

June 5, 2013

Vice Chancellor James W. Sandoval
Student Affairs

Dear Jim,

This letter summarizes my decisions as to the FY 2013-14 financial proposals submitted by your Auxiliary business units. I would like to thank your staff for the annual business reports that were prepared and their participation in the annual campus-wide review process conducted by Resource Planning & Budget. This comprehensive information is invaluable to the decision-making process.

After giving careful consideration to your FY 2013-14 financial proposals, and in light of the supportive recommendations from Resource Planning & Budget, I approved the following effective July 1, 2013.

HOUSING SERVICES (HS)

I am approving the FY 2013-14 financial plan as stated in this year's annual business report to include the following core business rates (all other rates approved as submitted):

Service Lines	Original	New	Change
Residence Halls	\$ Various	\$ Various	2% - 3%
Campus Apartments	\$ Various	\$ Various	3%
Family Housing	\$ Various	\$ Various	5%

In addition, and with the recognition that this requirement may require slightly higher future rate increases, please develop a plan that can be implemented beginning in fiscal year 2013-14 that establishes a more reasonable equity balance for HDRS as the currently planned levels are insufficient to cover operational risk. This reserve should be maintained so that the unit can respond to the occasional operating loss or catastrophic event and current plans provided during this year's rate and budget review process shows equity decreasing from \$7M in FY 2011 – 12 down to \$194K by FY 2013 – 14 and it is this erosion that is my concern.

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