

Meeting Minutes – October 28, 2014 - 2:00pm-4:00pm

Location:	Phelps Hall Room 2536
Members Present:	Todd Lee, Michael Stohl, David Marshall, Kum-Kum Bhavnani, Marc Fisher, Rod Alferness, Richard Watts, Martin Shumaker, Zachary Rentz, Alexandra Guthy
Members Absent:	Stan Awramik, Richard Startz, Melvin Oliver, Beverly Colgate, Michael Witherell, Michael Young
Alternates Present:	Phillip Conrad, Bill McTague

I. Announcements

Assistant Chancellor, Todd Lee, updated the committee on FY 2014-15 budget changes. In total UCSB received \$16.6 million of the \$142.2 million increase in general funds distributed to UC campuses, approximately 11.7%. Of the \$16.6 million, \$9.1 million was from rebenching allocations, or approximately 25% of state funds distributed for this purpose. The UCSB allocation is the largest provided to any campus. Rebenching will equalize the amount of state funds received per student across the University of California. The remaining \$7.5 million was allocated using the weighted student allocation formula. This represents approximately 9% of funds allocated.

Before rebenching was implemented UCSB would have received about \$10.7 million. The campus was also one of four to receive an allocation of \$1.6 million to be used for improving graduation rates of disadvantaged students. A plan on how to use these funds is being developed and will be submitted the UC Office of the President.

As part of last year's state budget approval capital bonds were refinanced which resulted in annual savings. UCSB will receive \$6.8 million for FY 2014-15 from the refinancing on a one time allocation.

Due to enrollment increases in both resident and non-resident students, the campus is projecting an increase in student fee revenues of \$5.9 million. Additional funding of \$5.4 million is expected through strategic sourcing (savings), asset management, investment in areas of higher yield, non-state funded administrative support (NSFAS), ETS common good fee, and gift tax.

Total new revenues from all sources are estimated to be \$36.3 million, which is close to what was anticipated in February 2014.

The expenditure plan was formulated in discussion with the Coordinating Committee on Budget Strategy and UCOP. The plan includes increasing the number of faculty and teaching assistant positions. Based on enrollment increases \$3.1 million will be used to fund 20.59 new faculty positions and 8.57 TA positions.

Approved changes to faculty and staff salary and benefit programs are estimated to be \$14.8 million. Approximately 48% of this amount is related to salary increases and 52% related to benefit cost increases. The major change is an increase in the employer contribution rate for the UC Retirement Plan from 12% to 14% of covered compensation. This is estimated to increase benefit costs by \$5.8 million.

High priority projects/programs will receive about \$9.7 million. Of this \$3.7 million will go towards augmenting underfunded budgets related to faculty recruitment and retention. Graduate student support will receive \$3 million, and the deferred maintenance program will receive \$3 million. With the continuation of rebenching for three more years, future increases in these areas are also planned.

Enterprise Technology Services will receive approximately \$5 million for the modernization of administrative systems (Kronos, UC Path, and financial systems), and ongoing operations and maintenance of the enterprise system.

Public Safety and Compliance will receive \$1.1 million towards increasing the police force and to address compliance requirements supporting the research enterprise. Approximately \$800,000 is needed to fund additional cost associated with the maintenance and operations of new space and LRDP mitigation requirements.

II. Minutes

The minutes from June 10, 2014 were approved as written.

III. Consent Agenda

A. Coal Oil Point Reserve Headquarters

The committee by consensus recommends that the Chancellor approve the renovation of Building 7060 for use by the NRS Coal Oil Point Reserve as an Education Center/Headquarters and authorize the project to proceed into construction pending necessary project approvals. The building will provide space to support the existing Reserve programs, as well as provide opportunities to attract and develop new programs.

IV. Action Items

N/A

V. Discussion Items

A. Current Capital Projects

Vice Chancellor, Administrative Services, Marc Fisher, presented an update of capital project currently under construction on the campus. The Davidson Library project is approximately six months ahead of schedule, with possible move-in beginning June 2015. The new paseo will connect east and west of campus and will present clearly as the main entrance of the Library. The new plaza area will complete the paver circle on Library mall, and could be used by speakers, or as a gathering area. The lawn area will also be restored. The building is currently anticipated to be occupied and operational by fall 2015.

The Sierra Madre Apartments project is estimated to be complete by fall 2015. The most northern building on the site is being rebuilt after it was burned. That portion of the development should be completed shortly after the southern buildings.

San Joaquin Apartments project will add 1,003 student beds around current Santa Catalina Residence Hall. The project is going before the California Coastal Commission on November 13, 2014 and is expected to start construction at end of November pending the outcome. The project could be completed in time for fall 2016 occupancy.

The Faculty Club Renovation and Guest House Addition project bids came in above budget. The construction market is heating up and the cost of construction across the region is increasing. Several other campus project are also experiencing this impact. The construction fences will be placed before the end of October, however the project requires a budget augmentation to move forward.

The Bioengineering Building is in the final phase of bidding. The project will deliver approximately 46,000 ASF of space for programs in Engineering and MLPS. Construction will take approximately two years and should start in January 2015

The North Campus Faculty Housing Phase III project is bidding. Phase II sold in approximately two months. Phase III houses will be zero lot line single family homes.

Construction on the KITP Residence started in October. The project is donor developed and will be handed to the university upon completion, the gift announced last week.

The Mesa Road project has been delayed due to some underground work being performed by Goleta West Sanitary District. It is anticipated the road will be reopened by mid-December.

The UCen Road project has been pushed back to summer 2015. The project will help improve parking on the eastside of campus by offsetting parking lost to Science Walk. Infrastructure Phase 1b is due to start construction in 2015.

B. Update of 10-year Capital Financial Plan

Director of Capital Development, Chuck Haines, presented the campus's 10-year Capital Financial Plan (CFP). The plan was formulated in consultation with the Academic Senate Council on Planning and Budget, and the Campus Planning Committee. The CFP projects identify the need for new construction and renovation. Each campus produces a plan which indicates potential fund sources, project descriptions and estimated size. UCOP compiles the plans into a single report which is submitted to the UC Regents every November for acceptance.

For campus projects to be considered eligible for approval under the Chancellor's Delegated Authority they must be included in the CFP. Other criteria include compliance with the Long Range Development Plan (LRDP), the campus's Physical Design Framework (PhDF), a budget under \$60 million, and to be funded by non-state sources. The Chancellor's Delegated Authority process is considered advantageous to the campus because it accelerates the review and approval of important projects. Non-state funded projects with budgets greater than \$60 million are

ineligible for approval under Chancellor's Delegated Authority are required to go the UC Regents for approval.

The published Capital Financial Plan for 2014-2024 can be found here:

<http://www.ucop.edu/capital-planning/resources/2014-24-capital-financial-plan.html>

VI. Information & Follow-Up Items

Status Report: Special Projects Subcommittee

No report.

Status Report: Design Review Committee

No report.

Status Report: Faculty & Staff Housing

North Campus Faculty Housing Phase III will go out to bid next week. The project will deliver 31, 2-3 story single family homes ranging in size from 1,400-2,000 square feet. Sales are expected to begin in fall 2015 with move-ins during winter 2015. The price of the units will be higher than Phase II due to the change in building typology and the upturn in the construction industry.

Status Report: Student Housing

Faculty Advisor to the Chancellor, Richard Watts, discussed issues related to San Clemente parking structure (Lot 50). Currently the cost of the parking structure is borne by the residents of San Clemente which is affecting the affordability of graduate housing. Faculty Advisor Watts would like to investigate whether or not future housing projects utilizing the parking structure could contribute towards the costs within the confines of any LRDP or agency stipulations.

Status Report: Major Capital Projects

Report attached.

VII. Correspondence

Meeting adjourned at 3:17pm

Minutes taken by Michael McGrogan, Office of Budget & Planning