PART III
1975-1990:
(1) EXPANSION AND IMPROVEMENTS; (2) UNIVERSITY FUNDING

The confluence of the issuance of the liquor license and the recommendations of the Board’s Long Range Planning Committee spurred the next major phase of the Faculty Center’s history: a 15-year period that saw significant expansion, renovations, and improvements to meet the increased membership and campus demand for meeting rooms. Critical to the completion and success of this expansion phase was a series of funding allocations and other assistance provided to the Faculty Center Association by the Office of the Chancellor.

The retirement of Robert Rogers in 1976, as Assistant Vice Chancellor-Finance, also ended his service as Secretary-Treasurer of the Faculty Center Association that provided a complementary relationship between the University administration and the Faculty Center Board of Governors. Mr. Rogers retirement also effectively ended the tradition of having the senior UCLA business affairs/financial officer serve as the Secretary or Treasurer of the UCLA Faculty Center Association, Inc. (or its primary founding organization, the Faculty Men’s Club).

The chronological history of the Faculty Center building and the Faculty Center Association, Inc. continued with these key milestones.

July 10, 1975 – The Regents approve planning and funding plan for a two-level south addition to the Faculty Center at a total project cost of $550,000. The proposed funding plan, based on the Sproul 1949 policy, is:

- $184,000 Regents appropriation
- $183,000 Regents loan
- $183,000 Faculty Center Reserves

The loan was scheduled on a nine-year amortization basis, at 8.81%, the long-term rate (AA Moody’s Utility rate) in effect at the time of the first drawdown. Monthly payments were eventually calculated to be $2,466 per month (in addition to the $1,418 per month payment for the original 1957 loan).

March, 1977 -- The project, designed by the architectural firm of Austin, Field and Fry (the same firm who designed the original Faculty Center facility 20 years earlier) adds six new dining rooms – the Executive Dining Room, the Redwood (1 & 2) Rooms, and the Sequoia (1 & 2 & 3) Rooms -- and a lower level lounge/bar.

The construction contract for UCLA project no. 940080 was awarded by UCLA Campus Architects and Engineers to Ray V. Anderson Co. of Los Angeles, CA in March, 1977. The base contract amount was $484,000. A total of 23 changes orders were subsequently added to the contract, amounting to an additional $156,742 (including $65,155 to finish
the basement addition; $20,636 to construct the bar area; and $17,705 to construct the patios on the south side of the Sequoia Rooms.

The notice of completion for the construction contract was filed in April, 1978. The project was capitalized on the UCLA plant inventory at an aggregate value of $725,250.

**October 5, 1978** – The UCLA Office of Campus Architects and Engineers enters into an Independent Consultant Agreement (project no. W8177-0261) with a Los Angeles-based firm, Cannell and Chaffin Commercial Interiors, to design a new food service area, eliminating three of the original six small dining rooms (Rooms A, B, C). This service area, based on a cafeteria or “scramble” system approach, was intended to eliminate the buffet-line system used in the main dining room and, as a result, provide increased seating capacity.

The actual construction occurs in February-June, 1979, with the equipment provided by Kitcor Corporation of Sun Valley, CA and the actual construction performed by the Dinwiddie Construction Co. of Los Angeles under a brief-form contract executed by the campus Architects and Engineers Office.

A total of $233,401 was allocated for the food service project, with $100,000 provided as an appropriation by the Office of the Chancellor and the remainder ($133,401) from Faculty Center cash reserves.

**December, 1978** – Membership in the UCLA Faculty Center Association, Inc. continued to be at essentially the same level since the late 1960s: approximately 1,500 members. The one-time membership fee was $100 and were set at $7.00 per month, including $1.50 per month for the building fund to help retire the loan from The Regents for the 1977-1978 expansion), with the following distribution:

**UCLA Faculty Center Association, Inc. Membership Circa 1978**

<table>
<thead>
<tr>
<th>Category</th>
<th>No.</th>
<th>Pct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Professor</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>Associate Professor</td>
<td>160</td>
<td></td>
</tr>
<tr>
<td>Assistant Professor</td>
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<td></td>
</tr>
<tr>
<td>Lecturers</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>Emeriti</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>Total-Academic</strong></td>
<td><strong>1,030</strong></td>
<td><strong>71%</strong></td>
</tr>
<tr>
<td>Senior Staff</td>
<td>360</td>
<td></td>
</tr>
<tr>
<td>Librarians</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td><strong>Total-Non Academic</strong></td>
<td><strong>420</strong></td>
<td><strong>29%</strong></td>
</tr>
<tr>
<td><strong>Total-Combined</strong></td>
<td><strong>1,450</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
October, 1979 – The Faculty Center Board holds a special 20th anniversary dinner for the campus community, honoring each academic dean of the campus and Chancellor Young.

October-November, 1979 – The Board receives a report analyzing the Faculty Center operations from the firm of Laventhal and Horwath.

July 17, 1980 – The Regents approve a proposal submitted by Chancellor Young on behalf of the Faculty Center Association that a moratorium of up to five years be approved on monthly payments on the original 4% loan so that the full amount of the $3,884 payment available each month could be assigned to an accelerated payment schedule of the 8.81% loan. During the moratorium, interest would accrue on the initial loan at a rate of 4.0%, compounded.

As a result of the accelerated schedule, the 8.81% loan is repaid in July, 1983, rather than in 1988 as under the original schedule.

The Regents agenda item stated that, following July, 1983, a monthly payment of $3,844 would be continued and applied to the original 4% loan (including the interest accrued during the moratorium) to also retire that loan on an accelerated basis by 1989.

Subsequently, in 1983-84, officers of the Faculty Center Association disputed that they were aware of or had agreed with the UCLA administration proposal submitted to the Office of the President in 1980 by which the $3,844 monthly payment would be continued after the full repayment of the 8.81% loan in order to accelerate the repayment of the original 4% loan. The Faculty Center Association also stated that it had not agreed that the “up to five years” moratorium on the original 4% loan payments would last only until the second 8.81% loan was fully repaid in July, 1983.

After protracted discussions among the Office of the Chancellor, the Office of the President (now led by UC President David Gardner), and the Faculty Center Association, agreement was reached in June, 1985 to: (a) relieve the Faculty Center Association of any obligation for principal or interest-only payments on the original 4% loan until July 1, 1985; and (b) effective July 1, 1985, reduce the Faculty Center Association’s monthly loan payment to the original calculated payment of $1,418, with total repayment scheduled to occur in Fall, 2004. As a result of the fact that no payments were made by the Faculty Center Association toward the original 4% loan between July 1, 1980 and June 30, 1985, a total of $41,490 in interest is accrued, resulting in a new original loan balance of $229,231.

(Note: The original 4% loan was fully retired by the Faculty Center Association by a final payment in December, 2000. The 8.81% loan for the 1977-79 South Addition project had been retired in 1983.)

1981 – The Faculty Center Association writes to Chancellor Young suggesting that a preferred site for the new UCLA Guest House being discussed would be one adjacent to the Faculty Center at the Westholme entrance to the campus (note: the UC Berkeley
Faculty Club includes a limited number of guest lodging rooms). Chancellor Young decides to proceed with the siting of the Guest House at the Wyton entrance to the campus (new facility completed in 1985).

March 8, 1982 – A MBA field study team of the Graduate School of Management makes a presentation to the Board of Governors based on the unaudited financial statements for the five consecutive years of 1976-77 to 1980-81.

August 12, 1982 – Faculty Center Manager Mary Erickson writes to Chancellor Young accepting his offer of an additional $10,000 allocation of Chancellorial discretionary funds for the full development of the Faculty Center California Room patio, to supplement an earlier allocation of $25,000 in 1980. The additional funding is to pay for the installation of an outdoor bar facility in the patio.

Fall 1983 – The Faculty Center Board of Governors approves the experimental and temporary allocation of space inside the Faculty Center on a 11:30-1:30 trial basis to a private company to provide travel services for members of the Faculty Center Association. At its meeting of October 27, 1983, the Board decides to terminate this trial arrangement.

Fall, 1983 – Chancellor Young meets with the officers of the Faculty Center Board of Governors on October 31, 1983 to discuss the next major improvement initiative: (a) a Phase I project to provide involving improvements/renovations in the main meeting rooms, to be completed prior to the 1984 Olympics to attract corporate sponsors and National Olympic Committees; (b) a Phase II project to install air-conditioning throughout the Faculty Center; and (c) a Phase III project to construct an outdoor patio seating area/grill on the east side of the Faculty Center.

In advance of the October 31, 1983 meeting, Faculty Center Manager Mary Erickson submitted the unaudited financial statements of the Faculty Center Association for FY 1980-1981 and 1981-82 by transmittal of July 11, 1983 to Administrative Vice Chancellor James Hobson. The Faculty Center Association, Inc. had reported an operating loss for three consecutive years (FY 1978-79, FY 1979-80, FY 1980-81), amounting to a cumulative deficit of $213,000 during this period.

The estimated cost of the project is $672,000, with an initially-proposed funding plan of
- $224,000 -- Regental appropriation
- $224,000 -- Regental Loan
- $224,000 -- UCLA Foundation Gift (to be paid over five years)

The premise of the proposed Regents loan was to add this amount to the approximately $220,000 balance due on the original 4% loan, the repayment schedule for which was in dispute (see above) following the July, 1980 action by The Regents. The combined loan of $444,000 would then be repaid over 20 years, commencing July 1, 1984 at 7.00% straightline amortization ($3,442/month) and ending in June, 2004.
In exchange of his support for the funding package, including the UCLA Foundation gift, Chancellor Young requested execution of an operating agreement with the Faculty Center to ensure that: (a) operations of the Faculty Center are governed by policies and practices to ensure solvency and thereby protect the University’s investment; (b) fiduciary responsibilities of University administrators over resources allocated to the Center be supported with periodic audited financial reports of the Center; and (c) disbursement of funds for the proposed projects would be in accordance with required University procedures, including all required purchasing and construction-related contracting.

Based on the meeting of October 31, Vice Chancellor Hobson submits a revised proposal to the Board of Governors on November 22, 1983, which is discussed by the Board at its meeting of December 1.

January, 1984 -- The Board amends the Bylaws (Chapter III, Section A, Paragraph 7(c)) to offer membership in the Faculty Center Association, Inc. to members of the local Los Angeles community who are not formally associated with UCLA but whose interest and involvement in the University provides benefits of a special kind. Such persons were expected to be outstanding members of the scientific, artistic, or academic community. This action was taken in view of the fact that the faculty centers at other peer institutions are often viewed as “University Clubs” in which local civic or business leaders are often members.

Spring, 1984 -- The Office of the President agreed by letter of March 29, 1984, to provide an appropriation of $150,000 for the three-phase improvement project. Chancellor Young agrees to provide an additional $150,000 of Chancellorial discretionary funds for Phase I of the project. Vice Chancellor Hobson, by letter of April 6, 1984, responds to a letter of March 14 from Faculty Center Association President-Elect Wendell Jeffreys expressing concern about the status of the Phase I project. Vice Chancellor Hobson authorizes completion of Phase I prior to the 1984 Olympics (under the direction of the Campus Architects and Engineers Office) based on the conditions “that the Association would agree to in order to assure the University that the Center is being operated in a fiscally sound manner.”

The refurbishing project (UCLA project no. 947076) commences in May, 1984 with a contract awarded by UCLA Campus Architects and Engineers to Armenco Construction Co. of Laguna Hills, CA; the contractor’s performance was inadequate and the firm was terminated and replaced.

An additional value of $89,768 was capitalized on the UCLA plant asset inventory for the Phase I project, when completed after the 1984 Olympics. (Despite the project’s difficulties, the Faculty Center Association reported a net profit of approximately $40,000 from its Olympic-related activities in July-August, 1984.)

However, before the Phase I project began in May, 1984, Marjorie Day, President of the Faculty Center Association for 1983-84, responded to Vice Chancellor Hobson’s letter by reply of April 27, 1984:
The Executive Committee of the Faculty Center Association, at its meeting on April 18, carefully reviewed and considered the materials which had been forwarded regarding the Faculty Center refurbishment and renovation projects. The Committee members once again expressed sincere appreciation for the appropriations received and the efforts which have been extended by your staff in the interests of expediting various phases of the plan. However, after full discussion, consensus was reached that the agreement form as received did not represent a clear and precise contractual document, but rather, possessed high potential for diverse interpretations and possible misunderstandings regarding intent. It was agreed that basic to discerned ambiguity was the reference to both the transmittal letter with its comprehensive content and the attached summary statement which had served as a discussion document on October 31 with respect to the original proposal which was never implemented. Consensus was again reached that certainly a written agreement relating to the refurbishment and renovation is in order, but that it should be a free-standing document which clearly delineates all terms to which the Faculty Center Association would be committing. We would be most pleased to have the privilege of participating in the formulation of an agreement form which would be mutually acceptable and which would represent the best interests of all concerned.

Fall, 1984 / First Draft Memorandum of Understanding -- Professor Wendell Jeffrey began his service as President of the Faculty Center Association in 1984-85, and Professor John Bauman began his term as President-Elect. On September 25, 1984, Administrative Vice Chancellor James Hobson’s staff (Harold Katz) submitted to Professor Jeffrey a proposed Memorandum of Understanding (MOU). This transmittal occurred basically at the same time as the disagreement over: (a) the repayment schedule of the original 4% loan; and (b) the assertion that the Faculty Center Association Board had been neither aware of nor in agreement with the accelerated repayment plan included in the UCLA proposal to the Office of the President for the July, 1980 meeting of The Regents.

The letter of September 25, 1984, from Mr. Katz acknowledges the following concerns that Professor Jeffrey had conveyed in earlier discussions in summer, 1984 about such a MOU:

- a formal statement between the University and the Association which institutionalizes assurances of Faculty Center solvency and requires periodic reporting to the University of Center finances threatens the independent character of the Association;
- it would reduce the discretion of the Association’s Board;
- it would impose University accounting and management processes and reporting requirements on the Association, effectively placing the Center under the control of the University; and
- it would cause the Association to incur costs for accounting and external auditing reports not required by its own management policies (note: the Association had
commissioned the external audit in 1979 by the firm of Laventhal and Horwath and two subsequent audits by Dr. Ronald Stone, CPA).

The Faculty Center Association Board of Governors discussed the draft MOU at its meeting of November 29, 1984. By letters of December 10 and December 17, 1984, Professor Jeffrey extended appreciation for Chancellor Young’s previous support for the Faculty Center and offered comments about the MOU.

March-June, 1985 – Revised Draft Memorandum of Understanding -- By reply of January 31, 1985, Mr. Katz informed Professor Jeffrey that Chancellor Young desired that a MOU be concluded by June 30, 1985, concurrent with the end of the moratorium on the payment schedule for the original 4% loan from The Regents. Following a meeting between Administrative Vice Chancellor Hobson and Professors Jeffrey and Bauman on March 1, 1985, the MOU was revised on March 6, 1985. The revised MOU contained the following provisions:

Revised DRAFT Memorandum of Understanding
March 6, 1985

The following statements represent agreed upon understandings governing the relationship between the University of California, Los Angeles campus and the UCLA Faculty Center Association, Inc. These understandings are predicated on a Regents’ policy that over the years has made substantial University resources available to the UCLA Faculty Center in recognition of its meritorious contributions to University objectives.

1. The UCLA Faculty Center Association exists as a separately chartered organization for the purpose of maintaining facilities so that faculty, professional staff, and University guests may have a place to meet either formally or informally for the exchange of ideas and information, for cementing working relationships, and for recreation and relaxation. By providing this collegial environment, the UCLA Faculty Center makes a significant contribution to the educational, intellectual, research and social objectives of the University.

2. The UCLA Faculty Center Association, Inc., as a separately-chartered organization, is governed by its Board of Governors and not by The Regents of the University of California. Regents’ policy assumes and assures the independence of the Association by recognizing actions approved by its Board, and implemented by its employees. At the same time, the Association, and the Center it operates, are built on the existence of the University. The Association and the Center can only thrive when their dealings with the University are conducted in an atmosphere of mutual understanding, respect, and trust.

3. The Regents, President and Chancellor recognize the merit of the Association’s purpose, and therefore promote its welfare by making substantial resources available through the University’s resource allocation process for the development and
operation of the Faculty Center. This assistance has been provided in many ways, for example: rent-free use of land; reduced rent for the use of facilities dedicated to the Faculty Center, provided through the mechanism of low interest, small-payment loans covering only part of the cost of facilities construction; appropriations from University funds for the construction, expansion, and renovations of the Center’s physical plant; forgiveness of expenses incurred by the University in providing operations and maintenance of plant services and utilities; inclusion, at no cost to the Faculty Center, in the Regents Fire Insurance and Self-Insurance Funding Program, and avoidance of property taxes because title of real property rests with The Regents, who are immune from such taxes.

4. In recognition of both the Chancellor’s and Administrative Vice Chancellor’s authority over and responsibility for University resources assigned to the campus for the benefit of the Faculty Center, the UCLA Faculty Center Association Board of Governors agrees to:

   a) Assure year-by-year solvency by adjusting membership fees and dues structures to:
      i. repay, in accordance with loan agreements, all outstanding debts; and
      ii. provide for adequate reserves for Faculty Center improvements, major maintenance, and equipment replacement;

   b) Assure no less than an annual breakeven operation by adjusting charges for goods and services provided to its members and their guests;

   c) Initiate in its Fiscal Year 1984-85, a program which will that year and thereafter provide the following information to the Administrative Vice Chancellor:
      i. semi-annual and annual financial statements prepared by the Faculty Center’s Manager; and
      ii. an annual audit report prepared by a Certified Public Accountant experienced in examining operations like those of the Faculty Center.

Such information is to be used solely for the purposes of independently assessing the status of the Association as it pertains to the exercise of stewardship of University resources by University officials.

A second meeting with Vice Chancellor Hobson was held on March 8, 1985, to discuss the loan repayment schedule. Professor Jeffrey and Vice Chancellor Hobson exchanged correspondence dated April 15 and May 22, 1985, respectively.

The Faculty Center Association Board discussed the revised draft MOU at its meeting of May 22, 1985. By letter of May 29, Professor Jeffrey indicated that he is “at a loss as to how to proceed” with regard to the Memorandum of Understanding. He stated that the matter of the loan repayment should not be connected to
“your current concern for increased surveillance of our financial affairs, and I will not discuss further any agreement between the University and the Faculty Center Association until the matter of the loan is settled. On the other hand, I would note parenthetically that I do not believe the Board would object, as you state under item 1 in your letter of May 22, to providing assurances that the center would be managed in a fiscally sound manner, and that evidence of this condition could be independently obtained. Indeed, I would think that the audit we promised to provide would take care of that. The point of contention appears to be so minor that I urge you to look carefully for a way of specifying the level of reserves that would be considered reasonable in a wording that would satisfy both sides.”

Chancellor Young then met with the Faculty Association Board of Governors on June 19, 1985 to discuss the loan repayment schedule issue and the draft MOU. The agreement reached at the meeting and ratified by the Board of Governors on the same day was to: (a) add accrued interest of $41,490 to the outstanding loan balance of approximately $220,000 due on the original Regents loan; and (b) reinstitute a monthly P+I payment of $1,418 per month so that the loan would be retired by 2004. (The loan was actually retired in full in December, 2000). Chancellor Young communicated this agreement by letter of August 5, 1985 to President Gardner.

1985-86 — Professor John Bauman began his term as President of the Faculty Center Association. An audited financial statement was prepared by Arthur Young and Co. and issued on October 18, 1985 for the fiscal year ended June 30, 1985. Mr. Michael Lucki of Arthur Young and Co. met with the Faculty Center Association Board on October 24, 1985 and urged the adoption of a formal use agreement with The Regents regarding the use of the Faculty Center building, similar to a formal agreement that reportedly existed for the operation of the UC Davis Faculty Center. The Board minutes indicate that Board debated the pros and cons of having such a formal agreement executed at UCLA but the minutes do not reflect any action.

Professor Bauman transmitted the audited financial statement to Chancellor Young on February 6, 1986. The Arthur Young financial statement includes the following:

2. Summary of Significant Accounting Policies

The Bylaws of the Association state that the structure and all permanent additions are the property of the Board of Regents of the University of California. The Association has never had a formal lease agreement with the Board of Regents of the University of California, but has occupied the structure without charge since 1960 and has in effect a lease or use agreement in perpetuity.
3. Commitments and contingencies

The structure and land is owned by The Board of Regents of the University of California and used without charge by the Association. No formal lease or use agreement exists although the Association has used the facility for the past 25 years without such an agreement. The Board of Regents of the University of California has contributed $855,399 of the total construction costs of the structure and additions which at June 30, 1985 have amounted to $1,413,845. If the University decided to terminate the informal use agreement, the Association would be unable to continue its operations.

In response to a request from the Faculty Center Association, Administrative Vice Chancellor Hobson agrees on July 30, 1986 that the Faculty Center Association is permitted to commission an external audit every two years rather than annually. (Vice Chancellor Hobson retires later in 1986, succeeded by Raymond G. Schultze, who is 50% time Administrative Vice Chancellor and 50% time Medical Center Director.)

Also during 1985-86, Chancellor Young allocates $25,000 of Chancellorial funds to begin the planning for the air-conditioning project and patio area/hamburger grill project. Professor George Kneller also agrees to contribute $100,000 as a personal gift to the air-conditioning project, which is recognized by a plaque in the Faculty Center honoring him.

1986 and 1987 – Further evaluation of the air-conditioning project indicates that the roof of the Faculty Center building should also be insulated in order to maximize the effectiveness of the proposed air-conditioned environment of the building. Following additional discussions between the Faculty Center Board and Chancellor Young, agreement is reached for the Chancellor to provide a loan from campus resources of a total amount of $540,000 (including the $25,000 allocated in 1985-86) to the Faculty Center Association for both: (a) the air-conditioning project; and (b) the patio area/hamburger grill project.

By letter of November 23, 1987, Adrian Harris, Vice Chancellor-Planning and Budget, informed Faculty Association President William Van Vorst that the loan repayment schedule, roughly based on a 5.00% interest rate, would be repaid over a 15-year period, as follows:
- $3,500 per month for 48 months of January 1, 1988 through December 31, 1991
- $4,000 per month for 48 months of January 1, 1992 through December 31, 1995
- $5,000 per month for 84 months of January 1, 1996 through December 31, 2002

Vice Chancellor Harris’ letter also includes the following statements:

In the event that the Center fails to make payments for three consecutive months on the terms set forth above or fails to immediately repay the outstanding principal balance and the project costs and expenses incurred should the project not go forward or be abandoned, the University reserves
the right to intervene in the management and operation of the Center to secure the timely repayment of this loan. The Center’s Board of Governors agree to take all steps and execute all documents necessary to enable the University to exercise the rights granted to it under this agreement.

As we have discussed, the Chancellor’s office will need to receive copies of the Faculty Center’s financial statements, in accordance with the Agreement reached with the Chancellor.

Mr. Van Vorst and Ms. Erickson indicated concurrence with these statements by countersigning the letter.

In three successive years, the Presidents of the Faculty Center Association submit to Chancellor Young unaudited financial statements for the preceding fiscal year:

- December 6, 1988 – Mr. Robert Wellman submits the 1987-88 statement.

**December 1987** – The construction contract for the UCLA Faculty Center air-conditioning project (project no. 942200) is awarded by UCLA Office of Capital Programs (the successor organization to UCLA Campus Architects and Engineers) in December, 1987 to the Maddox-Stabler Construction Co. of Los Angeles, CA.

The base bid was $380,765, with an additive alternative bid of $134,000 for the installation of the new roof. The combined contract amount was, therefore, $514,765. A single change order was subsequently added to the contract in the amount of $11,964.

The notice of completion of the air-conditioning project was recorded in July, 1988.

**1989 and 1990** – Three additional actions were undertaken by Chancellor Young to provide assistance to the Faculty Center at the end of the decade:

- In late 1988, the Faculty Center Association is informed that it has back taxes due of approximately $51,000 (the details of the assessment are not documented). Due to cash flow problems, the Association requests a one-year emergency loan from the Office of the Chancellor. Chancellor Young agrees to this loan, as documented in a loan agreement letter dated March 2, 1989, and signed by Vice Chancellor Harris and Ms. Erickson. Four quarterly payments of approximately $13,000 each are repaid to the Office of the Chancellor, with 7.5% interest.

- By letter of March 28, 1989, Chancellor Young agrees to allocate an additional $58,963 for the completion of the Hamburger Grill kitchen. This amount was not added to the principal of the loan but considered an allocation.

- By letter of August 29, 1989, Vice Chancellor Harris confirms the agreement of Chancellor Young to loan an additional $175,000 to the Faculty Center for the
purchase of new dining room tables and chairs. The interest rate applied to the loan is the Short Term Interest Pool (STIP) rate as determined quarterly. The loan is to be repaid in monthly payments of $3,500, beginning January 1, 1990, until the loan is repaid. (Note: at a presumed STIP rate of 5.50%, this loan would be repaid in four years, eight months, or by September, 1994.)

The Air Conditioning and Hamburger Grill projects were capitalized and added to the UCLA plant asset inventory during 1988-89 with a total value of $637,983.

A fourth act of assistance also occurs during 1989-90 from Chancellor Emeritus Franklin Murphy who provides the funding (amount not specified) for the installation of the cappuccino bar in the main dining room of the Faculty Center.

PART IV
1990-2004: NEW RELATIONSHIPS WITH THE UNIVERSITY

The late 1980s and the start of the 1990s also marked the start of major changes in the operating relationships between the Faculty Center Association and the UCLA administration that have continued to the present.

Some of these changes were again due to the pending retirements of key principals (Vice Chancellor Harris, Faculty Center Manager Erickson) and the accompanying loss of personal interactions based on years of individual, informal communication. Other changes were prompted by the change in the overall University fiscal environment, as the State economy in the early 1990s posed financial challenges not seen since the 1930s and State funding support for the University, particularly administrative operations, was reduced.

These changes were individual and sporadic, not consummated by any formal overall agreement. Some were anecdotal and indicative of changes in day-to-day working relationships.

A. Physical Plant and Utilities

November 1, 1988 – Mary Erickson writes to Peter Blackman, Vice Chancellor-Capital Programs, asking why the “Faculty Center Fast Food Stand” is listed as a UCLA Capital Programs project. The response notation on the archival copy of the letter indicates: “project fell through and has been ‘unlisted’.”

November 1, 1988 – Robert Woodruff, Director of Business Operations at UCLA Facilities Management, writes to Vice Chancellor Harris, stating that the Faculty Center is currently receiving approximately $76,000 in subsidies from Facilities Management accounts, including $35,000 per year for custodial, grounds, utilities maintenance, and building maintenance services. “Since the Faculty Center charges for the use of their meeting rooms, we would like to rediscuss the possible elimination of Faculty Center
subsidies with you.” Mr. Woodruff states that the natural gas lines for the new fast-food kitchen will be separately metered and billed directly to the Faculty Center.

**December 12, 1988** — Al Solomon, Assistant Vice Chancellor-Facilities Management, writes to Vice Chancellor Schultze, stating that “it would be appropriate to propose requiring the Faculty Center to pay for all Purchased Utilities cost increases resulting from the recently completed air conditioning project and the impending installation of a hamburger stand, which will total approximately $20,000 per year.”

**June 6, 1989** — Charles Oakley, Director of Campus Architects and Engineers, writes to Vice Chancellor Blackman, expressing concern that the Faculty Center Association had contracted for improvements at the Faculty Center without the involvement of either UCLA Capital Programs or UCLA Facilities Management. The specific improvements involved the natural gas-serviced “hamburger grill” kitchen. Numerous examples are cited as possible violations of University policy. The response notation on the archival copy of the letter indicates: “8/11/89-Action completed. PWB.”

**December 18, 1989** — Mary Erickson writes to Robert Woodruff stating: “Enclosed is a bill from the So. California Gas Company which apparently reflects the use of the meter here in the Faculty Center. Since the Chancellor has always subsidized the utilities for the Faculty Center, I assume that subsidy would include natural gas.”

(The remainder of the utilities/administrative support issue is discussed below, in the section entitled “The RCM Proposal.”)

**B. Staff Personnel Issues**

**May 13, 1988** — By letter to Chancellor Young, Faculty Center Association President William Van Vorst requests that the Faculty Center Manager be made a 36-month contract employee of the University at MAP-IV level to become eligible for certain retirement benefits. The letter states that the Center manager would report both to the UCLA Administrative Vice Chancellor and Association’s Board of Governors and, further, that, for salary and compensation questions for the Manager, the Board of Governors would make recommendations to the Administrative Vice Chancellor. The letter also states that the Association would reimburse UCLA for all expenses – both salary and benefits – for the Manager.

**June 28, 1988** — Vice Chancellor Schultze responds and declines the request on the basis that all Faculty Center employees need to be treated equally. Vice Chancellor Schultze asks George Enoch, Assistant Vice Chancellor-Staff Personnel, to initiate conversations with the Faculty Center Association Board of Governors on the concept of making all Faculty Center personnel employees of the University.

**January 24, 1989** — Faculty Center Manager Erickson and Professor Wendell Jeffrey, Chair of the Ad Hoc Committee for Faculty Center-University Relations, submit a proposal to Vice Chancellor Schultze for a “Statement of Understanding” between the
Faculty Center Association and the University. The text of the proposed “Statement of Understanding” duplicates much of the text of the 1974 Statement of Understanding document between ASUCLA and the Office of the Chancellor. This proposal is not approved but there is no record of any formal rejection. (See Appendix, Item 8 for a more complete description of the fact that the Associated Student organizations on all UC campuses are official units of The Regents, as determined by The Regents in 1972, and are not separate legally incorporated entities.)

Correspondence between UCLA and the Office of the President follows in March, 1989. The staff in the Benefits Office of the Office of the President Benefits reminds the UCLA administration that including ASUCLA employees into the University of California Retirement System required special action by The Regents in 1977.

**August 11, 1989** -- Faculty Center Association President Anne Spence writes to Chancellor Young to submit a new proposal under which the Association would contract, through a recharge mechanism, with the University for UCLA to provide the employees to operate the Faculty Center. The Association would remain an autonomous, separate legal entity, as required, at least, for the purpose of the 1974 ABC liquor license. The proposal indicates that the Faculty Center Manager “will be an employee of the University but is directly responsible to the Board of Governors for the operation of the Faculty Center and will serve as a liaison for the Faculty Center to the Chancellor.” The proposal obligates the Association to pay a monthly amount to the University for salaries, benefits, and all personnel-related costs, effective October, 1989.

This proposal is based on the model implemented in 1978 between the UCLA Alumni Association, Inc. (also a separate legal entity from The Regents) and the UCLA administration under which the Alumni Association contracts with the University to provide the employees to the Alumni Association for the operation of the James West Alumni Center and the ongoing activities of the Association. (Further information about the relationship of the UCLA Alumni Association, Inc. and the UCLA administration is also provided in Appendix, Item 8.)

Chancellor Young approved the proposal from the Faculty Center Association submitted by Professor Spence, and signed the agreement on the same date of August 11, 1989. Authorization is subsequently provided for one Faculty Center managerial employee to have access to the UCLA payroll system database.

**Current Staff Roster**

As of June 30, 2004, the UCLA payroll database lists a Faculty Center headcount staff of 54 individuals, comprising 42.37 FTE as follows (down from 58 headcount and 45.5 FTE as of March 31, 2004). The breakdown by employee classification and pct. time of appointment is shown in the following table:
C. The RCM Proposal and Ensuing University Funding Issues

1994 – As part of the analysis for the possible transformation of the overall UCLA allocation model to a “Responsibility Center Management” basis, Chancellor Young requested in 1994-95 that the Faculty Center be identified as a self-supporting, fully costed, stand-alone unit. Due to overall University funding reductions in administrative services, Chancellor Young authorizes withdrawal of University support as of December 31, 1994, for 1.0 FTE custodian assigned to the Faculty Center. The full recovery of utilities costs at the Faculty Center is scheduled to begin in November, 1995.

In response to these proposals, the officers of the Faculty Center Association meet with Chancellor Young in early 1995. Chancellor Young offers to phase in the utility cost subsidy reductions over a four-year period. The Chancellor proposes that the Faculty Center would pay 20% of the utility costs in Year 1, 40% in Year 2, 60% in Year 3, 80% in Year 4, and 100% in Year 5. In exchange, the proposal is for the Chancellor’s Office to: (a) pay certain capital improvements otherwise to be funded by the Faculty Center directly (i.e., south addition bathroom renovation; electrical transformer); and (b) forgive the outstanding balance still due ($330,000) from the 1987 air conditioning loan agreement.

These proposals were not accepted by the Board.

1995 (Spring) – Administrative team of Gloria Sypinski, Al Solomon, and Glyn Davies meets with Faculty Center leadership and requests submittal of four-year plan with target of complete self-sufficiency for Faculty Center by start of Year 5.

The Faculty Center Board expresses concern that the proposal for the Faculty Center to become a self-supporting, fully costed unit would be a breach of the 1949 Sproul Policy and the 1954 “informal use” agreement, in apparent reference to the understandings reached at the meeting of June 29, 1954 with President Sproul and Chancellor Allen.

October, 1995 – The Faculty Center Association Board approves motions intended to increase revenue:

- Enlarge Faculty Center Association membership eligibility to include members of the UCLA Alumni Association and members of UCLA recognized support groups;
- Initiate a monthly administrative service fee for departmental accounts at the Faculty Center; and
- Relocate the bar from the downstairs south lounge to the Playa Room adjacent to the main patio.

December, 1995 -- A 1995-2000 planning document is submitted by the Faculty Center Manager, Ali Tabrizi, in December, 1995, to the Office of the Chancellor. The Office of Academic Planning and Budget prepares an analysis of this plan for Chancellor Young.
March 8, 1996 – The Executive Committee of the Faculty Center Association submits a five-page memo to Chancellor Young regarding “the question of whether or not the Administration will continue to provide financial support for the Faculty Center.” The document emphasizes the unique roles that the Center provides for the entire campus community different from any other campus facility or unit, including: (a) development/fundraising interactions; (b) faculty recruitment; (c) receptions for distinguished visitors and peer institutional groups; (d) scholarly conferences; and (e) general meeting space for the Academic Senate, academic departments, and administrative units. The fact that the Faculty Center’s existence at UCLA allows for reciprocity agreements for UCLA faculty to enjoy the services and facilities at faculty clubs at other institutions when traveling is also noted.

May 8, 1996 – Chancellor Young meets with Faculty Center Board officers. Chancellor Young rejects the concept of the University continuing to provide a subsidy by not fully charging utility costs. Instead of the proposal for the Chancellor’s Office to pay for certain improvements and forgive the air conditioning loan, the Faculty Center Board proposes that the Chancellor provide a direct allocation of $130,000 per year for two years, 1995-96 and 1996-97, on the basis that this amount is equivalent to the annual cost of utilities and one custodian’s salary.

Chancellor Young agrees to this commitment and signs a May 14, 1996 Memo to File to affirm this commitment. The Memo to File also states that the Chancellor “invited representatives of the Center’s Board of Governors to meet with him a year hence to discuss the subsidy for 1997-98.”

May 2, 1997 – Professor Shirley Arora, Faculty Center Association President, writes to Chancellor Young requesting a meeting to discuss the subsidy for 1997-98.

“A year ago, three members of the Executive Committee of the Faculty Center – Robert Elliott, President; Dan Atkinson, Past President; and I as President-Elect – together with the Center’s General Manager, Ali Tabrizi, met with you to discuss the current situation of the Center and, in particular, the effects of certain modifications in long-standing policies resulting from the institution of RCM. Under those policies, and in recognition of the many benefits provided by the Center to the campus as a whole and not merely to its members, the Administration had since the initial founding of the Center agreed to underwrite certain monthly expenses such as utilities and a portion of the custodial service. The purpose of the meeting was to discuss how this form of support might continue within the context of RCM, since without it the survival of the Center, and the continuation of many important services to the campus community, would be in jeopardy.

“The outcome of the meeting was, as you no doubt recall, your generous provision of a direct contribution to the Center of $130,000 for the year 1995-1996 and a like amount for 1996-97, this being the approximate equivalent of the utilities and other costs that had been underwritten by the Administration since the founding of the Center. You also suggested at that
time that we meet with you again in May, 1997, to discuss the continuation of Administrative support of the Center.

“May 1997 now being upon us, I am writing to ask that you indicate a convenient time for representatives of the current Board of Governors to meet with you for the above purpose.”

There is no record that such a meeting occurred in Spring, 1997, prior to Chancellor Young’s retirement on June 30, 1997. Chancellor Albert Carnesale takes office on July 1, 1997.

February 2, 1998 – Professor Rudolfo Alvarez, Faculty Center Association President for 1998-99, joins the other officers of the Faculty Center Association Board to write to Chancellor Carnesale, requesting a meeting with Chancellor Carnesale to discuss the 1997-98 subsidy. The letter includes transmittal of the audited financial statement of the Faculty Center Association for the year ended June 30, 1996, prepared by the firm of KPMG.

There is no record of any meeting taking place.

October 29, 1998 – Executive Vice Chancellor Wyatt Hume sends a letter to Professor Alvarez informing him that he has authorized $100,000 in temporary support “for 1998-99 only,” requesting that financial plans be refined “so that the Faculty Center will be self-sufficient with a full-cost environment by 1999-2000.” Executive Vice Chancellor Hume also indicates that Michael Foraker, Director of Housing Administration, is to attend the Center’s board meetings and be involved in the Center’s strategic planning.

May 14, 1999 – Professor Eugene Grigsby, Faculty Center Association President for 1998-99, responds to the letter of October 29, 1998, expressing gratitude for the proposed allocation of $100,000 in temporary support:

“These funds should enable the Association to continue to provide high quality services to our membership and the campus at large. This year’s financial performance gives us full confidence that the strategy we are developing for financial stability will assure that the Association is capable of being fully self-sufficient by 1999-2000.

“We welcome participation from the administration at appropriate planning meetings to discuss and review our strategy. We believe, however, that it is inappropriate to have Michael Foraker, the Director of Housing Administration in Business and Finance, as that representative. Mr. Foraker is responsible for administering services which are in direct competition to the services the Association currently offers and/or may choose to offer in the future. Of necessity, our future strategies will have to address the increased competition from other university sponsored enterprises.
“We look forward to the opportunity of working with the administration in accomplishing our mutual goal of continued high quality services to the campus in a self-sufficient financial environment.”

July 7, 1999 – Executive Vice Chancellor Hume replies to Professor Grigsby by acknowledging pleasure at statement of financial self-sufficiency by 1999-2000. Executive Vice Chancellor Hume also agrees to withdraw the request to have Mr. Foraker attend the Faculty Center Board meetings.

The records of both APB and UCLA Accounting indicate that the temporary allocation of $100,000 was never transferred to the Faculty Center Association.

D. Financial Reporting to the University

The letter of November 23, 1987 regarding the loan from the Office of the Chancellor for the air-conditioning project required the submittal to the Office of the Chancellor of the annual financial statement of the Faculty Center Association.

University records in the Chancellor’s Communication Service, the Office of Academic Planning and Budget and the UCLA Office of Corporate Finance include copies of only two financial statements since the submittal in January, 1990 of the unaudited financial statement for FY 1988-89. The two copies currently in University records are:

- The December, 1995 submittal of the Proposed 1995-2000 Business Plan for the Faculty Center Association contained certain unaudited financial statements for fiscal year ended June 30, 1995; and
- The memo of February 2, 1998, to Chancellor Carnesale included the audited financial statement of the Faculty Center Association for the fiscal year ended June 30, 1996.

General Manager Ali Tabrizi has indicated that it was his practice during the 1990s to hand-deliver a copy of the annual financial statement to the immediate staff in the Office of the Chancellor. However, no transmittal letters accompanied the delivery; no paper trail exists regarding the submittal of the financial statements or their disposition by the staff in the Office of the Chancellor. At the same time, the University records do not indicate any annual request from the Office of the Chancellor to the Faculty Center Association, Inc. for such statements to be delivered or a notice form the Office of the Chancellor that any statements are past due.

Further, the annual UCLA Financial Statements do not include any reference or data in the Annual Statement of Operations at UCLA regarding the operation of the Faculty Club by the Faculty Center Association. Sue Abeles, Assistant Vice Chancellor-Corporate Financial Services, indicates that Section 557-67 of the UC Accounting Manual - Annual Reporting of Separate Entities (http://www.ucop.edu/ucophome/policies/acctman/a-557-67.pdf) defines when an entity should be included in the University financial statements.
Assistant Vice Chancellor Abeles indicates that, in her view, the UCLA Faculty Center Association’s operation of the Faculty Club does not meet the criteria for inclusion.

The following table, provided by the Office of UCLA Corporate Finance, lists the entries on the UCLA plant asset inventory relating to the Faculty Center. As of January 31, 2004, the capitalized value of the UCLA Faculty Club -- including the original structure completed in 1959 and the major additions and improvements completed in the ensuing 45 years – is $2,051,828.

**Entries on UCLA Plant Asset Inventory**
**Regarding the UCLA Faculty Club**
**As of January 31, 2004**

<table>
<thead>
<tr>
<th>Year</th>
<th>UCLA Project No.</th>
<th>Description</th>
<th>Capitalized Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1958-59</td>
<td>926100</td>
<td>Original Building</td>
<td>$ 478,792</td>
</tr>
<tr>
<td>1960-61</td>
<td>926100</td>
<td>Original Building</td>
<td>$  714</td>
</tr>
<tr>
<td>1966-67</td>
<td>940890</td>
<td>Alterations</td>
<td>$ 80,378</td>
</tr>
<tr>
<td>1970-71</td>
<td>946610</td>
<td>Alterations</td>
<td>$10,882</td>
</tr>
<tr>
<td>1971-72</td>
<td>946980</td>
<td>Undefined</td>
<td>$  1,690</td>
</tr>
<tr>
<td>1976-77</td>
<td>940080</td>
<td>South Addition</td>
<td>$ 623,492</td>
</tr>
<tr>
<td>1978-79</td>
<td>940080</td>
<td>South Addition</td>
<td>$ 10,234</td>
</tr>
<tr>
<td>1978-79</td>
<td>947140</td>
<td>Food Service</td>
<td>$ 91,523</td>
</tr>
<tr>
<td>1981-82</td>
<td>947194</td>
<td>Food Services Equipment</td>
<td>$ 26,371</td>
</tr>
<tr>
<td>1984-85</td>
<td>947076</td>
<td>Remodeling-Dining Rooms</td>
<td>$ 89,769</td>
</tr>
<tr>
<td>1988-89</td>
<td>942200</td>
<td>Air Conditioning &amp; Patio Grill</td>
<td>(*) $ 637,983</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>$2,051,828</strong></td>
</tr>
</tbody>
</table>

(*) may not reflect total value of work performed in view of reports of non-UCLA supervised or contracted work being performed on a portion of this project.

The loans provided by The Regents to the UCLA Faculty Center Association, Inc. were repaid in full by 1983 (1975 loan) and by 2000 (original 1964 loan).

The 1987 loan from the Office of the Chancellor for the air-conditioning project was originally scheduled to be paid by December 31, 2002. As of July 1, 2004, an outstanding balance of $25,000 remains to be paid. The current payment schedule of $5,000 per month will retire this loan in full by December, 2004. Consequently, as of December, 2004, it is expected that the books “will be closed” on all construction/improvement/equipment loans that have been taken by the UCLA Faculty Center Association, Inc. during the past 45+ years since the opening of the Faculty Center building in 1959.

In addition to the nearly $1.3 million in loans, The Regents and the Office of the Chancellor have also provided direct allocations of nearly $1.2 million. The details are as follows.
A summary of the loans that have been made to the UCLA Faculty Center Association, Inc., either by The Regents or by The Office of the Chancellor is shown in the following table:

### History of Loans to UCLA Faculty Center Association, Inc.

<table>
<thead>
<tr>
<th>Loans from The Regents</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957 Loan – Original Authorization</td>
<td>$ 265,000</td>
</tr>
<tr>
<td>1957 Loan – Accrued Interest from 1959 to 1962</td>
<td>$ 31,975</td>
</tr>
<tr>
<td>1957 Loan – Accrued Interest from 1980 to 1985</td>
<td>$ 41,490</td>
</tr>
<tr>
<td>1975 Loan – South Expansion</td>
<td>$ 183,000</td>
</tr>
<tr>
<td><strong>Total – The Regents</strong></td>
<td><strong>$ 521,465</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loans from Office of the Chancellor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987 Loan – Air Conditioning, Roof Replacement and Patio/Grill</td>
<td>$ 540,000</td>
</tr>
<tr>
<td>1989 Loan – Tables/Chairs Replacement Program</td>
<td>$ 175,000</td>
</tr>
<tr>
<td>1989 Loan – Emergency Tax Payment</td>
<td>$ 51,000</td>
</tr>
<tr>
<td><strong>Total – Office of the Chancellor</strong></td>
<td><strong>$ 766,000</strong></td>
</tr>
</tbody>
</table>

**COMBINED—ALL LOANS** $1,287,465

**Direct appropriations** by The Regents or the Office of the Chancellor for construction and facility improvements and other needs at the Faculty Center have amounted to nearly $1,200,000:

### History of Appropriations to UCLA Faculty Center Association, Inc.

<table>
<thead>
<tr>
<th>Appropriations from The Regents</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954 Allocation – Original Authorization for Initial Construction</td>
<td>$ 150,000</td>
</tr>
<tr>
<td>1957 Supplemental Allocation for Initial Construction</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>1975 South Addition Project</td>
<td>$ 184,000</td>
</tr>
<tr>
<td>1984 Various Remodeling-Dining and Meeting Rooms</td>
<td>$ 150,000</td>
</tr>
<tr>
<td><strong>Total – The Regents</strong></td>
<td><strong>$ 534,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appropriations from Office of the Chancellor</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and Improvements</td>
<td>$ 393,000</td>
</tr>
<tr>
<td>Temporary Support (1995-96 and 1996-97)</td>
<td>$ 260,000</td>
</tr>
<tr>
<td><strong>Total – Office of the Chancellor</strong></td>
<td><strong>$ 643,000</strong></td>
</tr>
</tbody>
</table>

**COMBINED—ALL LOANS** $1,187,000
The details of the appropriations from the Office of the Chancellor are shown in the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961 to 1964 (various)</td>
<td>$ 7,000</td>
<td>Dining Rooms, Patio Furniture</td>
</tr>
<tr>
<td>1966</td>
<td>$ 42,000</td>
<td>Kitchen expansion</td>
</tr>
<tr>
<td>1979</td>
<td>$100,000</td>
<td>Food Servery</td>
</tr>
<tr>
<td>1980</td>
<td>$ 25,000</td>
<td>California Room patio</td>
</tr>
<tr>
<td>1982</td>
<td>$ 10,000</td>
<td>California Room patio bar facility</td>
</tr>
<tr>
<td>1984</td>
<td>$150,000</td>
<td>Remodeling of food servery</td>
</tr>
<tr>
<td>1989</td>
<td>$ 59,000</td>
<td>Completion of Coral Patio/Kitchen project</td>
</tr>
<tr>
<td>Total-Construction</td>
<td>$393,000</td>
<td></td>
</tr>
<tr>
<td>1995-96</td>
<td>$130,000</td>
<td>Temporary Support Allocation</td>
</tr>
<tr>
<td>1996-97</td>
<td>$130,000</td>
<td>Temporary Support Allocation</td>
</tr>
<tr>
<td>Total-Support</td>
<td>$260,000</td>
<td></td>
</tr>
</tbody>
</table>

An accounting of the campus subsidy from 1959 to 1995 regarding maintenance, utility and custodial costs at the Faculty Center is more problematic to provide. In 1988, Facilities Management staff estimated that the annual subsidies by that office to the Faculty Club amounted to $76,000 per year. The discussions between Chancellor Young and the Faculty Center officers in 1996 suggested an annual amount of $130,000, based on Chancellor Young’s decision to provide $130,000 per year in temporary support to the Faculty Center for the two years following the end of the Facilities Management subsidy in 1995.

UCLA Facilities Management craft units have continued to provide for trash disposal and repairs at the Faculty Center, as requested by the Faculty Center Association on a recharge basis. The following summary has been compiled by the Office of UCLA Facilities Management as to its recharge activity and services provided at the Faculty Club building since 1999-2000:

**E. Access Issues**

The issue of “access” rights or privileges to the Faculty Club premises is periodically raised by members of the public, in response to the sign at the Faculty Club entrance that indicates that the facility is for the use of “Members and Guests” only.

At least two incidents since 1990 are remembered below. In each incident, UCLA Police Department was requested to provide assistance.

- In May, 1993, various members (primarily students) of the UCLA community, joined by individuals not associated with UCLA, entered the Faculty Center and began a “sit-in” at the Faculty Center in protest over UCLA organizational issues regarding
Chicana/o Studies. The Los Angeles Police Department were called by UCLA PD to assist with the situation.

- In 2002-03, particular individuals were escorted from the Faculty Club premises by UCLAPD officers after being requested – by the organizer of a particular event -- to leave a meeting room after repeated previous incidents of alleged misconduct and disruption. One of the individuals complains to the Office of the Chancellor about the alleged “mistreatment” on the UCLA campus. Assistant Chancellor Antoinette Mongelli responds to the complainant by citing the fact that the Faculty Center is a “private club” and has its own management.

There is no specific reference to the Faculty Center building in the campus policy document, “UCLA Regulations on Activities, Registered Organizations, and Use of Properties” (see http://www.saonet.ucla.edu/campus_reg/ on the UCLA Student Affairs website). This policy document governs the access to and use of campus facilities and outdoor areas by students, faculty, staff, organizations and members of the general public.

**F. New University Policies**

In 1995-1996, The Regents adopted new policies and supporting guidelines regarding the recognition of Support Groups, Campus Foundations and Alumni Associations. These documents can be found at the following websites:

1. [http://www.ucop.edu/ucophome/policies/support/supppol.html](http://www.ucop.edu/ucophome/policies/support/supppol.html) (September, 1995)

The policies do not specifically refer to Faculty Center Associations. The definition of organizations subject to these policies is described as follows:

**Support Groups:** A Support Group is any group, organization, foundation, or association other than a Campus Alumni Association or Campus Foundation (1) whose primary purpose is to provide assistance through fundraising, public outreach, and other support for the University's mission; or (2) whose representatives or activities make the entity indistinguishable from the University itself; or (3) that acts as an agent of or intermediary for the University. Support Groups typically operate with some affiliation or collaboration with the University to raise gift funds and/or provide public support for the teaching, research, patient care, and public service programs of the University. Each Support Group shall be organized and operated so that contributions to it or through it to the University or to a Campus Foundation shall be deemed tax deductible contributions under relevant provisions of state and Federal tax law.

**Campus Foundations:** Each campus may have a single Campus Foundation, bearing the name of the campus, that is organized and operated for the purpose of fostering private giving, managing gift and endowment funds, and providing other support for the benefit of the campus. The Campus Foundation is the only entity
permitted by The Regents of the University of California to hold funds for investment purposes for the benefit of the campus it supports. Each Campus Foundation shall be organized and operated as a separately incorporated, tax-exempt entity under relevant provisions of state and Federal tax law.

**Campus Alumni Associations:** Each campus may have a single Campus Alumni Association that is organized and operated for the sole purpose of providing service and support to its members, to the alumni of the campus, and to the University. Each such Campus Alumni Association may bear the name of the campus and may be organized and operated as (1) an unincorporated association operating administratively as a unit of the University; or (2) a separately incorporated tax-exempt entity under relevant provisions of state and Federal tax law. The Campus Alumni Association shall be an umbrella organization for all alumni constituency or affinity organizations and shall ensure, together with the campus administration, that such organizations adhere to this policy and the administrative guidelines for Campus Alumni Associations.

**Affiliated Organizations:** Under special circumstances, when an entity does not fit the above definitions, a campus may enter into an affiliation, for a defined time period, by written agreement. Such an agreement may permit the use of the University’s name, facilities, personnel, and other resources in return for specified benefits received by the University. Affiliation by agreement shall not be used to circumvent this Policy and shall be entered into only by the Chancellor a single campus official so designated by the Chancellor, in accordance with applicable University policies, guidelines and procedures.

UCLA Policy 190 (see: [http://www.adminvc.ucla.edu/appm/_entry_100.html](http://www.adminvc.ucla.edu/appm/_entry_100.html)) is the campus policy promulgated in May, 1999 in furtherance of the 1995-1996 University policies. The issue of the possible current applicability of these University and UCLA policies to the UCLA Faculty Center Association is an open question.