Office of the President

TO THE MEMBERS OF THE COMMITTEE ON FINANCE:

ACTION ITEM

For the Meeting of May 26, 2005

PROPOSED CONTINUATION AND INCREASE OF LIFE-SAFETY FEE, BERKELEY CAMPUS

EXECUTIVE SUMMARY

Action: • Approve continuation of the life-safety portion of the Berkeley Campus Fee through spring 2009.

• Approve increases in the life-safety portion of the fee of $6.50 per semester for fall and spring 2005-06, and an additional increase of $8 per semester from fall 2006 through spring 2009.

• Approve assessment of the life-safety portion of the fee of $23 for summer enrollment beginning in 2006.

Issues: The life-safety portion of the Berkeley Campus Fee provides funding for needed seismic and other life-safety improvements in student services facilities ineligible, in whole or in part, for State-funded maintenance. The life-safety portion of the fee is the Berkeley campus’s primary fund source to address the safety needs of student services facilities.

It is estimated that over the four years the fee will generate about $10.7 million, of which $3.5 million will be used for financial aid purposes and $7.2 million will be available for projects.
RECOMMENDATION

The President recommends that the Committee on Finance recommend to The Regents that:

(1) The mandatory life-safety portion of the Berkeley Campus Fee be continued for four years, from fall 2005 through spring 2009.

(2) The mandatory life-safety portion of the Berkeley Campus Fee be increased for all students enrolled during the regular academic year by $6.50 from $31.50 per student per term to $38.00 per student per term for fall 2005 and spring 2005, and beginning fall 2006 through spring 2009 be increased to $46.00 per student per term.

(3) Students enrolled in the summer be assessed the mandatory life-safety portion of the Berkeley Campus Fee at 50 percent of the succeeding fall term, or $23 per student beginning summer 2006 through summer 2008.

BACKGROUND

The Berkeley campus Student Center Fee was established in 1955 and was incorporated following a student referendum, along with other student fees in 1968, into a new fee named the Berkeley Campus Fee. In July 1992, to address life-safety needs, The Regents approved an increase in the fee of $31.50 per student per semester, effective from spring 1993 through spring 1996. Consistent with University policy, the approved increase did not require a student referendum. Subsequently, The Regents approved extensions of the life-safety portion of the fee through spring 2005 to address additional health and safety projects. The life-safety portion of the Berkeley Campus Fee has funded needed seismic and other life-safety improvements in student services facilities ineligible, in whole or in part, for State-funded maintenance. The life-safety portion of the fee is the Berkeley campus’ primary fund source to address the safety needs of student services facilities. The total annual Berkeley Campus Fee is $197.50, of which $63 is used to fund life-safety projects.

Revenue from the life-safety portion of the Berkeley Campus Fee was originally allocated to fund projects identified by a committee comprised of students and staff. A portion of the funds was targeted for the campus SAFER program (Seismic Action Plan for Facilities Enhancement and Renewal) following the revised evaluation of the campus’ seismic needs conducted in summer 1997. Since its inception, approximately $17.5 million in fee revenue, net of financial aid, has been collected by the campus and either expended or budgeted to fund seismic analyses and repairs, HVAC repairs, elevator replacements, fire alarms and sprinklers, demolition and hazard removal, and resurfacing. More recently, following the September 11, 2001 terrorist attacks, The Regents also approved use of the fee for some campus security projects.

During the past year, the Berkeley campus Life Safety Advisory Committee, with both student and campus staff membership, has developed a comprehensive list of potential life-safety projects and their respective costs and determined an appropriate amount and duration for the life-safety portion of the Berkeley Campus Fee based on the identified projects. The committee also was asked to determine whether the life-safety portion of the Berkeley Campus Fee should
be extended to summer students and the appropriate amount of that fee. The committee’s findings are incorporated into this request. The committee will continue through the period of time the life-safety portion of the Berkeley Campus Fee is collected to review project budgets and schedules, approve revised sequencing, take advantage of other campus deferred maintenance work to leverage the funding for the life-safety projects, make certain that an appropriate campus administrator or committee is identified to develop plans for addressing any deferred projects, and ensure that the uses of revenue from the life-safety fee conform to University and campus guidelines. The campus has recommended that the fee be increased in two phases in years 1 and 2 of the extension to reduce the amount of external financing that would be needed.

The revenue generated by the four-year extension is expected to fund projects from among those listed below.

<table>
<thead>
<tr>
<th>Life-Safety Fee Renewal Project List</th>
<th>Student Services Unit</th>
<th>Description of Work</th>
<th>Project Cost</th>
<th>% from Life-Safety</th>
<th>Amount from Life-Safety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rec Sports Facility</td>
<td>Recreational Sports</td>
<td>Exterior repair to address risk of structural steel collapse</td>
<td>$6,000,000</td>
<td>100%</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Rec Sports Facility</td>
<td>Recreational Sports</td>
<td>Restore elevator</td>
<td>$300,000</td>
<td>100%</td>
<td>$300,000</td>
</tr>
<tr>
<td>Tang Center</td>
<td>Univ Health Service</td>
<td>Magnetic closures for fire-rated doors</td>
<td>$27,000</td>
<td>88%</td>
<td>$24,000</td>
</tr>
<tr>
<td>Tang Center</td>
<td>Univ Health Service</td>
<td>Smoke detectors deteriorating/ failing</td>
<td>$24,000</td>
<td>88%</td>
<td>$21,000</td>
</tr>
<tr>
<td>Not yet specified</td>
<td></td>
<td>Seismic remediation planning</td>
<td>$500,000</td>
<td>100%</td>
<td>$500,000</td>
</tr>
<tr>
<td>Banway Bldg Career Center</td>
<td>Career Center ASUC</td>
<td>Seismic remediation Phase 2</td>
<td>$2,700,000</td>
<td>50%</td>
<td>$1,350,000</td>
</tr>
<tr>
<td>Lower Sproul Plaza</td>
<td></td>
<td>Water-proofing/restoration to address risk of structural steel collapse</td>
<td>$3,000,000</td>
<td>33%</td>
<td>$1,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$12,551,000</strong></td>
<td></td>
<td><strong>$9,195,000</strong></td>
</tr>
</tbody>
</table>

Eligible facilities that would be the subject of seismic remediation planning will be student services facilities that are funded from student fees or occupied by student services or programs. The cost of the planning studies will be proportionally shared by all occupants of the facilities.

In keeping with Berkeley campus practice, it is proposed that two-thirds of the per-term fee revenue be used to support life-safety projects and one-third be directed to student financial aid. Approval of the campus proposal will result in a modest increase in total student fees. It is estimated that over the four years the fee will generate about $10.7 million, of which $3.5 million will be used for financial aid purposes and $7.2 million will be available for projects.

The request for continuation of the fee is in accord with the University’s Policy on Campus-Based Student Fees (Policies Applying to Campus Activities, Organizations and Students, as revised July 28, 2004) which states:
83.0 Exceptions to Referenda Requirements

An increase in compulsory campus-based student fees may be approved either by The Regents or by the President under the President’s delegated authority as appropriate, subject to the Chancellor’s recommendation, and does not require a student referendum, under any of the following circumstances:

* * *

83.12

When the Chancellor determines that an increase is necessary for the health and safety of students, such as for the maintenance of the safety of a building or facility that is funded wholly or in part by compulsory campus-based student fees. Safety issues are those that are potentially dangerous such as risk of fire, asbestos, earthquakes, or structural deficits. (See the University Policy on Seismic Safety and the University Policy on Environmental Health and Safety.)

For buildings or facilities with multiple uses, whenever possible the costs to students for funding safety-related or health-related maintenance should be based on the proportion of current non-academic student use of the facility. A portion of the revenue from these fees may be set aside for financial aid purposes.