

MEMORANDUM

2018-2019 SFAC Committee Continuity Document (Summary of issues based on Chair's letters to the Chancellor)

1. Recommended Temporary Allocations of Student Services Fee Revenue for FY 2019-20 and FY 2020-21

In 2013, forecasts from Academic Planning and Budget predicted potential fiscal challenges about five years in the future, particularly if student services continued to depend solely on surplus SSF revenue to expand staffing and other expenses that are permanent in nature. Balancing limited SSF revenue with a consensus to not entirely eliminate any program or service, SFAC was compelled to prioritize continuing student and non-student staff positions. SFAC recommended only partial allocations of SSF revenue, if any, to some non-student staff positions due to concerns about lateral growth (e.g., Bruin Resource Center) and requests for partial salaries of existing positions (e.g. Graduate Division). While these programs indeed serve students, SFAC believes that it is fiscally impossible with current forecasts to continue recommending staffing models that were primarily instituted during a time of surplus SSF revenue. SFAC ultimately cautions expansion of non-student staff positions with limited-time funding since drastic reductions likely occur after becoming normalized to an unsustainable availability of revenue. SFAC prioritized maintaining student staffing positions and also recommended maintaining existing staff funded on temporary funds. In order to prioritize student and professional staff position, SFAC recommended only 50% funding for most categories of non-staff costs in 2019-2020 and no funding for these same non-staff costs in 2020-2021. Honoria were excluded from any recommendation for funding. Some non-staff funding was considered on a case by case basis. Most notably, the committee hesitantly recommended one year of funding for to cover the rent in Kerckhoff Hall (a part of ASUCLA) for the Transfer Student Center and the Veterans Resource Center. SFAC believes that a campus-wide effort is necessary to address the spatial limitations that student services face. Permanent rental costs—similar to non-student staffing—can be fiscally unsustainable particularly during this period of limited SSF revenue.

2. Recommended Permanent Allocation of Student Services Fee Revenue for Merits and Benefits Shortfalls

The Office of the Vice Chancellor for Student Affairs (OVCSA) requested “continued SSF permanent funding to support increases in merits and benefit shortfalls for FY 2019-2020 and FY 2020-2021, including for represented and non-represented staff.” OVCSA stated that Student Affairs entities would experience a “de facto budget cut” if SSF revenue “did not augment the budget for merits and benefit shortfalls in a given year.” OVCSA further elaborated that, if not covered, “these cuts may require Student Affairs departments to reduce staff and/or programs and services in order to mitigate the significant budget shortfall.” The University of California Office of the President (UCOP) frequently mandates that the UC campuses fund a 3% annual merit pool for to provide raises for staff. Benefits costs generally increase between 5% and 10% annually. Funding these costs with temporary SSF funds creates a structural deficit. Not funding these costs requires department to find the funds from within their existing budgets. Because the majority of expenses in student service departments are for staff

salaries and benefits, the impact of not funding these costs can be significant. It is important to note that SFAC's recommendation covers all campus entities, in the event that permanently budgeted staff positions funded by SSF revenue exist outside of the Student Affairs organization. While SFAC understands that the potential shortfalls for these permanently budgeted positions may be campus entities' utmost fiscal priority, SFAC cautions that SSF revenue may be an unsustainable source of permanent support for these growing costs.

3. Recommended Adjustment to Allocation of Student Services Fee Revenue for Intercollegiate Athletics

A longtime campus entity, Intercollegiate Athletics currently receives a permanent allocation of \$2,517,213 in SSF revenue. For many years, according to the entity's "Student Services Fee Actual Trend Report," this allocation was almost entirely utilized for compensation-related expenditures. For FY 2017-18, however, Intercollegiate Athletics shifted all of its compensation-related expenditures to other budgetary categories. Leaving \$0 in compensation, these new expenditures included material and supplies; travel and entertainment; services; consultants/temporary services; information technology; equipment; and operation and maintenance of space. Prior to FY 2017-18, Intercollegiate Athletics did not utilize their allocation of SSF revenue for many of these categories. While SFAC has rarely interjected in the year-to-year utilization of permanently allocated SSF revenue across campus entities, an expenditure shift this extreme should require careful planning and assessment. According to the Guidelines for Implementing the Student Services Fee Portion of the University of California Student Fee Policy, significant shifts in expenditures using SSF revenue should receive consultation from SFAC. Second, it is unclear whether the new expenditures that Intercollegiate Athletics has initiated are appropriate, as defined in the SSF Guidelines, or strategic in terms of SFAC's understanding of holistic needs across student services. For instance, SFAC has noted issues in previous years regarding the degree by which the Bruin Marching Band and Spirit Squad—entities that both submitted SSF allocation requests to SFAC this cycle—receive adequate financial support for partnered events with Intercollegiate Athletics. These entities have been largely responsible for their own funding from SSF or sources other than Intercollegiate athletics. Third, limited financial flexibility compelled this year's SFAC to recommend temporary allocations of SSF revenue that may not meet the complete needs of several campus entities. Despite receiving SSF allocation requests that outlined continuing staff and innovative programs, SFAC's recommended temporary allocations could not consider \$1,722,689 in requests for FY 2019-20 and \$3,575,197 in requests for FY 2020-21. After several weeks of discussion, **SFAC voted on June 11, 2019 to recommend that \$1,000,000 of Intercollegiate Athletics' \$2,517,213 permanent allocation of SSF revenue be continued and converted to a temporary allocation for FY 2019-20. Should Intercollegiate Athletics conclude a need for these funds to reoccur after FY 2019-20 (i.e., for FY 2020-21 and FY 2021-22) for its operations, SFAC recommends that the entity submit an allocation request in line with the process that the 2019-20 SFAC establishes for all campus entities.**

The Chancellor did not approve SFAC's request stating that he believed the shifts were made to be more in line with the Student Service Fee guidelines, but that he recognized SFAC's desire for greater transparency and would ask (now former) Director of Intercollegiate Athletics, Dan Guerrero "to ensure that information provided to SF AC as part of the annual unit review process includes the necessary clarity for the committee to understand their SSF funding use."

4. Recommended Approach to the Student Services Fee Level and State Appropriations

SFAC noted in a separate year-end letter to the Chancellor that the committee is charged with advising the Chancellor on the level of the Student Services Fee (though this is officially set by the Regents and can change based on budget state-level budget negotiations). SFAC formed an ad hoc subcommittee to examine this issue. The subcommittee found that while tuition has increased significantly over the years, the Student Services fee has not kept pace, despite the need to expand services to address student needs and the same obligation as all other areas of the university to fund merit and benefits increases. SFAC recommended that longer-term agreements be made on the level of the SSF in order to eliminate guess-work from the planning process (it should be noted, that a five-year plan for a 5% annual increase to the SSF was put in place three years prior, but the fee increase was “bought out” by the state with a one-time allocation in the fourth year of the agreement – leaving a structural deficit – and the fifth year of the agreement (2019-2020) was not honored with any funding). The committee also recommended that state appropriations be used to offset SSF-funded expenses where it is permitted in order to make more SSF funds available to meet increasing costs and to expand or establish new student services that are critical to positive student outcomes. Finally SFAC recommended more alumni – particularly those with compelling stories related to the value of student services – be utilized during the lobbying process.

5. Recommended Approach to Subsidizing Childcare Costs for Low-Income Students

Early Care and Education’s (ECE) projected that SSF fee funding (both permanent and temporary) would fund only 43 year-round spaces for the children of low-income student parents and guardians. The subsidy per student is nearly \$10k, and is not available to students who qualify for the state grant (which covers a portion of the cost, while SSF funds cover the remainder) but are not able to get their child(ren) into ECE or for whom on-campus child care is not logistically possible. This arrangement does not meet students’ needs for childcare, leaving many low-income parenting students without access to affordable childcare. For many students—particularly those from nontraditional backgrounds—lack of affordable childcare may be a significant barrier to graduation and other academic goals. While childcare is a complicated service to provide, SFAC encourages campus leadership to consider childcare as both an equity issue and a means for retaining students. SFAC therefore recommends developing innovative ways to expand childcare availability to more students. SFACs have been making these same observations and recommendations for more than 20 years.

6. Recommended Approach to Supporting Student Wellness and Mental Health

In 2006, a UCOP committee report of student mental health developed a three-tier model to address student mental health. Tier 1 addresses clinical services (such as those provided by CAPS clinicians). Tier 2 addresses targeted interventions and outreach. Tier 3 of the model encompasses strategies to promote holistic student “wellness,” including preventative resources that may support students prior to clinical and crisis interventions. Most initiatives in this tier, however, have not been earmarked for permanent allocations of SSF revenue. Soon after the report was released, the UC Board of Regents voted to augment the SSF fee, earmarking 50% of new revenue generated by any augmentations to the fee to be used to address students’ mental health needs. In most years this has meant that half of all new permanent SSF funds have been allocated to Counseling and Psychological Services. While the need for clinical services and direct interventions remains high, SFAC recommended to the Chancellor that campus leadership should comprehensively broaden the scope of student mental health so that Tier 2 and Tier 3 initiatives can strategically alleviate current burdens to Tier 1 services. SFAC also recommends that the allocated portion of SSF revenue for student mental health should reflect a broadened scope of services, with consideration for these Tier 2 and Tier 3 initiatives (e.g., consultation response team, collegiate recovery, wellness and resilience programs).

7. Recommended Amendments to the SFAC Charter and Bylaws

In the Spring of 2017 SFAC voted to recommend an amendment to the SFAC Bylaws formally institute a recusal process for SFAC members during budgetary deliberations (SFACs have varied over the years in their recusal process – most frequently asking administrators to leave the room if their unit was being discussed). On June 6, 2017, the 2016-17 SFAC Chairperson submitted this recommendation to the Chancellor by letter. On August 29th, the Chancellor replied, telling SFAC he was postponing his decision and asking SFAC to reconsider the Bylaw change and undertake a thorough review of the Charter and Bylaws. Time constrains due to the large number of funding requests prevented this review from taking place in 2017-2018. In the Spring of 2019 two current SFAC members identified the 2016-17 bylaw amendment during initial discussion on how this year's SFAC would approach a review of its Bylaws and Charter. These SFAC members stated that your August 29, 2017 letter in response to the 2016-17 SFAC Chairperson violated Article V of the SFAC Bylaws. These SFAC members further cited Article VI of the SFAC Charter, stating that recommended bylaw amendments should go into effect 10 days after submission to the Chancellor unless vetoed within that timeframe. On April 2, 2019, SFAC discussed this matter further and voted to procedurally adopt the 2016-17 bylaw amendment under Article I of the current SFAC Bylaws. Although some SFAC members felt that the wording of the 2016-17 bylaw amendment was flawed, SFAC members affirmed the need to comprehensively review SFAC's Bylaws and Charter and to potentially improve such wording in a later recommendation. The 2018-2019 committee also did not have time to review the Charter and Bylaws, therefore this amendment remains in the Bylaws.

8. Recommended Amendments to SFAC Policies on Student Service Compensation

SFAC reviewed the SFAC Policies on Student Service Compensation and recommended updates to SFAC's "Student Service Compensation Policy" and "Accountability Policy for Committees with Student Services Fee Funded Compensation." The proposed amendment of substance for the "Student Service Compensation Policy" would recognize three (3) additional student members on the Campus Retention Committee and two (2) additional student members on the Student Initiated Outreach (Access) Committee for compensation. Appointed by the Undergraduate Students Association, these student member positions have existed for many years and have not been accounted by the current compensation policy. Other proposed amendment to both policies were made for clarity and accuracy.