



UCDAVIS

Budget and Institutional Analysis

2017 Student Fee Review (Audit) Overview and Status Update

Presentation to COSAF

January 11, 2019

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Student Fee Review (AMAS Project #17-54)

- Conducted by Audit and Management Advisory Services (AMAS)
- Released September 2017
- Link to final report provided on last slide
- Focused on four largest student referenda fees totaling ~\$75 million annual revenue:
 - Student Services Fee
 - Campus Expansion Initiative (CEI)
 - Facilities and Campus Enhancements (FACE)
 - Student Activities & Services initiative (SASI)

Student Fee Review: Management Corrective Actions

- Report included recommendations or “management corrective actions” (MCAs) addressing:
 1. COSAF membership and action documentation - cleared
 2. Reporting procedures for Student Services Fees - cleared
 3. Student fee funds in the campus budget process - cleared
 4. **Multi-year planning for strategic uses of student fees – not cleared**
 5. **Policy/guidelines for carryforward funds for student fees – not cleared**

Management Corrective Actions: COSAF Involvement

- More discussion about 2 remaining MCA's to be cleared at these COSAF meetings:
 - ~~November 16~~ rescheduled due to campus closure
 - ~~November 30~~ rescheduled due to campus closure
 - January 11
 - TBD
- COSAF input will be gathered throughout the year as individual fees are reviewed.

Management Corrective Action: Multi-year planning for strategic uses of student fees

- BIA is developing multi-year plans for student fees to reflect:
 - Planned operating uses
 - Debt service
 - Carryforward/reserve requirements
 - Long-term maintenance of facilities
 - Other strategic uses
- Additional input to be sought from campus units on planned uses
- Draft plan on next slide

Sources & Uses of Campus Based Fees: FACE/LEEAP

Facilities and Campus Enhancements (FACE) Fee - 20013

Legal Education Enhancement and Access Program (LEEAP) Fee - 20014

	2016	2017	2018	2019	2020	2021
Sources	Actual	Actual	Actual	Projected	Projected	Projected
Total Fees	\$14,733,486	\$15,451,977	\$16,192,007			
Return to Aid	-\$2,445,157	-\$2,352,808	-\$2,621,562			
Sub-Total Net Fees	\$12,288,330	\$13,099,170	\$13,570,445			
Interest Income	\$131,381	\$0	\$117,169			
Total Sources	\$12,419,711	\$13,099,170	\$13,687,613			
Uses	Actual	Actual	Actual	Projected	Projected	Projected
<u>Campus Recreation</u>						
Sal & Ben	\$2,173,894	\$2,390,931	\$2,609,782			
Operating	\$1,956,218	\$2,532,864	\$2,446,143			
Debt Service	\$2,759,664	\$2,719,453	\$2,726,427			
Project Funding	-\$35,524					
<u>Athletics-Schaal</u>						
Sal & Ben	\$144,362	\$168,241	\$197,668			
Operating	\$582,718	\$605,268	\$554,348			
Debt Service	\$391,990	\$369,368	\$369,953			
Project Funding			\$2,113,000			
<u>Athletics-Stadium</u>						
Sal & Ben	\$265,847	\$201,248	\$306,565			
Operating	\$342,081	\$617,597	\$1,253,309			
Debt Service	\$1,073,474	\$1,052,986	\$1,057,793			
Project Funding		\$21,500				
<u>Student Recruitment & Retention</u>						
Sal & Ben	\$377,814	\$446,871	\$441,841			
Operating	\$296,449	\$236,476	\$213,111			
Other	\$86	\$0	\$2,725			
Total Expenditures	\$10,329,073	\$11,362,803	\$14,292,664			\$0
Annual Net Position	\$2,090,638	\$1,736,366	-\$605,050			\$0
Prior Yr Carryforward	\$4,962,594	\$6,828,232	\$8,215,399	\$7,610,348		
One-Time Adjustments	-\$225,000	-\$349,200				
Arena Loan Repayment	-\$225,000	-\$349,200				
Ending Balance	\$6,828,232	\$8,215,399	\$7,610,348			

Management Corrective Action: Policy/guidelines for carryforward funds for student fees

- Carryforward balances (a.k.a. reserves) are used to pay for future obligations and manage financial risk.
- Existing guidance supports a consistent and transparent approach to how campus units manage and report on carryforward balances. However, it is not binding.
- BIA proposes the following changes to existing guidance:
 - Incorporate Student Services Fee, Mental Health Fee, and campus-based fees
 - Establish different carryforward margins for funds used for operating expenses and for funds used to support facilities
 - Specify at what organization level carryforwards should be evaluated and by whom
 - Specify that BIA will present carryforward balances to appropriate oversight committees
- Specific revisions to be shared with COSAF and other stakeholders for input

Additional information for review

General information about UC Davis' audit process:

<https://internalaudit.ucdavis.edu/audit-process>

Student Fee Review (Project #17-54):

https://www.ucdavis.edu/sites/default/files/upload/users/student_fee_review_09.2017.pdf

Current guidelines on carryforward fund management*:

[https://budget.ucdavis.edu/analyses-reports-white-papers/documents/carryforward/Management of Campus Carryforwards and Reserves.pdf](https://budget.ucdavis.edu/analyses-reports-white-papers/documents/carryforward/Management_of_Campus_Carryforwards_and_Reserves.pdf)

*Note: Carryforward margins for “Campus-Based and Other Student Fees” are included in the table on page 2, but none of the fund numbers listed are student referenda funds. This is under review.