

Campus Finance Committee Meeting

Date: Thursday, January 27

Time: 9am

In Attendance

Elizabeth Watkins, Gerry Bomotti, Anil Deolalikar, Brian Haynes, Christopher Lynch, Dana Simmons, Daryle Williams, Maria Aldana (sub for Deborah Deas), Elysha Castillo (Student Rep), Jason Stajich, Jennifer Brown, Jennifer Farias (sub for Kathryn Uhrich), Johnny Cruz, Kevin Vaughn, Louie Rodriguez, Mariam Lam, Melanie Wu, Rodolfo Torres, Shaun Bowler, Steven Mandeville-Gamble, Yunzeng Wang and Stephanie Flores (committee support), Ken Baerenklau (guest) Jacqueline Norman (guest), Scott Heil (guest)

Capital Finance Plan Update - Jacqueline

Presentation attached

Plan was previously reviewed by a group that contained several members of CFC, so plan to review the plan with the CFC going forward.

What is it?

Capital Financial Plan (CFP) is required by UCOP annually that provides a 10-year outlook. This year it will include seismic retrofit required by 2030 (169 buildings will need to be retrofitted by 2030 at an estimated cost of \$1.8B), carbon neutrality by 2025, and deferred maintenance needs.

Process Overview

- managed by PDC
- starts in Spring each year includes a meeting with each college/school for priorities and needs
- will incorporate lessons learned from the COVID pandemic this year

Review of Overall Priorities

- Classrooms, class labs, and studio space shortage
- Campus seismic issues
- Aging plant and infrastructure (DM)
- Student Housing
- Carbon neutrality/climate goals (mostly focused on electrification of steam plant)

The CFP is based on the new LRDP and growth to 35,000 students by 2035 and the future infrastructure needed to get there, but does not define any required enrollment growth (the LRDP provides entitlements for potential growth, but does mandate any). Future capital projects will not be approved if they are not included in the CFP. The campus has not determined that this growth is the current plan as it would require financial investment to achieve that growth, so attempt to damper any anxiety in your unit related to the aspiration in this plan.

Discussion – all attendees

Is this available to everyone as questions regularly occur related to the CFP? It's posted on the web, so we will work on a better communication plan so people are aware.

\$1.8B is a high price tag for seismic retrofitting where will the funding coming from? Will need to come from a combination of places – state bonds, deferred maintenance funds, debt, campus funds, etc. The seismic date is from the State in relation to a requirement for medical centers. UC is trying to get the date changed because the cost and scope is literally impossible by that 2030.

What is the housing strategy going forward – P3s or campus? With regard to the North District, 2300 beds out of 6300 have been contracted through an RFP process and so likely the remaining beds will also be P3 agreements. There will also be redevelopment of existing campus housing. The long-range goal is to house 40% of our students, currently we are at 27% and in the LRDP that would increase to 40% of the allowable maximum of 35,000 students (and approximately 70% of the growth in student enrollments would be housed on campus).

Less than 10% of our Grad Students are in campus housing and International students are struggling to find housing. Are their needs addressed? The new AVC is looking to more family student housing.

What about faculty housing? Background on Creekside – 24 homes are leased to faculty/staff, but there has been little interest and so we are actually leasing to community members. There are 54 open lots that can expand the inventory, but to date there has not been demand because local real estate has been attainable, as compared to coastal campuses.

Don't we need to move forward on the Strategic Plan before we can develop the priorities for the CFP? The Strategic Plan will not really drive the CFP since there are some very practical needs – instructional space, housing and Fire, Life, and Safety requirements.

What is helpful feedback in light of fiscal restraints and Strategic Plan status? The future role of online education on our campus may influence our capital requirements and so it might be helpful to get feedback on the C&S thoughts on that. Look at the buildings listed on page 7 and talk about the priorities related to that listing. Renovations of existing buildings can get us a long way when we can't get new buildings. Don't make this a blue-sky exercise. Remember that the annual process is not necessarily clear on the purpose of this plan but a project needs to be included in the CFP or it will not be approved at the UCOP level. We need to be continually planning so that when funding becomes available we are ready to go and we are all on the same page in the campus priorities.

Update on Tuition Credit Weighting - Liz

Need a little more time to get data to a place for presenting as the devil is in the details.

We don't need to decide on the Tuition Weighting this spring; we need to be thoughtful and deliberate in this decision. When the model is sent out, remember that a decision has not been made, this is just the current idea being vetted and reviewed. Meet with your department chairs and CFAOs to get feedback on the pre-meeting materials when received.

Questions to ask in the review - Is this realistic? Should we be thinking about a tiered or step approach? What would be the timeframe?

Future Topics

Presentation by Brian on the Student Services Fee, which is the partner fee to tuition.

New state funding in FY23. We will have a better idea in late May. We need to think about the administrative support units who don't receive direct revenue. Looking for support in units that can expand their service to the entire campus. Proposals for new funding will be focused in this area to be reviewed by CFC for prioritization.

After 6 months, we are still waiting on a response from UCOP on rebenching and so we will have to see the impact to our FY23 and FY24 allocation in order to bring us to the 95% level.

Other comments/conversation

There has been no written document from UCOP on the 4% and 4.5% salary increases even though there has been a lot of discussion including with components of faculty salaries will be included. The state is not indicating a specific allocation for the salary increases, so it will need to come from the 5% increase in state funding (which is a 2.2% increase in the Core budget).

Does the Long-Range Development Plan (LRDP) include basic maintenance like bathroom upgrades, lighting upgrades? UCR has not budgeted in the past for DM. Facilities Services does have some funding for critical items. Some DM has been debt financed by Century Bonds. Generally, we schedule the maintenance when we receive DM allocations from the state. Our campus does have some catch up because we have so many 60+ year old buildings with original mechanical systems and roofs. Seismic will likely help us out on some of these DM items. Several of our DM needs were included in the 2020 GO Bond that failed recently, but there is talk of another Bond on a future ballot.

Action Items

1. Deans and Senate Chairs: Meet with your committees and get their priorities in order to be able to provide valuable information to PDC in your meetings. Need to temper expectations due to costs and seismic requirements that will be priority.
2. TA Budgets will be on a future agenda along with the Tuition Credit Weighting modeling.

Next Meeting

Date: Thursday, February 24 at 9am

Capital Financial Plan Update

2022-2027

January, 2022



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Capital Financial Plan

2021-27

What is the Capital Financial Plan?

The Capital Financial Plan (CFP) is a UC required framework that guides the campus in prioritizing capital investments in support of its academic program. It presents UC Riverside's capital plan for the next decade, focusing on the current and next five fiscal years and represents projects in the near-term planning horizon. The CFP is updated annually.

Responsibility of the Campus Finance Committee

With the 2021 update to the CFP, the Campus Finance Committee replaces the Campus Projects Committee (CPC).

The UCR Capital Finance Committee (CFC) provides advice to campus senior leadership, and ultimately the Chancellor, with respect to strategic priorities for major capital improvement projects and physical planning and capital development of the UC Riverside campus. The CFC's recommendations, once approved by the Chancellor, are embodied in the annually submitted ten-year Capital Financial Plan (CFP).

Role of Planning, Design & Construction

Campus Planning & Space Management are the department charged with the preparation and submittal of the annual CFP to UC Office of the President.

CFC ROSTER

Provost, Chair

VICE CHANCELLORS

Planning, Budget & Administration
Diversity, Equity, & Inclusion
Research & Economic Development
Student Affairs
University Advancement

DEANS

Bourns College of Engineering
College of Humanities, Arts, & Social Sciences
College of Natural & Agricultural Sciences
Graduate Division
Graduate School of Education
School of Business
School of Medicine
School of Public Policy
Undergraduate Education
University Extension
University Librarian

ACADEMIC SENATE

Chair
Chair, Committee of Planning & Budget

STAFF ASSEMBLY

President

STUDENTS

ASUCR Representative

SUPPORT STAFF TO PROVOST

AVC FP&A



CFP Annual Update Process*

2022

Spring

- PDC shares existing priorities as embodied in preceding year published Capital Finance Plan
- Capital Planning meets with campus stakeholders to review capital space needs and organizational priorities
- Information gathered, including existing and new priorities, shared with CFC

June-July

- CFC and leadership discussions around proposed projects
- CFC prioritizes capital priorities for recommendation to the Chancellor

August

- Campus documentation due to UCOP August 1st
- UCOP review and campus finalization

September-October

- UCOP consolidates campus CFPs and prepares them for Regents review and acceptance in the Fall

*Prior year CFP cycle was impacted by pandemic



2021 Impacts

Ongoing Pandemic

Campuses must share evolving planning assumptions as a result of the Covid-19 pandemic

2021 LRDP approved by Regents

All capital projects moving forward will need to comply with the 2021 LRDP. The new LRDP provides guidance for the physical development of the campus if student enrollment grows to 35,000.

2021 Campus Seismic Plan

Following a year's effort in conducting seismic reviews of UCR's buildings, the Campus Seismic Plan indicates 169 buildings require seismic retrofit by 2030, at an estimated cost of \$1.8 Billion

2025 Carbon Neutrality Requirement

Development of the ICamp Program

Implementation of the system-wide Facilities Condition Assessment Management Program (ICAMP), indicates that UCR has over \$600 Million in deferred maintenance, at varying levels of risk and failure



CAPITAL PRIORITIES LISTED IN 2021 CFP

Overall priority areas:

- Classrooms, class labs, and studio space shortage
- Campus seismic issues
- Aging plant and infrastructure (DM)
- Student Housing
- Carbon neutrality/climate goals (mostly focused on electrification of steam plant).

State funded facility priorities:

- Undergraduate Teaching and Learning Facility (UTLF)
- Spieth Hall Renovation (to address both seismic and deferred maintenance)
- Rivera Library Renovation (to address both seismic and deferred maintenance)
- Webber Hall Renovation (to address both seismic and deferred maintenance)
- Physical Education/Dance Renovation (to address both seismic and deferred maintenance)
- Engineering Building Unit 3
- Multidisciplinary Research Building 2
- Plant Growth Research 2



Link to 2021-2027 CFP

https://www.ucop.edu/capital-planning/2021-2027_capital_financial_plan.pdf

UCR portion starts at page 80. UCOP's format for portraying project information is, unfortunately, less than straightforward and clear.