

AUXILIARY ENTERPRISES

2001-02 BUDGET	
Total Funds	\$ 550,761,000
General Funds	--
Restricted Funds	550,761,000

2002-03 INCREASE	
General Funds	--
Restricted Funds	24,478,000

The University's primary goal in administering auxiliary enterprises is to support its academic mission with the highest levels of service. Auxiliary enterprises are self-supporting services that are primarily provided to students, faculty, and staff. Student and faculty housing, parking, and bookstores are the largest auxiliaries. No State funds are provided for auxiliary enterprises; therefore, they must generate sufficient revenues to cover all of their direct and indirect operating costs. The annual budget is based upon income projections, and all budget increases are funded by corresponding increases in revenue.

During 2001-02, revenue from auxiliary enterprises will be expended as follows: 50% for residence and dining services; 10% for parking operations; 8% for intercollegiate athletics; 27% for bookstores; and 5% for other expenditures.

Student Housing

The largest program in Auxiliary Enterprises is student housing, comprised of approximately 40,672 residence hall and single student apartment bed-spaces and 4,585 student family apartments, for a total of 45,257 spaces.

Affordable student housing is an important component of the University's ability to offer a high quality education. Rapid enrollment growth has

presented the University with many challenges; creating affordable, accessible student housing to accommodate this growth is high among those challenges.

In accommodating demand, campuses identified guaranteed housing for freshman as one of their highest priorities. Planning and providing for additional housing opportunities for transfer and graduate students is also a top priority for all campuses.

While the University was better prepared in Fall 2000-01 to meet the housing demand of students than in previous years, most campus residence halls continued to be occupied at over 100% design capacity (systemwide occupancy of residence halls was 106%). Campuses accommodate this by increasing design capacity of rooms from doubles to triples as well as modifying study areas into temporary quarters. All campuses housed freshman who met enrollment and housing deadlines. However, none of the campuses was able to accommodate all of the continuing students and few were able to satisfy all transfer students who sought housing.

Constrained on-campus housing conditions are predicted to continue as enrollment increases over the next several years. Off-campus housing market vacancies and rates, although improved last year, are still generally congested in the areas surrounding the University campuses. For these reasons, a Housing Task Force with representatives from all segments of the University community (as well as participation from the private sector and State government) has been formed to seek ways to make housing more available and affordable for students, faculty and staff.

The Housing Task Force includes three major subcommittees to address the following specific issues:

- traditional student housing,
- third-party development opportunities, and
- new financial programs for faculty/staff housing.

The Housing Task Force has begun a campus-by-campus review of expected enrollment increases, campus housing goals, critical factors in the housing market for each campus, and the design capacity and utilization of housing at each campus. Integration into campus educational programs will be emphasized (i.e., construction of housing with computer communications capability). They will also focus on identification of additional external

funding for the financing of faculty housing. Finally, they will keep surrounding communities informed of the housing situation and challenges at the individual campuses.

By the fall 2005 term, should construction proceed as planned, the University will add 19,025 new spaces (both bed spaces and spaces in apartment units) to its existing housing stock, and will have space to accommodate 64,282 students.

Faculty Housing Programs

The California housing market is a continuing deterrent to faculty recruitment efforts, particularly for junior faculty. Various programs to alleviate this problem have been implemented since 1978. One of these programs provides rental housing to the faculty. The units are self-supporting without subsidy from student rental income, and are made available to newly appointed faculty on the basis of criteria established by each campus. There are currently 677 units available at seven campuses: Berkeley, Irvine, Los Angeles, San Diego, San Francisco, Santa Barbara, and Santa Cruz.

Home loan programs have provided mortgage loans with favorable interest rates and/or down payment requirements to 3,295 faculty members and other designated employees. In addition, the Salary Differential Housing Allowance Program has provided 1,521 faculty members with housing assistance during their first years of employment with the University, and the Mortgage Credit Certificate Program has furnished a federal tax credit for 51 faculty who were first-time home buyers.

The University continues to explore other faculty housing alternatives. Six campuses, in coordination with the Office of the President, have developed for-sale housing on land owned by the University. The land is leased to the purchaser of a unit built by a private developer. Resale restrictions control prices and determine eligibility for new buyers. The Berkeley, Davis, Irvine, Los Angeles, Santa Barbara, and Santa Cruz campuses have projects underway and/or completed which will provide over 1,000 units, including townhouses, condominiums, and single-family structures. No State funds are provided for faculty housing programs.

Parking

Another major auxiliary is the parking program with approximately 99,299 spaces for students, faculty, staff, and visitors. Recognizing the serious need for parking on each of the campuses, the University approved several parking projects in 2001-02 which will yield over 2,000 new spaces.