

Campus Planning Committee
September 27, 2011 2:00-4:00 p.m.
Minutes

Members Present: Todd Lee, Gary Leal, Gene Lucas, Joel Michaelsen, Marc Fisher, David Marshall, Rod Alferness, Beverly Colgate, Michael Witherell, Richard Watts, Linda Flegal,

Members Absent: Henning Bohn, Gayle Binion, Tanya Israel, Ron Cortez, Michael Young, Diana Dyste Anzures, Harrison Weber,

Alternates Present: Yonie Harris, Chloe Stryker

I. ANNOUNCEMENTS

Assistant Chancellor Lee discussed the \$66 million shortfall previously estimated in May consisting of both budget cuts of approximately \$40 million and \$26 million of unfunded expenses. In June the State of California approved a budget that included a new \$150 million cut for the University of California, resulting in an additional 8.1% cut in funding for UCSB.

There has been a slight increase in retirement contributions, original expectations estimated an increase from 4 % to 7% but in reality contributions went to 7.68%. There were changes in the formula to distribute cuts to campuses and the campus is now aware of the UCOP Assessment as part of the funding streams. Broadly implemented faculty salary increases of 3% plus increases in associated benefits were also not in the original campus budget plans.

Increased student fees of 9.6% effective fall 2011, plus higher enrollments have created additional revenue. UCOP has also provided some one time support.

As a result of the additional cuts and changes in funding the original deficit of \$66 million increased to \$88 million, the vast majority of which has been covered by revenue increases, primarily through fee increases over the past two years. In addition, increases in non-resident student income have helped offset budget shortfalls.

Part of Governor Brown's budget identified triggers for midyear budget cuts if State revenue did not materialize, in the first 2 months revenue did not reach those targets. The potential for midyear cuts is extremely large and this would result in an additional \$100 million cut to the UC. The campus and UCOP are looking for short term strategies to bridge any cuts. UCOP identified a range of solutions which the campus has evaluated; some of the solutions may be useful, most have already been accounted for in campus planning and cannot be implemented again with the same effect. The campus is concerned with the long term permanent budget, recent strategies to help bridge have been temporary, going into next year a permanent budget will be prepared to deal with the cuts. A multiyear budget will be prepared to deal with the longer term conditions.

There were no general obligation (GO) bonds issued last year or this year for capital projects. The next GO bonds will not be issued until November 2012 at the earliest which means the same issues will remain next year with State funds for the campus budget.

The campus is looking at lease revenue bonds (LRBs) to fund portions of State funded projects. There have been problems with issuing LRBs due to technicalities; according to the Attorney General the interest accruing on LRBs cannot be charged back to the projects at this time. UCOP is currently investigating strategies to develop a Memorandum of Understanding (MOU) with Department of Finance that would allow payback of interest expense and enable the University to issue the LRBs. The Davidson Library is one project being delayed because the lack of a MOU. The project was scheduled to go out to bid next month, but has been pushed back at least few months until a MOU is resolved. A solution may require some legislation which would not be introduced until January 2012 with approval following in March / April and final approval and signature by the Governor after that.

UCOP is beginning to develop the UC budget with Regents meeting this month. Additional discussions will occur in November with adoption of a UC budget by the end of November, portions of which will be rolled into the State Budget in January. More information will become available over the next couple of months.

Updates to the capital plans for each of the control points, the Vice Chancellors and Deans, are needed over the next few months, this feeds into the update of the 10-year capital plan. The control points will be contacted and a schedule formed so presentations of capital needs can be made to the CPC. These presentations are anticipated to begin as early as the October CPC meeting and continue through to February's meeting.

II. MINUTES

The minutes from May 24, 2011 were approved as written.

III. ACTION ITEMS

N/A

IV. DISCUSSION ITEMS

A. Update on KITP Residence Project

Assistant Chancellor Lee discussed the request by the CPC in May to expand the site options for the KITP Residence. The site options were expanded from 2 to 6, the staff report refined these options down to the 2 most feasible sites and outlined the reasons for elimination of the others. One site is the area west of San Clemente and the other by Sierra Madre at Storke and Whittier Drive.

Executive Vice Chancellor Lucas explained the project to the committee and the advantages and disadvantages of both sites. Financing for the project would be a combination of external financing (debt) and donor funding.

Assistant Chancellor Lee explained issues concerning each of the sites. The KITP Residence would impact 121 student beds on the San Clemente West site. The option to fully utilize San

Clemente West with student housing and incorporate the KITP Residence into the project was suggested.

The KITP Residence would replace some of the 151 apartments designated for Sierra Madre. The Storke & Whittier Drive site is separated from the main Sierra Madre site by wetlands. The project could be constructed independently or as part of the Sierra Madre development and has existing entitlements in place that would expedite completion.

Assistant Chancellor Lee emphasized the projected growth of 5,000 students in the LRDP requires all additional students to be accommodated on campus; this means it is imperative to fully utilize housing sites.

A recommendation will be made at the next CPC meeting after further discussions with KITP over funding schedules.

B. Faculty & Staff Housing Subcommittee

Design Review Committee Co-Chair Michaelsen introduced a proposal to create a new Faculty & Staff Housing Subcommittee. The Community Housing Authority (CHA) has been established to develop and manage new for-sale and rental housing for faculty and staff. CHA is not the appropriate organization to determine the internal University policies and priorities related to faculty & staff housing. There needs to be a campus committee that consults with various campus constituencies about issues related to housing priorities; needs for housing and types of housing. The CHA needs to function as a somewhat separate entity from the University and is not well positioned to carry out the extensive consultation.

The Chancellor appointed a Faculty & Staff Housing Committee in 2003, which became active in 2004, with DRC Co-Chair Michaelsen taking over as Chair. One option would be to revivify the committee and appoint new members. It would be prudent to institutionalize the subcommittee as a standing committee, using CPC to house it, since CPC is the official campus organization for all campus planning issues.

DRC Co-Chair Michaelsen listed preliminary member constituencies. A positive change to the previous committee's model is that every constituency would be represented as it is on the CPC. If a representative of a constituency leaves their position a replacement comes in, and the constituency continues to be represented. This is a more efficient way to keep representation up to date and consultation process in place.

C. Update on Completed and Current Projects

Senior Associate Vice Chancellor Fisher provided an overview of campus capital projects including progress updates for current projects and descriptions of completed projects. Major announcements included the completion of North Campus Faculty Housing Phase I with home owners moving in this week. New West Campus has opened and includes guest facilities and meeting space. Infrastructure Phase I is complete.

Soon to be completed projects include the Arts Building Seismic Corrections. The UCen has restaurant changes that are expected to be complete by the third week of October. North hall computer center will be completed in November. Projects involving the strategic energy partnership are providing energy efficient lighting upgrades throughout campus. Upgrades to campus mechanical systems are ongoing.

San Joaquin is an infill project located adjacent Santa Catalina Hall and will be a major student housing project; it is currently in the architect selection process. The Davidson Library and Bioengineering will begin construction in 2012 if the projects remain on schedule.

V. INFORMATION & FOLLOW-UP ITEMS

Status Report: Special Projects Subcommittee

No report.

Status Report: Design Review Committee

Senior Associate Vice Chancellor Fisher announced the landscape subcommittee has been meeting and has decided upon a new process for tree removal approval on campus. The DRC will begin meeting more regularly with San Joaquin on the agenda.

The campus has made an agreement with the County, the City and SUN (Sustainable University Now) to provide housing for the growing number of students, using the base enrollment number of 20,000. One of the triggers in the agreement states planning must start for a student housing project once 500 students over the base number are enrolled. Once the campus reaches 1,000 students over the base number it is to stop enrollment until student housing catches up. San Joaquin is progressing forward to meet these requirements. A future student housing project is due to begin planning soon after San Joaquin progresses past pre-construction and is to help accommodate further student enrollment targeted in the LRDP. San Joaquin is currently tied to the LRDP being approved by the CCC.

Status Report: Faculty & Staff Housing

North Campus Faculty Housing Phase I is complete, and consists of 22 units. The campus is expecting to close initial escrows by end of week to allow move-ins to begin this weekend. Phase II will consist of 37 units and bids are due back within the next two weeks. The Sierra Madre site is moving from a third party developer project to a UCSB project. The University hopes in doing so it is able to ensure below market rental rates for students and at least 10% below market rates for faculty and staff. The northernmost part of the Sierra Madre site is the potential site for the KITP Residence.

Status Report: Student Housing

Faculty Advisor to the Chancellor Watts explained that the San Joaquin project essentially doubles the capacity at the current Santa Catalina site. The project will introduce commercial businesses to the site and take on the look of a self contained village. The number of cars onsite was an issue the City of Goleta brought up in meetings, since then parking has been reduced in

planning, discussions and analysis will be conducted with a traffic planner to address any further issues.

Status Report: Major Capital Projects

Report attached, Senior Associate Vice Chancellor Fisher commented on much of this during his update.

VI. CORRESPONDENCE

Meeting adjourned at 2:55 PM

Minutes taken by Michael McGrogan, Office of Budget & Planning