

**Council on Student Affairs and Fees (COSAF) Training Meeting  
For Voting Members  
September 23, 2015  
Memorial Union, MU II  
10:00 am – 2:00 pm**

Agenda:

- 10:00 Introductions
- 10:15 Presentation on Campus Budget (Kelly Ratliff, Sr. AVC, Finance & Resource Management)
- 10:45 Presentation on Student Service Fees (Laurie Carney, Analyst, Budget & Institutional Analysis)
- 11:15 Presentation on Return to Aid (Deborah Agee, Director, Financial Aid Office)
- 11:45 Lunch and Discussion (Vidur Dewan, Co-Chair)
  - Scope and charge of COSAF
  - Review of Bylaws
  - Member Responsibilities
  - Meeting Schedule
- 1:15 Presentation on Campus Based Fees and CPI (Luci Schmidl, Budget Manager, Student Affairs)

Below are some notes and questions raised. They are not a comprehensive review of the handout materials that were covered.

**Kelly Ratliff's Presentation on Campus Budget**

[Handouts were provided and discussed.]

2015-16 budget is ~\$300M higher than the handout with the 2014-15 budget, but the proportions remain the same as for 2014-15.

Money given for an endowment does not show up on the revenue chart – only the interest earned.

The proportion of state funding varies across campus.

We got about \$14M more this year, but tuition is frozen and fixed costs are increasing by \$32M, so this creates tension.

Q (Vidur) – Why are fixed costs going up \$32M?

- Contract employee salary increases
- Merit program salary increases for non-represented staff
- Health care costs
- Deferred maintenance costs

The first 3 of these represent most of the increase in costs.

Q (Paul) – How are buildings funded?

- State
- Student fees
- Auxiliaries
- Parking
- Gifts

Q (Paul) – Are maintenance fees now incorporated into the initial funding?

- Yes, but that's fairly new

There is now a multi-year plan to eliminate the budget deficit once tuition rises again.

Q – How long has the deficit been going on?

- About 7 years
- Initially it was due to the State's cutting of fees for about 5 years
- About 2 years ago we hit a point of stability, but not increase

This is not an exact science!

Q (Paul) – When I pay tuition, does it go to the college I'm in?

- No. We have more and less expensive disciplines, and we want students to have varied disciplines available. Some schools vary tuition costs based on majors. We do not. We parcel out tuition per student, per major, etc.

Q (Jade) – Are tuition and fee remissions factored in?

- Yes

Q (Isaac) – When did 2020 Initiative start?

- Fall 2011. We added students first and then faculty. Staff is lagging in some areas, except clinical services.

UC Davis serves the most CA residents (by absolute #s not %)

We are changing the proportion of non-residents via growth, not by limiting CA residents. Moving from 5% to 17%.

UC Davis values international influence – as a matter separate from finances!

Growth adds costs as well.

CPI (Consumer Price Index) and Higher Ed Price Index are for maintaining the purchasing power of fees

COSAF's job is to evaluate the balance of the 2

I (Kelly) encourage COSAF to consider a multi-year platform for the yes or no vote on CPI. There are compounded multi-year impacts to the choice.

## **Laurie Carney's Presentation on Student Services Fees (SSF)**

[Handouts were provided and discussed.]

Among Laurie's areas of work at BIA are Student Affairs and Athletics.

Student Services Fees are

- System-wide
- Set by the Regents
- Paid by all students, with very few exceptions

There are expected to be 5% annual increases for at least the next 3 years.

There is no CPI (Consumer Price Index) increase for SSF as there is for many Campus Based Fees (CBF), so the 5% is not dependent on that.

SSF have a certain amount taken off the top for mental health services.

Q (Paul) – (re: handout info) Is the fee exemption for low income subsidized or just “lost”? [not sure]

Q (Paul) – Do all UC Davis student fees come directly to UC Davis? [Yes]

The \$900 fee is considered a base. Any increase above that is subject to Return to Aid.

Discussion of handout with info on Regental policy 3101 and guidelines. Guidelines indicate the general expectations in ideal situations (for instance, that fees cannot be used for academics) but they also allow for some flexibility in consultation with SSF Advisory Committees for their recommendations (COSAF here at UC Davis).

Tuition is for academics. SSF for non-academic services.

[John Campbell note – One of the roles of COSAF is to do some investigation, ask questions and evaluate services funded by SSF and their value to students, even outside Student Affairs. (For example, questioning why Mondavi receives SSF and what the funds are used for.)]

Appendix in Laurie's handout shows allocations for 2014-15. We anticipate additional revenues beyond the fixed cost increases that they will need to review for allocation.

BIA prepares an Annual Report of expenditures which will probably be presented to COSAF at the start of the calendar year. We can also see how the other campuses use their SSF.

### **John Campbell comments:**

It is VC Adela de la Torre's wish that COSAF not only be advisory regarding SSF, but also regarding issues within Student Affairs. This committee should ask hard questions and challenge things!

## **Deborah Agee's Presentation on Financial Aid**

[Handouts were given and discussed.]

In general, Return to Aid is 33% of fees – SSF and CBF.

Our students have ~\$9-10,000 less in student loan debt than the average. Return to Aid is really important to our students! The money is turned into grant funding for needy students. Generally there is a small amount of carry-forward that is spent in the next year – we don't hold onto funds.

[JC added comments] Fees that do not have a CPI component don't contribute to Return to Aid.

CPI allows for an increase to certain Student Fees annually for cost of living, fees that were passed by student referenda for programs services and facilities.

First one with this option was FACE.

The MU fee does not have a CPI option. It was one of the first Campus Based Fees (CBF).

Think of CPI as an "adjustment" to keep up with inflation rather than an increase.

Q (Isaac) – The CPI increase is targeted to the San Francisco region. Why?

- A while ago it was suggested that the Sacramento region's CPI was not high enough. The CA State CPI is not that different from SF

UC Davis is #1 or #2 in amount of Student Fees. SSF are just one funding source.

Q (Isaac) – Why can graduate schools allocate aid not solely based on need?

- We need to attract a competitive student body.

## **Lunchtime comments from Co-Chair, Vidur Dewan**

Scope of COSAF's responsibilities include looking at SSF, CBF, new referenda, other issues within Student Affairs as requested.

We will be posting materials online.

Meetings are open.

This year there will be compensation for the student voting members.

While we have no direct influence on SSF, we all pay them, so it is important to look at and understand them in conjunction with the CBF.

If you have any schedule conflicts, let Vidur and Naftali know.

Note that the bylaws are not set in stone. They can be amended if necessary by the committee.

There will be dedicated time on the agenda for each meeting to allow for public comment.

Q (Paul) – Is the committee roster complete?

- Jan B – there are appointments still to make
  - We are communicating with the Transfer Student Center for a transfer student
  - We are waiting for a response from the Faculty Senate for faculty appointees
  - We need one more graduate student

### **Luci Schmidl's Presentation on Campus Based Fees (CBF)**

[Handouts were given and discussed.]

CBF overview sheet includes info from the referenda.

LSA fees go directly to the Law School – it doesn't go through Student Affairs.

LEEAP is separate because law students don't pay for certain parts of the fee.

SASI has no Return to Aid (RTA) component.

The RTA component varies per fee.

We don't have oversight of the Health Fee.

SSF has a RTA component.

The referenda themselves have more complete information for your reference.

Shared handout that shows a breakdown of where the fees go.

Fee amount x estimated student enrollment = amount for creating the annual budget for each supported unit.

Estimated enrollment numbers are conservative, so funds are distributed by percentage to units based on the actuals. This is done for all fees. They are not held for anything.

Q (Roman) – What happens if units don't use all their revenue in a year?

- The money goes to the unit and is carried forward – it is not swept or used for anything else.

Q (Paul) – What happened to the Net Revenue Fund?

- It was the MU fee reserve.
- (Jan B) The Stores was making income exceeding the anticipated budget years ago. As revenue has decreased, there is not much additional income. About 5 years ago we did away with the term "Net Revenue" since there was no excess. There is still an MU fee reserve that is used for construction.

## SASI handout

The reserve requirement is 3%, a rolling amount which is a safety net to cover programs not covered by CPI.

Q – Are reserves ever reallocated to other units?

- No, not without a vote

(Jan B) If a department like CRU is creating a big reserve, they should have a reason. It's a good question to ask when we have department presentations. CRU, for example, saves up for equipment costs (replacement of equipment every 5 years).

(Luci) A bigger issue is that the 3% reserve should always be there.

Q (Vidur) – Are there any consequences if there is not a 3% reserve?

- We have discussions with the unit to determine how they will get back to having a 3% reserve.

Q (Vidur) – Is there any interest made on reserves?

- That is included in the number on the handout.

Q (Paul) – Do any referenda ever sunset?

- No
- (Jan B) Students decided to do that because after a 30 year bond, equipment and upkeep are going to be needed.

Q (Roman) – Can we add a sunset clause?

- (Jan B) It would have to be by a new referendum

Meaning of “sunset clause” was clarified.

(Luci) A debt ratio of 1.25 needs to be retained.

(Jan B) This means you have to collect 125% of what you need to pay out.

Q (Paul) – If you put 25% into a reserve and then use it, is that really a reserve?

- Yes, there are different uses for reserves.
- It is a good question to ask departments: what has been their use of reserves over the years.

## CEI Fees handout

These are complex, because different groups pay into different fees.

SCC received non-CPI funding to get their debt ratio up to 1.25.

The Coffee House bond is complex, managed by UCOP. It started as interest only, so the debt service payment is going up every year. Therefore the reserve has been building up because it has to be ready to cover the increasing amount.

CRU – complex fees

Student Health Center debt payment will double in 2020 so the reserve has to prepare for that. There is a 40 year plan.

Q (Paul) – For the Student Health Center, why are salaries over \$2.5M?

- Cost of technical staff
- Does not include physicians and counselors

Q (Tommer) – For Sport Clubs, if students pay to participate, is that reflected on this report?

- No, that is an additional charge

Q (Aaron) – Explain the debt ratio again?

- Take the total revenue, subtract operating expenses, and the remainder has to cover the debt payment PLUS 25% to go into reserves
- (Jan B) That is a bond requirement
- (Luci) We can't spend more than the amount of the debt

The MU fee, though not subject to CPI, all students pay it. It had a sizeable reserve before 2014-15 which funded a portion of the renewal project with \$10M in cash and kept intact the operating expenses.

Q (Tommer) – What was the Cost of Catering Trailer Relocation related to?

- Catering all used to happen out of the MU, but has been moved to Segundo.

Q (Isaac) – What is the Amazon Books Tenant Improvement?

- (Jason Lorgan) This is a portion of the remodel cost to create a physical Amazon location in the Stores. Part will be paid back per the Amazon contract, and part via tenant rent.

There is funding for Freeborn Hall Planning.

CPI information, printed from the website (handout)

CPI is applied only to operating expenses. It separates out the debt service portion, so a 2.5% increase becomes, in effect, 1.something.

