditures (right) system-wide
      i. Example: $150 million for base budget adjustments, then $15 million for UCR School of Medicine, with an additional $125-6 million state support or fee increases
      ii. This process is usually done in November right after the Regents' Budget Presentation, but as of now, the January Governor's budget is more immediate
   c. California government is proposing $125 million as a core adjustment to the UC Budget (Regents originally asked for $150 million and 6%)
      i. However, government is only providing 5%
      ii. Fee buyout honors agreement in response to UC's not raising fees
      iii. UC's are still short $175 million of what was requested
         1. UC's cannot raise student fees for 4 years, but this would result in cutting student programs
      iv. Governor Brown is not happy with the output of current higher education graduates in regards to graduation time, graduation rate, etc.
         1. In particular, UC's delivery of education is considered archaic. Governor Brown wishes that out of the $250 million allocated to

schools, $10 million would be used to improve instruction through technology

2. Currently:
    a. 16% 4-year graduation rate at CSU's
    b. 60% 6-year graduation rate at UC's (UCR currently at ~66% 6-year graduation)
3. By better utilizing summer courses and reforming UC undergraduate education delivery, government wishes to make education more affordable through faster graduation rates
    a. Risk of ending up with laws dictating student graduation rates; example: a fee issue of bills and legislature enforcing 7-year moratorium on fee increases

d. Change Modeling and Take out Fee Increases
    i. Basic broad level operating assumptions
        1. Campus enrollment plan
        2. No student fee increases
        3. Estimate of merits/raises
        4. Employee benefits cost
        5. Retirement employer cost increases
    ii. Table 1: Permanent On-going Operating Budgets for Funding Source approved prior
        1. Divided by organizations, then departments
        2. Between the UC's Student Services Fee and UCR's SSFAC, $17-18 million budgeted between the two funding sources
            a. On-going operating budget for departments year after year assuming no changes suggested by committee/approved by chancellor
    iii. Table 2: How Departments Closed last fiscal year
        1. Chart of deficits and/or surpluses
        2. Numbers can be affected by:
            a. Buying contracts in advance to save money
            b. Complicated vacation accrual and posting system can make it seem like there is a deficit
        3. Last column: reference to permanent budget and how large there is a carry-forward or deficit in relation to the permanent budget
            i. Parentheses are negative balances, indicating departments went over-budget
    iv. Table 3: Fees and Enrollment
        1. Exemptions and waivers deducted from projected enrollment

2. Total projected net paying customers (students): SSF & Mental Health Augmentation of SSF = $972 paid annually by students
    a. Fiscal Year 2012-2013 projection = $20.6 million in revenue
    b. STIP: interest earnings on cash. Also from deferred payment plans
    c. Revenue increase is only 1% enrollment growth with no increase in fee
3. $600K already taken out – larger amount needed to help with cash flow
4. Projected expenditures base $15 million; last year was the final year of temporary on-going funds of $600K
    a. Every year fund puts $100K in capital reserves with financial aid set aside
    b. The assessment for UCOP includes cost adjustments that will cost funds on an annual base
5. UCOP Services
    a. Against $20.6 million, $17.7 million in direct operating expenses
6. Operation of maintenance and plants, spaces such as: HUB, Student Affairs programs, Learning Center
    a. Includes utilities, custodial maintenance, and debt service on buildings
        i. Example: Veitch Health Center needed $54K to meet minimal custodial/sanitation requirements
        ii. Still requires $219K directly for the facility
    b. Capital expenditures: building payments, with almost $900K debt service obligations
7. Total of $18.8 million expenditures lined up against $20.6 million in revenue gives us an operating balance of $1.8 million
    a. Of the $1.8 million, .25 is required to set aside any debt service payment to put into fund for long term maintenance of building. Debt service coverage is $221K, and mental health reserve is $153K
    b. After everything, a projected $1.46 million is available that is uncommitted
8. Funds will break even doing nothing around Fiscal Year 2016-2017, assuming no enrollment increase (at about ~1% a year) and no fee increase

v. Table 4: Mental Health Programs

1. Required to set out $61 out of $971 paid by students.
2. $153K spending this year on-going to: The WELL, Counseling Center, and Student Health Center
3. Allocations will be tracked separately and reported to UCOP

vi. Table 5: UCR Specific Funds (Projections)
1. SSF system-wide funds and referendum fund for student services programs
2. UCOP tax: based on percentage of total spent
    a. Planning model for the future
    b. Balance is determined by which departments funds have already been allocated
        i. Stays in departments, then some funds go to reserves
    c. Fund account/SSFAC fees stay inside SSF funds

vii. Table 6: Chart of what actually happened
1. Fiscal year 2011-2012 actual revenues and STIP (Short Term Investment Pulling)
    a. $2.1 million held in operating reserves for one-time allocations, $229K for mental health allocations, and $254K moved into capital reserve
    b. $348K (net to capital reserve + net to operating reserve) not allocated for any purpose, so sent directly to reserves

viii. Table 7: Projected Operating & Capital Reserves
1. At end of Fiscal Year 2011-2012, $14 million in reserves, of which $6 million was set aside for Veitch
2. SSF $10 million beginning balance (from Table 6) then makes up balance
3. UC SSF: Estimated $2 million available, but gave out $2.1 and had extra $245K left

ix. Capital projects: buildings, Commons mall $4.5 million approved by committee, and Veitch Health Center in range of $30 million (preliminary)
1. Capital planning staff will later present on project buildings

x. Figures reliant on enrollment increases, but not a huge, reliable factor
1. Although number of applicants for Fall 2013 increased (2nd highest increase in UC system), freshman enrollment will remain the same in the upcoming year

xi. Additional deficits in employee benefit account
1. Mandated costs to cover for employees: $400-500K deficits every year, which is complicated by campuses not being able to increase fees to accommodate for this deficit

5. **Review Overall Budget and Subcommittee Review**
    a. Numerous addenda requests with all departmental proposals
    b. Imperative to gather with subcommittee to meet department heads and to discuss their requests to the SSFAC
        i. Subcommittees have from now until the end of March to interview departments regarding addenda requests
        ii. Identify a group leader who can communicate for the rest of the group with staff
    c. Make sure to question how the department helps students and to track how many students are served by the department
    d. Cash allocated out of $1.4 million at end of year (besides the $600K); projected amount to allocate will be $825-845K
        i. Equates to about $150K of allocations per subcommittee
6. **Adjourn Meeting**

MOTION:	**Kevin Jo/ Liam Dow**

    a. Move to adjourn 1/18/13 meeting
        i. Vote: unanimous – motion carries
7. **Adjourn 4:54 PM**