Other General Fund (GF)/Sales and Service Revenue  
Report to the Funding Streams Budget & Tax Workgroup

Summary
• Other General Fund Sales and Service revenue includes miscellaneous student fees and fines such as candidacy for doctor’s degree fee, late registration fee, and library fines.
  - Candidacy for doctor’s degree fee of $90 is split: $25 to UCGF and $65 to Office of Graduate Studies.
  - All other income is deposited directly to general fund revenue, there are no department budgets.
• Under current practice, campus reports this income via Regents Budget Table and the permanent income budgets are adjusted such that any increase in revenue is offset by a reduction in State General Fund support. At fiscal year end, the revenues are transferred to UCOP to be included in the General Fund pool.
• Under the new model, offsetting reductions to the State General Fund would be eliminated.

Current Funds Flow
See Attachment 1. Approval for setting fee levels has been delegated to the Chancellor for all but the last one, library privilege card fee. Definitions:
• Candidacy for doctor’s degrees – Formal advancement requires a graduate student to pay a $90 fee prior to submitting the Report of the Qualifying Examination and Advancement to Candidacy form.
• Credit by exam fee – $5 fee charged to a student (registered and in good academic standing) who requests to take an examination which covers work for the entire course. Authorized and given by the instructor with the approval of the student’s provost (or dean).
• Changing course fee – A late fee assessed for adding or dropping a class, $3 per class. This fee is currently being reviewed.
• Late filing (enrollment) fee – A fee charged to students who enroll in courses after the enrollment deadline, currently $50.
• Late registration fee – Currently a $50 fee charged to students who fail to enroll in courses prior to the registration deadline. In addition to this fee, student is charged the late filing fee.
• Library fines – Fines for overdue materials, lost or stolen material, damaged books.
• Library privilege card fee – A borrowing privilege given to visitors which enables them to borrow materials for use at home. These privileges are given to visitors only by policy or by specific arrangement. Residents of California, 18 years of age or older, may apply for this card.

Known or Potential Issues Identified
• This change will recognize a built-in shortfall to general funds because all budget adjustments are based on FY 09/10 levels. The current estimated shortfall is ~$100k (but may change as implementation goes forward).
• Potential for increase in revenue if current fees were increased. Many of these fees have not been increased in a long time.
• Potential for decrease in revenue due to changing technology (e.g., use of digital library books).
• The fee “owners” are still being identified. Outstanding items are the late filing fee and credit by exam fee.
• Since these fees/fines do not generate significant revenue, OP has been asked if the campus can convert these funds to non-UCGF income accounts to be administered similar to other student fee funds.
  - This would result in a reduction to general fund budgets.
Central Campus Processes
Annual revenue estimates for budgeting purposes. Campuses are supposed to permanently budget projected increases in revenue.

- CBO is responsible for recording permanent increases and decreases to core funds.
  - Depending upon how campus budgets these funds, other units may be responsible.
  - Process needed to ensure UCGF revenue portion is maintained.
- Basis of permanent budgets TBD: immediate prior year actual revenues or two-years prior? (budgets to be reconciled to revenues at fiscal year-end)

Local Resource Allocation Options
Other than fees for tuition and student services, most other student fees are generated and expended by the VCs/departments. Currently, only the Office of Graduate Studies shares any portion of this revenue. If allowed by OP, the implementation workgroup recommends Option 1.

- **Option 1 (recommended)**
  Let all revenues from Other General Fund Fees/Sales and Service flow to the various generating units as student fee income accounts.
  **PROS:**
  - Easy to administer as all revenues will be the responsibility of the unit.
  - Strengthens internal controls by increasing incentive for revenue collections.
  - Allocates funding back to the department where the workload is generated.
  **CONS:**
  - Places risk on the unit to absorb potential revenue decreases if fees decline from prior year.
  - Provides increased resources to the units outside the Chancellor’s Budget Committee process.

- **Option 2**
  Budget and allocate all revenues generated from Other General Fund Fees/Sales and Service to the various generating units through the Chancellor’s Budget Committee process.
  **PROS:**
  - Allocates funding back to the VC/department where the workload is generated.
  **CONS:**
  - Additional workload to centrally budget, allocate, and reconcile a small amount of funding.

- **Option 3**
  Hold the Other General Fund Fees/Sales and Service revenues centrally for payment of OP tax.
  **PROS:**
  - Contributes to campus tax and reduces units’ assessment.
  - Allow central administrative offices greater flexibility filling in funding gaps.
  **CONS:**
  - Neither a significant nor reliable amount of funding and may complicate the remaining tax distribution.
Other General Fund (GF)/Sales and Service Revenue
(revenues are collected in the stated fiscal year)

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>Actuals FY 07/08</th>
<th>Actuals FY 08/09</th>
<th>Actuals FY 09/10</th>
<th>Estimate FY 10/11</th>
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</thead>
<tbody>
<tr>
<td><strong>OGS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>CANDIDACY FOR DOCTORS DEGREES</td>
<td>$21,160</td>
<td>$36,390</td>
<td>$35,414</td>
<td>$30,988</td>
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<td><strong>UC General Funds to OP</strong></td>
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<tr>
<td>CANDIDACY FOR DOCTORS DEGREES</td>
<td>$13,225</td>
<td>$13,950</td>
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<td>CREDIT BY EXAM FEE</td>
<td>5</td>
<td>30</td>
<td>25</td>
<td>20</td>
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<tr>
<td>CHANGING COURSES FEES</td>
<td>5,103</td>
<td>1,434</td>
<td>672</td>
<td>2,403</td>
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<tr>
<td>LATE FILING FEE</td>
<td>55,700</td>
<td>61,000</td>
<td>42,750</td>
<td>53,150</td>
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<td>LATE REGISTRATION FEES</td>
<td>199,900</td>
<td>151,350</td>
<td>78,850</td>
<td>143,367</td>
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<td>LIBRARY FINES</td>
<td>80,148</td>
<td>65,094</td>
<td>92,037</td>
<td>79,093</td>
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<td>LIBRARY PRIV CARD FEES</td>
<td>2,950</td>
<td>3,665</td>
<td>3,530</td>
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<td><strong>Total UCGF</strong></td>
<td><strong>$357,031</strong></td>
<td><strong>$296,523</strong></td>
<td><strong>$231,439</strong></td>
<td><strong>$294,998</strong></td>
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</table>

Notes and estimate assumptions
FY 10/11 estimates
- based on 3-year average of actual revenue
- no change in candidacy for doctors degrees
Candidacy for Doctor Degree Fee
- current fee is $90 -- $25 is converted to UCGF, remaining $65 goes to OGS
- fee increased from $65 to $90 in FY 08/09