

**Meeting Minutes – January 31, 2017 - 2:00pm-4:00pm**

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**Location:** SB Harbor Room, UCen

**Members Present:** Chuck Haines, Henning Bohn, Marc Fisher, David Marshall, Ann Jensen Adams, Stephan Miescher, Pierre Wiltzius, Rod Alferness, Stan Awramik, Beverly Colgate, Richard Watts, Margaret Klawunn, Martin Shumaker, Austin Heckler

**Members Absent:** Joe Incandela, David McIntosh

**Alternates Present:** Timothy Sherwood

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**I. Announcements**

Chuck Haines, Acting Assistant Chancellor of Finance and Resource Management, reported on the state budget. Haines noted the following points are consistent with budget negotiations between University Office of the President (UCOP) and the governor’s office:

- UC received a 4% increase in state funding.
- The state intends to fund the UC incrementally to cover increased enrollment @ \$7400 per student assuming 2500 new students annually.
- The state earmarked Proposition 2 funds towards payment for the underfunded liability of UC pension plan.

The 4% increase of State Funding to the UC equates to about \$131M. However, the Governor’s budget table indicated only \$83M in new State Funds. After additional investigation it was discovered that Proposition 56 has earmarked roughly \$50M for Graduate Medical Student Education. Since the UC is the only potential recipient for those funds, the State reduced their allocation to the UC by the amount it will allocate in earmarked Proposition 56 funds. The campus will keep a close watch to make sure this is handled as a fund swap and in no way reduces UC Santa Barbara’s share of the 4% State fund increase.

Within the state budget, the governor projects a shortfall of \$1.6B. Mitigation measures include withholding funds in excess of the deficit. The governor intends these reserves for contribution to a rainy day fund.

Haines indicated the latest influx of money for the UC retirement plan does not cover the plan’s unfunded liability. A reduced return on investment and a greater draw on the program will contribute to its increase. There has been no discussion regarding a change in employer contributions to the retirement program.

UC Regents approved a 2.5% increase in tuition for next year to follow the C.P.I.

The governor proposes to eliminate the middle class scholarship program. Concerns were raised about the impact this could have on new pension tiers, unions, and the campus' ability to remain competitive in the US non-resident market.

A new rule imposed by the Government Accounting Standards Board (GASB) dictates an obligation to account for post-employment health insurance benefits. This will trigger discussions regarding the creation of another tier to cover the liability.

## **II. Minutes**

The minutes from October 25, 2017 were approved with revision.

### **I. Consent Agenda (None)**

### **II. Action Items (None)**

### **III. Discussion Item: Climate Action Plan (B. Tiffney, R. Bahl)**

Bruce Tiffney and Renee Bahl gave a slide presentation of the 2016 Climate Action Plan.

The University's Climate Action Plan (CAP) identifies a long-term strategy towards voluntarily meeting the state of California's goal to reduce greenhouse gas (GHG) emissions. The measure responds to UC President Janet Napolitano's announcement in 2013 of the goal to achieve complete carbon neutrality in the University of California operations by the year 2025. Updated bi-annually, the CAPs prioritize reduction measures and tracks performance among UC campuses towards meeting this goal.

Bahl presented the current UCSB 2016 Climate Action Plan. It included analysis of current and projected emissions data, goals for reduction, financing options, and benchmarks. Though the 2016 plan indicates reductions of emissions, it does not forecast the possibility of reaching carbon neutrality by 2025 under current operations. Bahl shared several scenarios by level of the mitigating factors that reduce carbon emissions as much as possible.

A 'business as usual' (BAU) scenario assumes no mitigation measures. It indicates CO<sub>2</sub> levels of 42,000 metric tons in 2025. The second scenario includes the use of capital improvements to existing facilities to make them more energy efficient. This would account for a 20% reduction in emissions from the BAU model. Not only could this bring the campus closer to carbon neutrality, it could increase the financial strength of the university by reducing operating costs, lessening exposure to utility rate increases, and possibly decreasing deferred maintenance back-logs.

Bahl showed UC emissions data by campus and noted how, compared with the other campuses, UCSB is among the leaders in reduced levels of greenhouse gas emissions. She indicated that, given our favorable ranking, it should be a priority of UCOP to invest in our campus. One committee member later raised a point about the idea. Though UCOP demonstrates a willingness to support the carbon neutrality program financially, it is not practical or feasible from a political perspective to invest in one campus over another.

Bahl estimates spending approximately \$13M in order to decrease CO<sub>2</sub> levels by approximately 16,000 metric tons by 2025. This assumes use of alternative financing such a utility revolving fund. Potential options for reducing emissions further include purchase of a combination of carbon offsets, renewable electricity, or investment in campus infrastructure.

Bahl stressed that if the campus decides that it will achieve and remain carbon neutral, it is worth considering long-term solutions to carbon emission such as investments and electrification.

In conclusion, project proponents noted the following:

- An ongoing consultation by CPC members will enhance the final CAP submission expected by June.
- The ability to share individual plans between campuses remains at the discretion of UCOP at this time.
- The possibility of a revolving fund or an investment from UCOP would facilitate the effort to achieve carbon neutrality. It should be incumbent upon them to find donors as the originator of the initiative.
- Members voiced concern over the need for UCOP to recognize that replacing costly infrastructure comes at the expense of decades of neglect of deferred maintenance.

## **VI. Information & Follow-up Items**

### **A. Status Report: Special Projects Subcommittee**

No report.

### **B. Status Report: Design Review Committee (M. Fisher)**

No report.

### **C. Status Report: Faculty & Staff Housing (C. Haines)**

Phase 3 Ocean Walk: Sold out

Phase 4 & 5 Ocean Walk: The planning phase is underway. The campus is searching for a 3<sup>rd</sup> party to deliver the project and creating an RFP/Q to circulate to potential developers. Campus expects a lower price point from that of Phase 3. Discussions regarding the inclusion of rental housing on the Ocean Road project resume.

### **D. Status Report: Student Housing (M. Fisher)**

San Joaquin Apartments: Campus anticipates completion of construction in 3 months; Cluster III opens in February; Committee members are working to determine student rental fees for the year.

### **E. Status Report: Major Capital Projects**

Report Attached.

## **VIII. Correspondence**

Meeting adjourned at 3:06pm

Minutes taken by Carolyn Franco, Office of Budget & Planning