**Student Fee Advisory Committee**

 **Meeting Minutes -April 22, 2014**

**A 239 Murphy Hall**

**Attendees Present:**

Graduates: Alison Winje (Chair), Randy Mai, Theresa Stewart

Undergraduates: Janay Williams, Jazz Kiang, Jas Kirt

Administration: Christine Wilson, Director, GSRC

Maureen Wadleigh, Associate Director, CRA

Nancy Greenstein, Director, Police Community Services Bureau, UCPD

Faculty: Kym Faull, Prof. in Residence

Ex-Officio: Rebecca Lee-Garcia, Academic Planning and Budget

Advisor: Marilyn Alkin

Absent: Annie Blomberg, Moneel Chand

Guest: Glyn Davies, Associate Vice Chancellor of Academic Planning and Budget

**Call to Order:**

* The meeting was called to order at 1:10 p.m.
1. **Approval of Agenda:**
* A motion was made to approve the agenda. The motion was unanimously approved.
1. **Review of Minutes:**
* A motion was made to approve the minutes. The motion was unanimously approved.
1. **Budget update/Reserve allocation**

**Alison Winje**: Glyn Davies, Associate Vice Chancellor of Academic Planning and Budget, will attend the meeting to talk about the transition of the mental health funds to the permanent budget and any advice he might have on how much money SFAC should keep in reserve funds. She also plans to ask him about whether the IEI fee will apply to graduate students this year or in future years.

**Alison**: Have the subcommittees met? It was discussed that some of the subcommittees have met but haven’t finished discussions.

**Jas Kirt**: Is GSA allowed to request funds from the SFAC?

There was a discussion about this and the consensus was that GSA can’t request money directly from SFAC. Their request can come from an administrative unit such as Student Affairs. The committee was reminded that any request reviewed by SFAC can be approved or denied. Christine Wilson added that in the past, GSA has received student service fees to fund publications.

**Glyn Davies**: Addressed Alison’s question about mental health funds. Glyn said Rebecca had briefed him on SFAC budget structure that was in place and it seemed to him it was a remnant of 20 years ago. There were various accounts with small amounts of money put in a permanent reserve. SFAC would be better off with 2 or 3 accounts.

Another thing to consider: What percentage of the anticipated revenue from student fee payment should SFAC reflect as a permanent amount, and how much as an excess over anticipated revenue, so we don’t exceed an allocation? Given the increase in student enrollment over the last 5 - 6 years, and now that there’s a period of stability, it’s probably safer to reflect 95 – 97 1/2 percent of estimated revenue as permanent. That would allow SFAC to think about more permanent initiatives than SFAC has done in the past. The amount of permanent money now available is pretty significant relative to the entire base. It’s roughly a third and probably too much to have in cash.

It doesn’t change the amount of temporary money to consider for this year’s allocation. It does make SFAC sit back and consider things that SFAC has done in the past such as funding increases in retirement contributions and staff salaries on a permanent basis. The cost of doing business, especially retirement contributions and staff salaries, has increased but the state is not providing additional money and far exceeds the amount of money SFAC has to allocate. SFAC is being pinched.

The other challenge this year is that SFAC has received a significant number of requests for temporary funding. There are a number of temporary requests approved for staffing positions that are needed to deal with increased enrollment and student needs. Enrollment isn’t declining so should temporary requests continue to be approved year after year?

**Nancy Greenstein**: Asked if Glyn had seen the letter SFAC sent for requests because it addressed some of the issues he brought up.

**Glyn:** He did read the letter but won’t review the requests until SFAC has made their funding decisions. The question is: Did people follow the criteria?

**Nancy**: The requests her subcommittee reviewed followed SFAC’s directions and no new, full-time positions were requested. But that remains to be seen for other subcommittees.

**Christine Wilson:** About three years ago, SFAC hired people because there was a great need and the money was available. But now that the amount won’t increase for a few years, possibly, was it wrong to approve the requests?

**Glyn**: It was not right or wrong because the money was available for a number of years. But then the retirement contributions increased and that changed the way of thinking about temporary and permanent positions. SFAC has approved requests that take into account staff salary raises and increases in retirement contributions (which went from 0 to 15 percent) when enrollment was also increasing. But enrollment numbers have reached a plateau and may dip slightly so a determination needs to be made as to whether staff positions, particularly permanent ones, can still be approved. One possibility is building staff costs for Psychological Services into student health premiums.

**Christine:** Asked if the idea of building staff costs into student health premiums is an option.

**Glyn:** He had mentioned it to the Student Affairs Office but it does need to be pursued further. He also discussed possible scenarios for fee increases including the possibility that even if fees are increased in the coming years, the additional monies would go toward tuition/ the university’s teaching mission. There would be no additional funds for student services.

**Christine:** Asked if that would happen if the fees increased.

**Glyn**: It’s a possible scenario. He hasn’t heard any details from the UCOP budget office.

**Alison:** Asked when the mental health funds were being switched to a permanent fund.

**Glyn:** Provided a history of the mental health funds. He said the funds have been included as a temporary fund but they are permanent monies that should be allocated as such. The change takes place immediately and doesn’t impact any other accounts as Mental Health was already being paid as a temporary continuing commitment every year.

**Christine:** Asked if making the monies permanent will help boost SFAC funds to 95 percent permanent.

**Glyn:** It helps increase the percentage of the anticipated revenue that is permanentized. Our student population and revenue has increased to the point where it’s a reliable number. It makes sense to put it in a permanent bracket as opposed to every year including $12 to $20 million as temporary funds.

**Maureen Wadleigh:** Asked if the next opportunity to permanentize more funds would be when the fee is increased. Glyn said it was but there’s no guarantee that the fees will be increased.

**Alison:** Because all the reserve accounts are combined now, what would be an appropriate or wise balance to keep in the account?

**Glyn:** There are challenges with respect to people in permanent and temporary positions, how their salaries and total benefit packages will be covered and how much those costs will come from the student services fee. In the past, SFAC has recommended covering all those increases because it doesn’t want services to students to diminish. But other campus units have not covered them. That means that to consider additional student services will take a lot of thought and deliberation from the committee.

Glyn recommended the amount businesses keep in reserve is 60 days of working capital. That would mean about $6 million for SFAC, which may be overly aggressive. If you cut it in half to $3 million, that might still be too aggressive given that it would only leave you with $10 million to allocate. How long would that last with current funding requests as well as salary and retirement costs? There’s also uncertainty about whether student fees will increase in future years.

**Maureen**: Should the permanent budget go into deficit, and there are no student fee increases, could SFAC use temporary funds to cover a deficit?

**Glyn:** Permanent funds can’t go into deficit and he would never approve that. UCLA’s student fees are the lowest in the system. Other UC campuses have passed referendums to raise money for student services and related projects so that is another possible option for UCLA. SFAC is getting to the point it needs to find alternative funding sources. The other option is recommending to the Chancellor that if there is a compelling request for permanent money but SFAC doesn’t have the resources, and the request is important to the student body, could his office find other funds to either fully or partially fund the activity? Or is there a way to partner with other funding sources to pay for it?

**Alison:** Why hasn’t that been done with CAPS, which is a really important service for students?

**Glyn:** CAPS currently has about $2 million worth of temporary commitments that prior committees have approved and this year’s request is the one that burst the bubble. They are asking for over $5 million worth of increase in staff positions including salaries, wages and benefits over two years. It’s not temporary. The student body numbers are not going to decrease and the services are not going to go away.

**Kym Faull:** Glyn’s suggestion as to how much to reserve is helpful.

**Glyn:** The suggested amount might be overly aggressive and funds are constantly replenished so the amount could be reduced. But he said at some point, either this committee or the next is going to have to look at allocations of current resources and determine how much funds are important to keep and what could be spent to maintain the highest priority of services.

**Christine:** Have we already crossed that line? Glyn said that he would leave that up to SFAC to discuss but it’s a line to really focus on. Christine asked Glyn to review what the two budget options are.

**Glyn**: One of the ways that the 19900 funds were dealt with was by thinking about two options: Hold your budget constant, which means you have to deal with price increases, or fund the price increases and cut your budget. For 19900, we kept schools’ budgets intact so they had to deal with price increases.

**Christine**: Not a fan of across-the-board budget cuts but it seems like if you don’t fund costs increases, you are cutting across-the-board.

**Glyn:** At worse, SFAC has to make drastic budget cuts. The best scenario is to make strategic budget cuts.

**Christine**: Does that happen within the divisions?

**Glyn**: That happens at the Vice Chancellors’ and Deans’ level.

**Christine:** What if we say to Student Affairs, this year we are funding you but not next year? Would that be up to the Vice Chancellor to decide which units take or don’t take a budget cut? It’s confusing how much we decide, or how much the Vice Chancellor decides to move money around.

**Glyn:** The Vice Chancellors have a certain degree of flexibility but SFAC also has a mandate from the Chancellor to provide advice.

**Christine:** If we decided not to fund the cost increases going forward, SFAC could also give advice about where to prioritize maintaining the budget?

**Glyn:** SFAC is the voice the Chancellor looks to for guidance as to what are the most important services to students. SFAC could say that certain services are critical and others are important but not critical.

**Kym:** There’s a large surplus right now and let’s say we budget toward the reserve amount that Glyn has suggested and we let future committees decide about funding the increases. You don’t know what is going to happen in four years.

**Christine:** Tend to agree with Kym but that UCLA has done better than other campuses in terms of its financial budget because it’s been conservative with its budgeting. And in terms of the student services budget, UCLA is doing better because other campuses have made drastic cuts. She added that some committee members will want to be conservative and others will want to spend.

**Kym:** SFAC should accommodate good services that are well-justified, and most of the requests he’s seen are necessary.

**Alison:** Are we talking about temporary funds and also permanent funding allocations?

**Glyn:** SFAC should examine everything. The challenge facing SFAC is we’ve got a temporary request. Is it temporary? Can we actually go two years down the road and say, ‘OK, that was a great experiment and now we are not going to do it anymore?”

**Glyn:** SFAC is a great committee to serve on but not a simple committee to serve on. From 2000 on, the student body increased by 4,000-5,000 and there was an increase in non-resident students, so the campus had more money to spend. As the student population increased, people spent that money on services that were really important because the campus became denser and more services were needed. But if you look at the total student body, including evening and weekend students as well as medical interns and residents, the campus is up to about 42,000 students in 413 acres. That’s a significant number of students and limited space.

**Maureen:** Would like more information about what other funding alternatives exist for those units that request funds from SFAC. Is it part of our role to explore other alternatives before coming to SFAC because we have constrained resources?

**Glyn:** That’s a difficult position to take but not a difficult position to take once it materializes. In the past, SFAC may have been grappling with a request of $1 million from one entity but certainly not $5 million. So that changed the rules of the game. There are two tasks at hand: What does SFAC think of the request? Does it make sense? Are the services necessary and at what level? And then you get to the point where SFAC might say that there is not $5 million to allocate to one group. You could send it to the Chancellor and say this looks great but there are insufficient resources to do it. Can you help? Or the committee thinks that a set amount of dollars could go toward this project but that leaves another amount left over. How would that amount get funded?

**Kym:** It would be good to know what the CAPS request has been and why is this one so much more. Other committee members said they would look into it. **Christine Wilson** said she spoke to the CAPS director who said there is a 25 percent increase in visits. Alison said she had a spreadsheet that showed the requests from last year. **Marilyn** said it may be that students at all UC campuses are coming out and saying I need help. **Christine** said she’s heard something about the idea of funding CAPS differently from a graduate student who used to represent UCLA on student insurance issues as well as other changes. **Christine and Kym** said this could be taken into account if the entire request isn’t funded and SFAC needs to tell CAPS to look for other funding alternatives. **Kym** said that when an organization requests such a large increase in funding, it’s not clear that will be a permanent change. In couple of years down the road, SFAC will know if it’s a permanent increase. **Christine** said there are more students with mental health issues who might be in college. They now have more access to psychiatric visits and medication and there’s also a growing acceptance when it comes to receiving mental health care. People might go because they are stressed out and that pushes the demand for these services.

By unanimous vote, the Committee entered executive session.

The Committee exited executive session.

**Alison** asked **Rebecca** to send a spreadsheet of all the requests listed.

**Alison**: The next step is for each subcommittee to present their requests and provide

preliminary recommendations about what to approve/not approve. Once those

recommendations are discussed, the committee will prioritize which requests should be

funded and decide how much of a minimum balance to keep, etc.

**Marilyn:** The 5th and 6th week, the subcommittees make presentations, ask questions and

voice concerns. During the 7th and 8th week, SFAC should start to prioritize the requests. By

9th week, SFAC can start to draft recommendations to the Chancellor and 10th week, the letter

by SFAC with final recommendations should be ready to send to the Chancellor.

There was discussion about a funding request from the UCLA Marching Band.

1. **Announcements**

**Alison:** Asked if SFAC had received a Collaborations Report from Associate Vice

Chancellor Monroe Gorden. Last year, SFAC received three similar requests and SFAC only

approved half the money with a contingency that they collaborate and produce a final report.

This is the report and they’ll probably request full funding now. SFAC asked for the

committee to read it and be prepared to discuss it. **Christine** said she was also familiar with

the report.

SFAC will meet next Tuesday, April 29.

1. **Adjournment**

A motion was made to adjourn. The motion passed unanimously.

Meeting adjourned at 2:32.