

# UNIVERSITY OF CALIFORNIA

## 2006-07 Budget Presentation

Displays 1 – 29 that follow are tables and graphs to be used by Vice President Hershman in his oral presentation on the budget at the November 16 Regents meeting. They are being provided in advance of the meeting to allow time for review.

In response to comments from several Regents, the annual presentation on the budget will involve a more integrated approach to help provide academic and administrative context for the budget proposal. This approach will involve presentations from President Dynes, Provost Greenwood, Senior Vice President Mullinix, and Senior Vice President Darling. Those presentations may be accompanied by additional materials that will be provided at the meeting.



November 2005

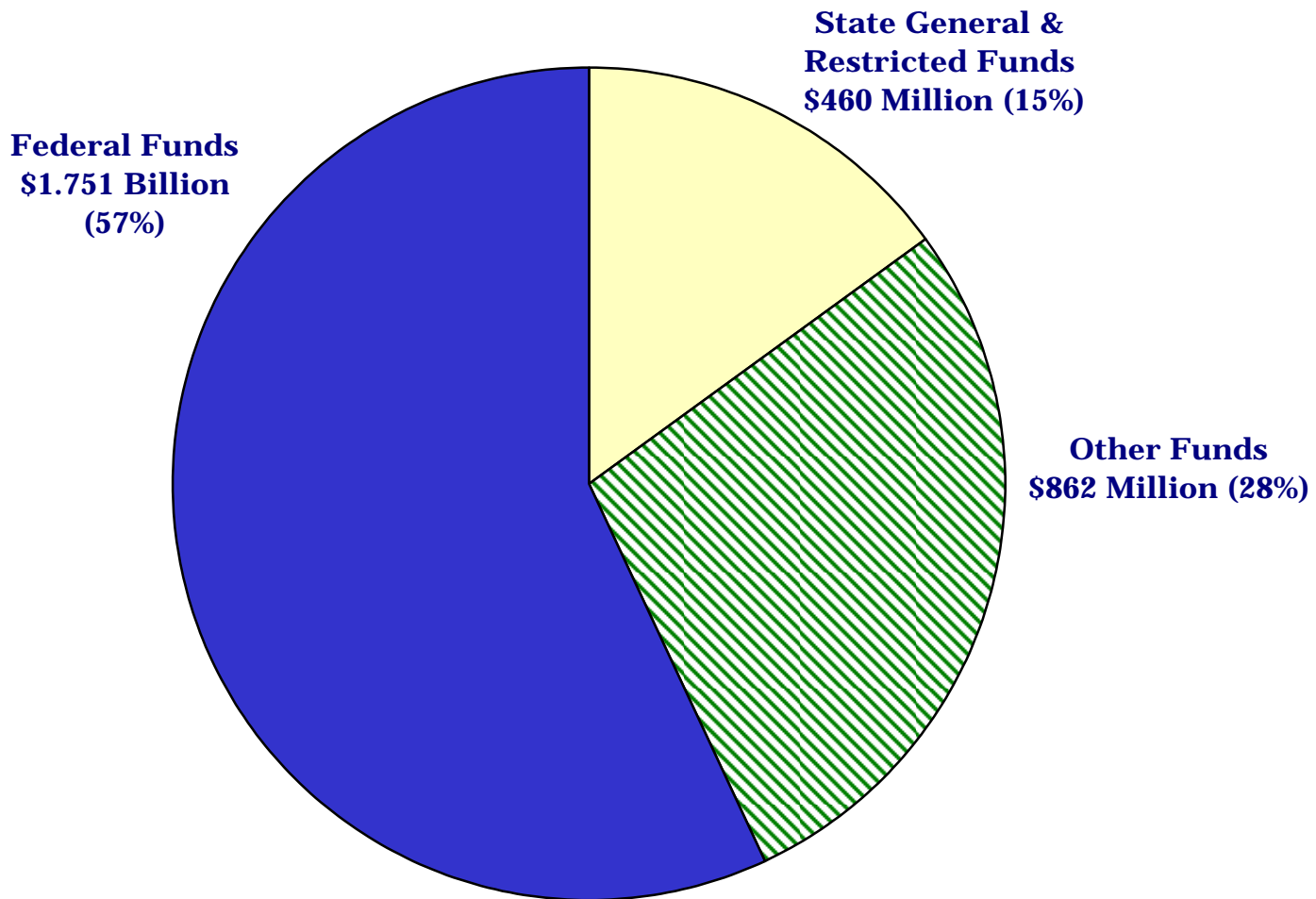
UNIVERSITY OF CALIFORNIA

Display 1

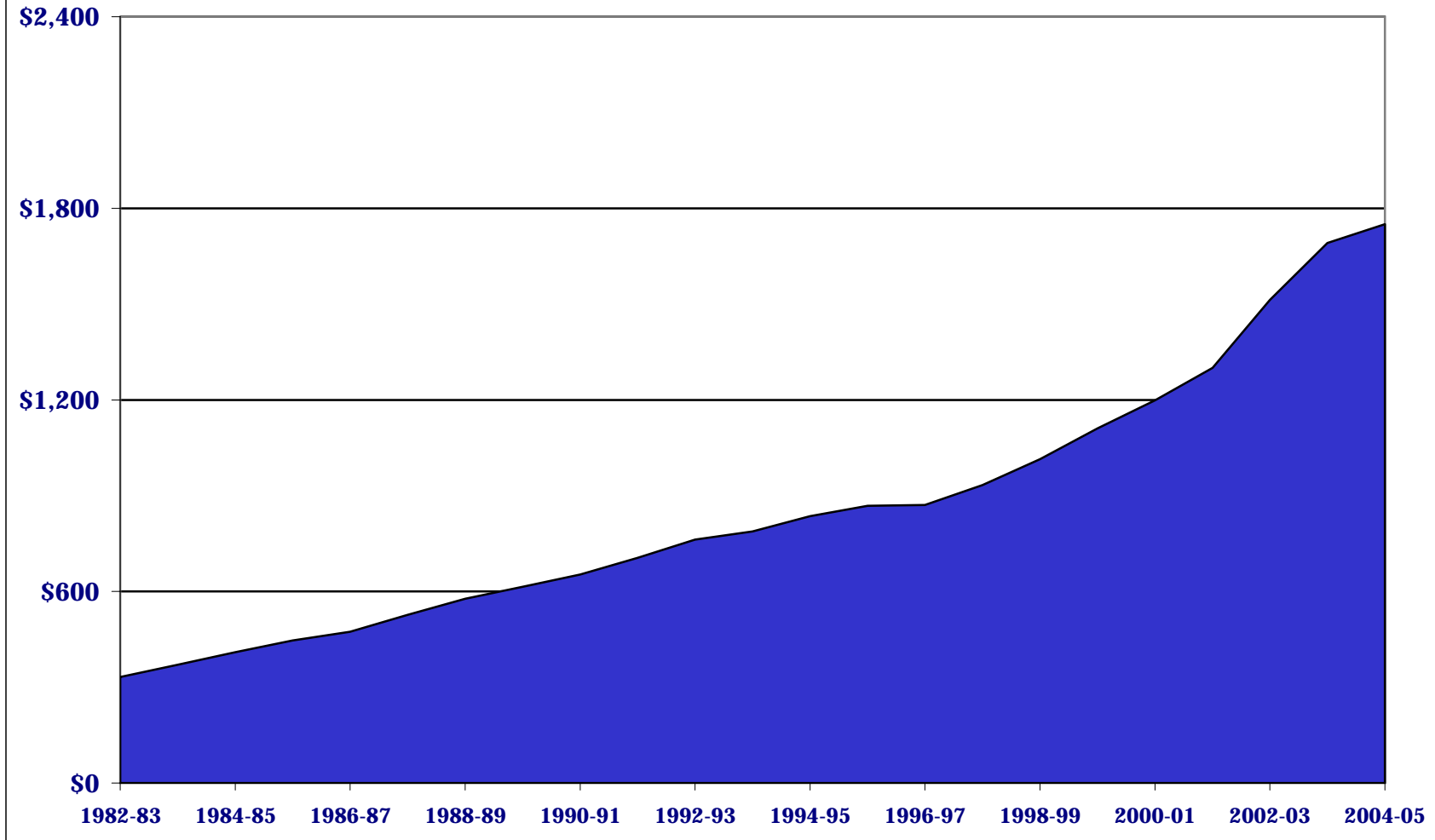
UNIVERSITY OF CALIFORNIA  
2006-07 BUDGET FOR CURRENT OPERATIONS AND EXTRAMURALLY FUNDED OPERATIONS

EXPENDITURES					INCOME				
	2005-06 Budget (\$000s)	2006-07 Proposed (\$000s)	Change Amount (\$000s)	%		2005-06 Budget (\$000s)	2006-07 Proposed (\$000s)	Change Amount (\$000s)	%
<u>BUDGET FOR CURRENT OPERATIONS</u>					<u>BUDGET FOR CURRENT OPERATIONS</u>				
Instruction:					<u>General Fund</u>				
General Campus	\$ 2,121,849	\$ 2,195,079	\$ 73,230	3.5%	State of California	\$ 2,844,906	\$ 2,976,058	\$ 131,152	4.6%
Health Sciences	824,609	827,810	3,201	0.4%	UC Sources	554,151	562,477	8,326	1.5%
Summer Session	13,687	13,687	0	0.0%					
University Extension	200,105	208,109	8,004	4.0%	Total General Funds	\$ 3,399,057	\$ 3,538,535	\$ 139,478	4.1%
Research	529,832	546,870	17,038	3.2%					
Public Service	186,729	191,704	4,975	2.7%					
Academic Support:					<u>Restricted Funds</u>				
Libraries	267,057	271,057	4,000	1.5%	State of California	\$ 59,688	\$ 60,586	\$ 898	1.5%
Other	490,482	506,982	16,500	3.4%	U. S. Government Appropriations	17,000	17,000	--	--
Teaching Hospitals	3,830,872	4,019,878	189,006	4.9%	Student Fees:				
Student Services	426,387	436,062	9,675	2.3%	Educational, Registration & Professional School Fees	1,403,448	1,551,362	147,914	10.5%
Institutional Support	499,404	511,404	12,000	2.4%	Extension, Summer Session & Other Fees	404,009	418,671	14,662	3.6%
Operation and Maintenance of Plant	490,522	498,822	8,300	1.7%	Teaching Hospitals	3,780,113	3,969,119	189,006	5.0%
Student Financial Aid	509,925	555,632	45,707	9.0%	Auxiliary Enterprises	740,661	777,694	37,033	5.0%
Auxiliary Enterprises	740,661	777,694	37,033	5.0%	Endowments	162,162	168,648	6,486	4.0%
Provisions for Allocation	46,051	47,377	1,326	2.9%	Other	1,421,788	1,471,087	49,299	3.5%
University Opportunity Fund and Special Programs	209,754	215,482	5,728	2.7%					
Program Maintenance: Fixed Costs, Economic Factors	--	149,053	149,053	--	Total Restricted Funds	\$ 7,988,869	\$ 8,434,167	\$ 445,298	5.6%
TOTAL BUDGET FOR CURRENT OPERATIONS	\$ 11,387,926	\$ 11,972,702	\$ 584,776	5.1%	TOTAL BUDGET FOR CURRENT OPERATIONS	\$ 11,387,926	\$ 11,972,702	\$ 584,776	5.1%
					<u>EXTRAMURALLY FUNDED OPERATIONS</u>				
<u>EXTRAMURALLY FUNDED OPERATIONS</u>					State of California				
Sponsored Research	\$ 2,478,300	\$ 2,541,683	\$ 63,383	2.6%	U.S. Government	2,156,725	2,199,860	43,135	2.0%
Other Activities	1,447,672	1,484,160	36,488	2.5%	Private Gifts, Contracts & Grants	999,144	1,039,110	39,966	4.0%
					Other	559,014	575,784	16,770	3.0%
TOTAL EXTRAMURALLY FUNDED OPERATIONS	\$ 3,925,972	\$ 4,025,843	\$ 99,871	2.5%	TOTAL EXTRAMURALLY FUNDED OPERATIONS	\$ 3,925,972	\$ 4,025,843	\$ 99,871	2.5%
<u>TOTAL OPERATIONS</u>	\$ 15,313,898	\$ 15,998,545	\$ 684,647	4.5%	<u>TOTAL OPERATIONS</u>	\$ 15,313,898	\$ 15,998,545	\$ 684,647	4.5%
<u>MAJOR DEPARTMENT OF ENERGY</u>					<u>MAJOR DEPARTMENT OF ENERGY</u>				
<u>LABORATORIES</u>	\$ 4,082,089	\$ 4,082,089	\$ 0	0.0%	<u>LABORATORIES</u>	\$ 4,082,089	\$ 4,082,089	\$ 0	0.0%

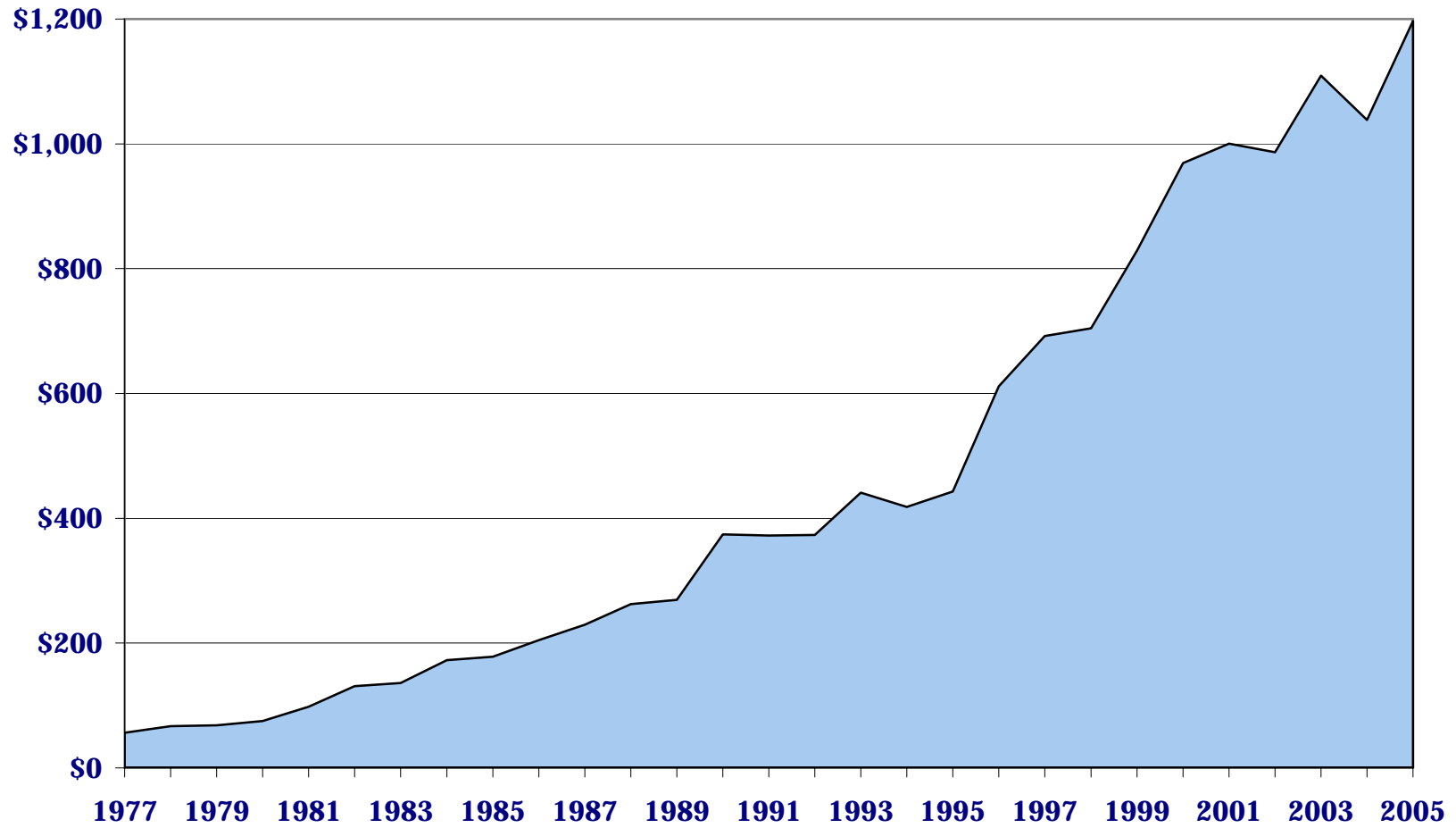
**2004-05 Research Expenditures by Fund Sources**  
**Total \$3.073 Billion**

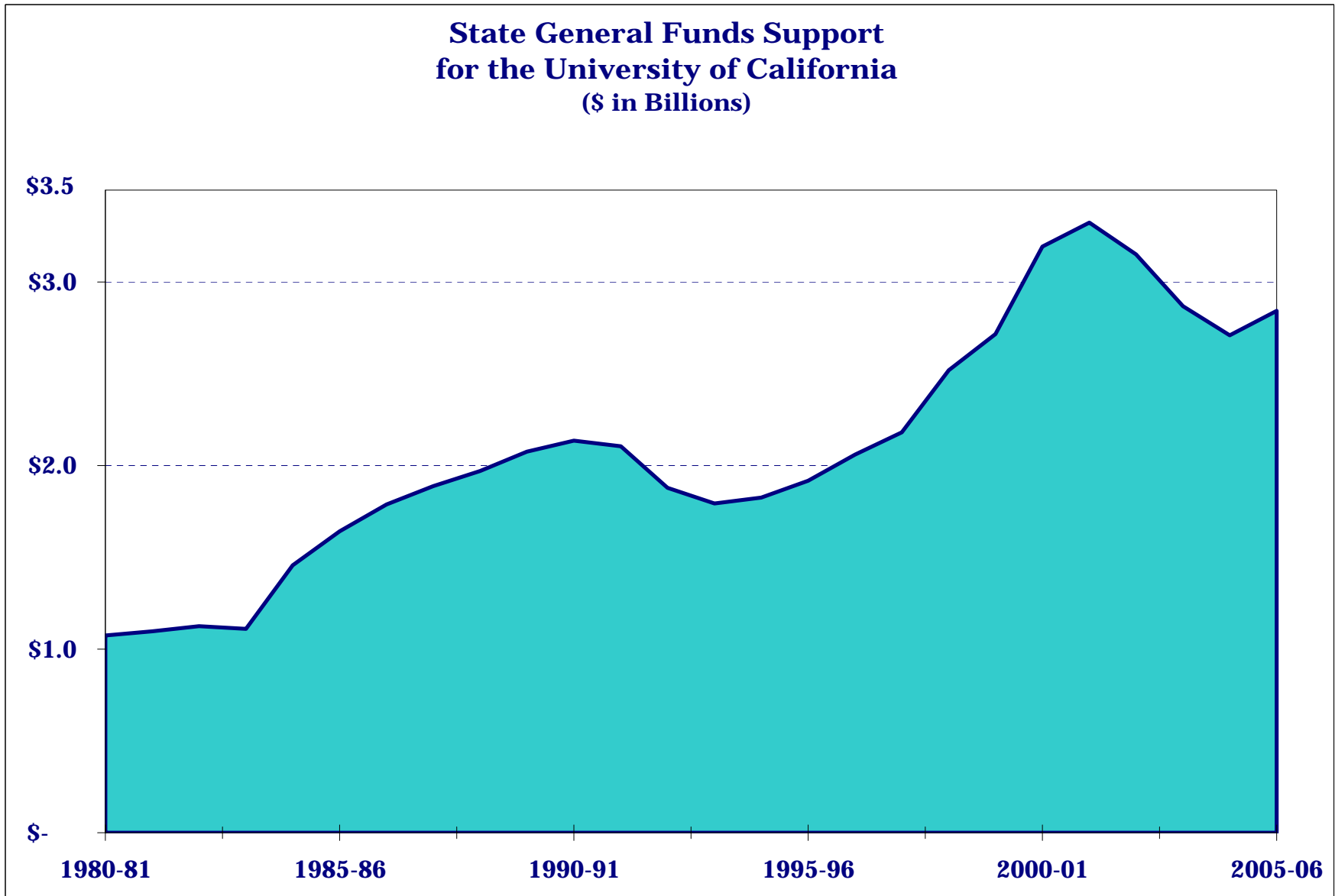


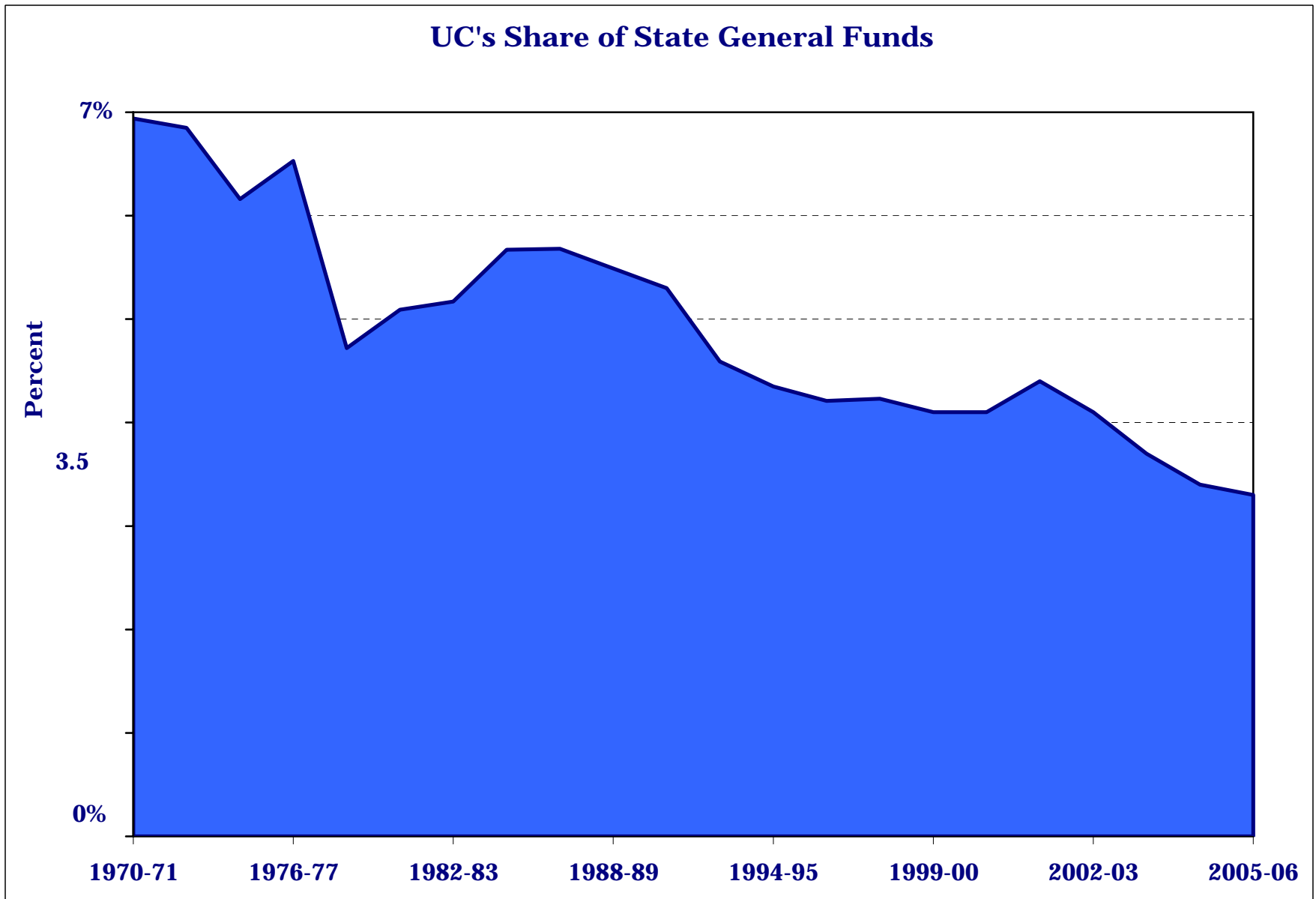
**Federal Research Expenditures at the  
University of California 1982-83 through 2004-05  
(\$ in Millions)**

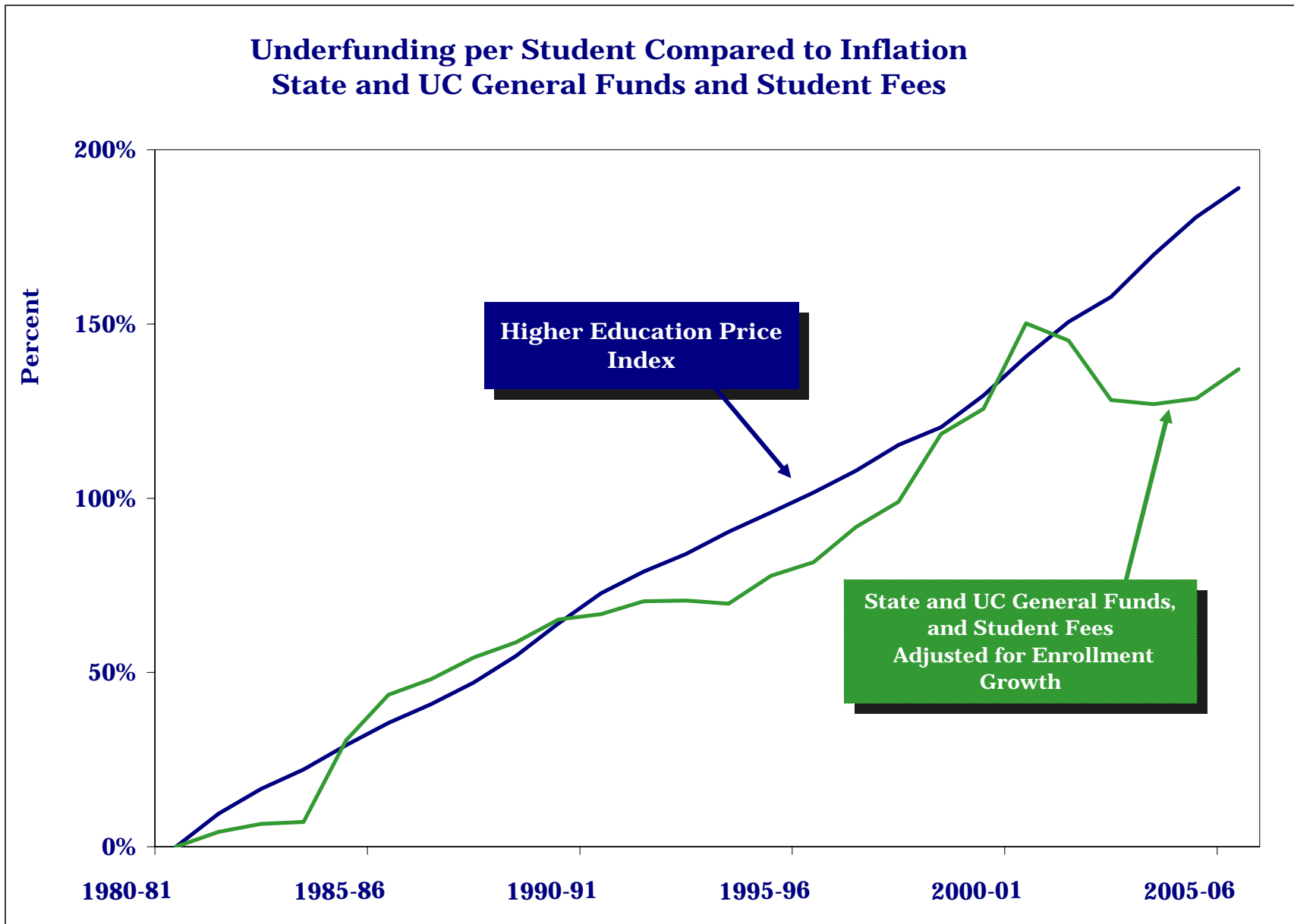


**Private Support for UC: Gifts,  
Private Grants and Pledges Paid  
(\$ in Millions)**

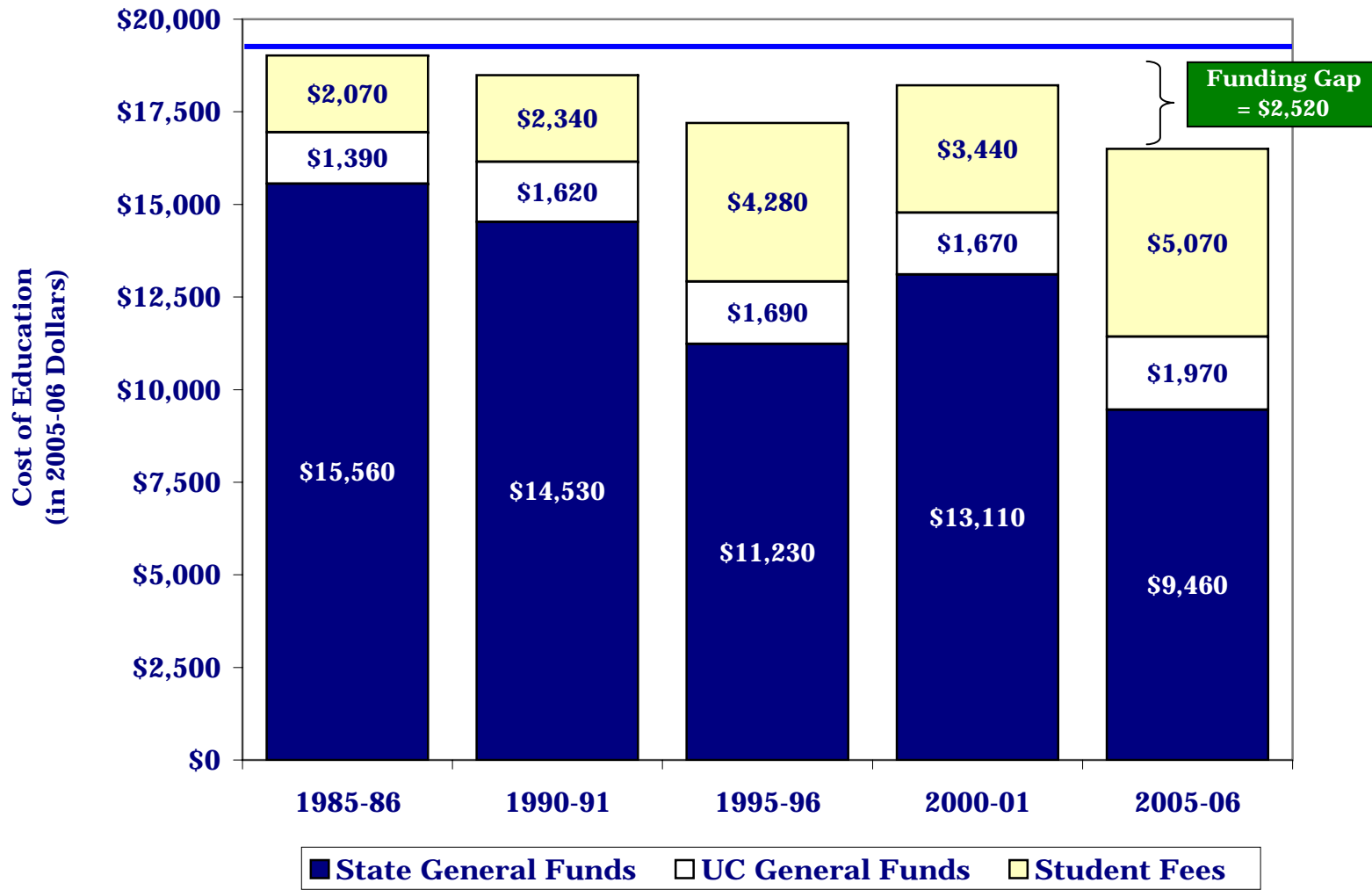








**Funding Components of the Average Cost of Education  
(2005-06 Dollars)**



<p><i>Priorities for Restoring Cuts Critical to UC Academic Quality</i></p>	<p><i>Funding Needed to Close Shortfall</i></p>
<p><b>Support to Close \$2,500 Education Funding Per Student Gap</b></p> <p>Restoring competitive salaries (General Fund and Student fee-funded portion)</p> <p>Restoring unfunded price increases for non-salary budgets</p> <p>Restoring the student-faculty ratio</p> <p>Restoring funding for core academic support (instructional technology, instructional equipment replacement, building maintenance, and library resources)</p> <p>Restoring student service reductions</p> <p><b>Total Support Needed to Close Education Funding per Student Gap</b></p>	<p>(in millions)</p> <p>\$280</p> <p>40</p> <p>60</p> <p>100</p> <p><u>20</u></p> <p><b>\$500</b></p>
<p><b>Funds to Restore Research Cuts and Provide for New Research Initiatives Important to State's Economic Development</b></p>	<p>\$50</p>

# UNIVERSITY OF CALIFORNIA

Display 12

**University of California  
2006-07 Budget Request  
(\$ in millions)**

**2005-06 Operating Budget**

Estimated State General Funds (excluding one-time funds and lease revenue payments)	\$	2,681.0
Estimated State and UC General Funds plus student fee income (excluding one-time funds and lease revenue payments)		4,639.9

***PROPOSED INCREASES IN EXPENDITURES***

(Based on the Compact)

**Fixed Costs**

Compensation and benefit increases for faculty and staff for merit, COLA, continuation costs related to 2005-06 salary increases, employee benefits, and equity increases (equivalent to 4% of total salaries and benefits)		126.0
Price increase for non-salary budgets (2.25%)		23.1

**Workload and Program Growth**

Enrollment growth of 5,000 FTE students (includes \$8.3 million related to introduction of maintenance of new space factor in revised marginal cost formula)		
State funds		47.5
Student fee funds (includes \$10.4 million related to financial aid for new enrollment)		31.5
Financial aid related to fee increases (33% average total return-to-aid--30% for UG and 45% for graduate academic students)		35.3
Graduate student support—redirection of \$10 million in savings from Strategic Sourcing Initiative		--
Initiatives for 2006-07, including remaining increment of State funds for the Science and Math Initiative and restoration of funding for labor and employment research		3.3
Student academic preparation programs (provide permanent instead of one-time funds)		--
Professional school funding		9.4
Restoration of unallocated cuts related to previously proposed increase to the student-faculty ratio)		10.0

***Total Increase Under the Compact***

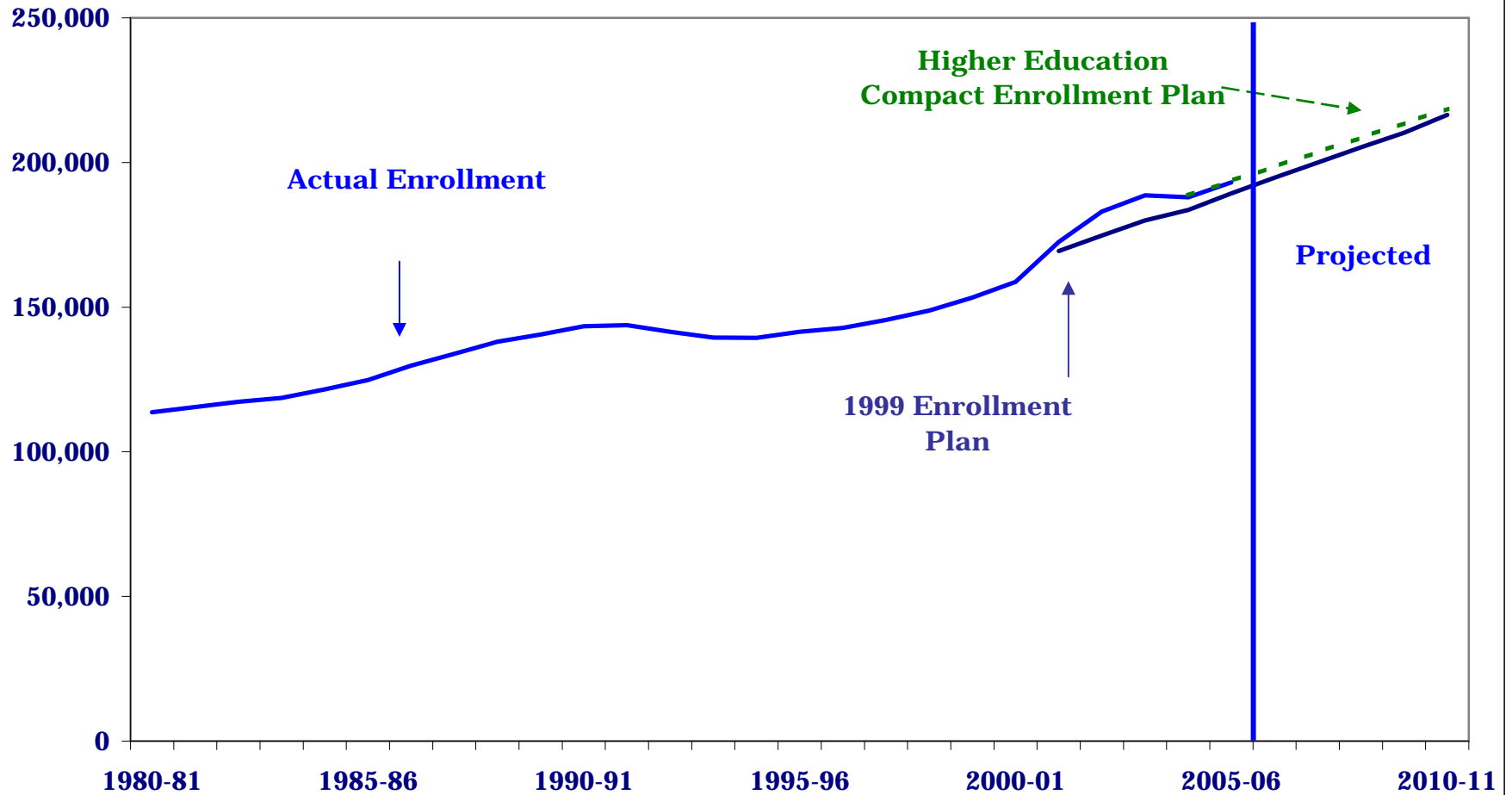
	<b>\$</b>	<b>286.1</b>
<i>% increase in State and UC General Funds, and Student Fee Income</i>		<i>6.2%</i>

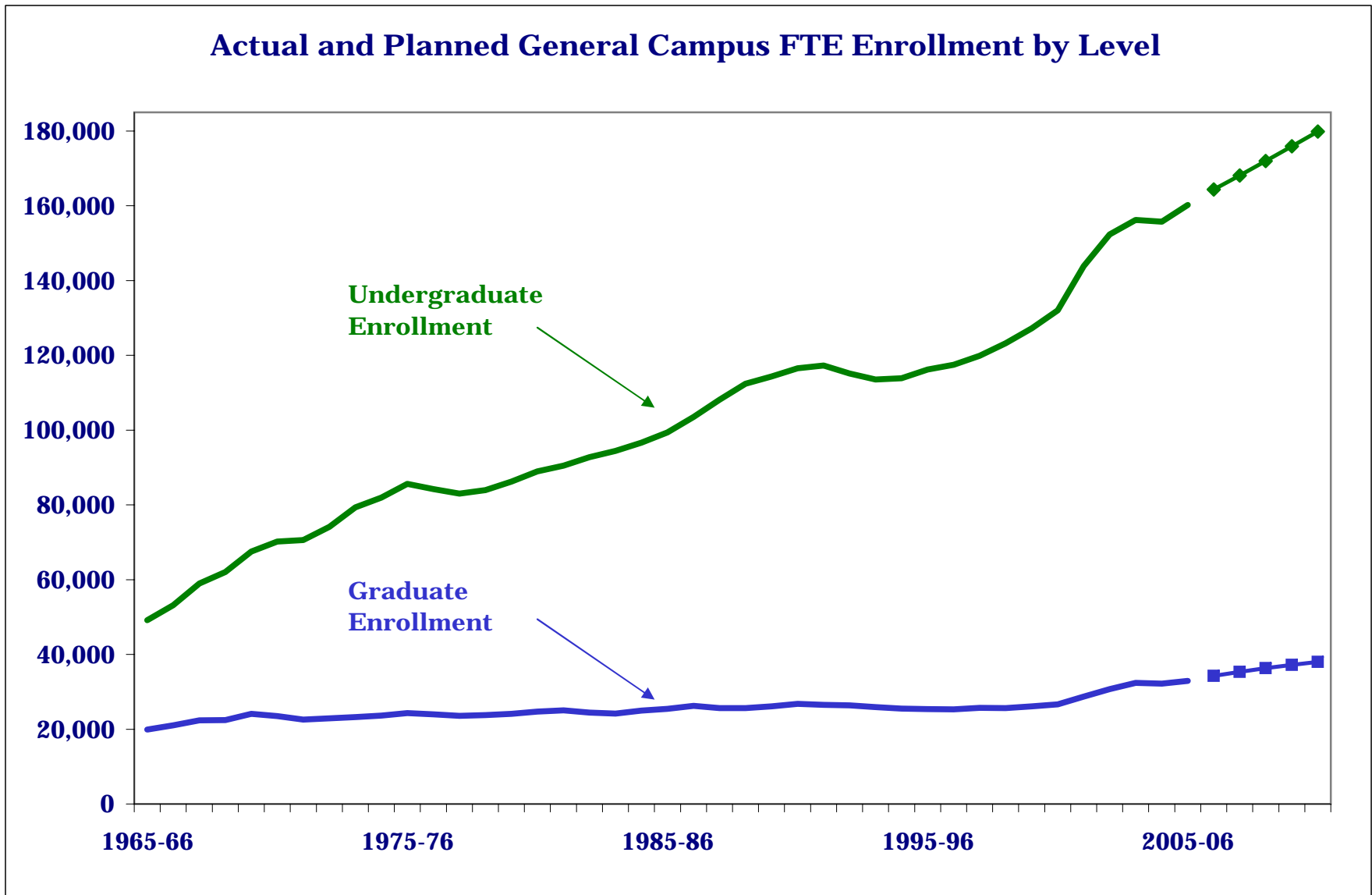
***PROPOSED INCREASES IN INCOME***

State General Funds (3% increase to the base, excludes debt service for capital outlay)		80.4
State General Funds for enrollment growth (based on revised marginal cost rate)		47.5
Initiatives for 2006-07, including remaining increment of State funds for the Science and Math Initiative and restoration of funding for labor and employment research		3.3
Revenue from an increase in mandatory systemwide student fees		107.0
Revenue from an increase in professional school student fees		9.4
Increase in fee income related to increase in enrollment		31.5
UC General Funds income (including 5.0% increase in undergraduate nonresident tuition and reflecting decline in revenue related to new nonresident tuition exemption for nonresident graduate students advanced to candidacy)		7.0

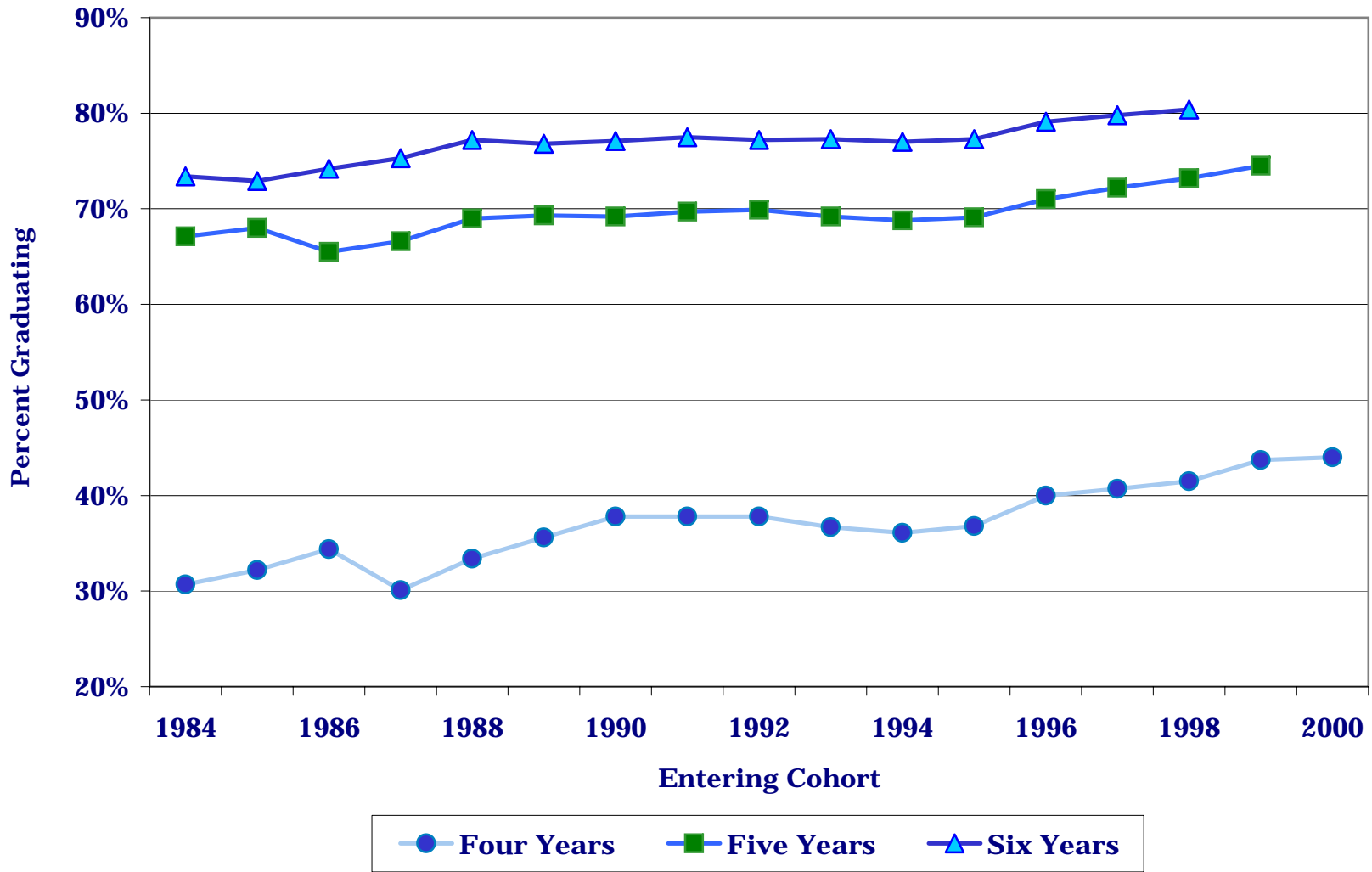
<b><i>Total Increase in State and UC General Funds, and Student Fee Income</i></b>	<b>\$</b>	<b>286.1</b>
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**General Campus FTE Enrollment:  
Actual Enrollment, 1999 Plan, and Higher Education Compact Plan**

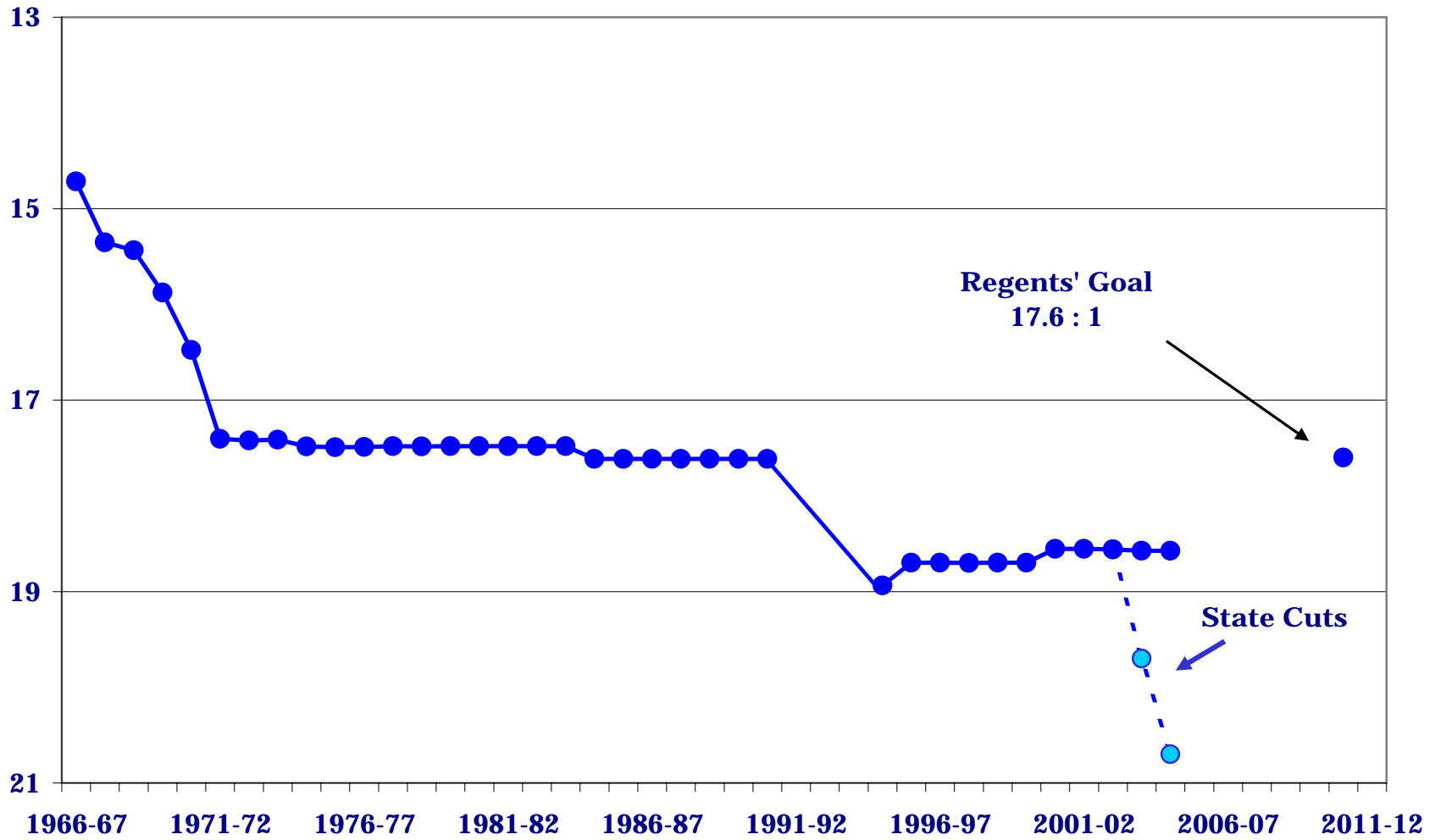


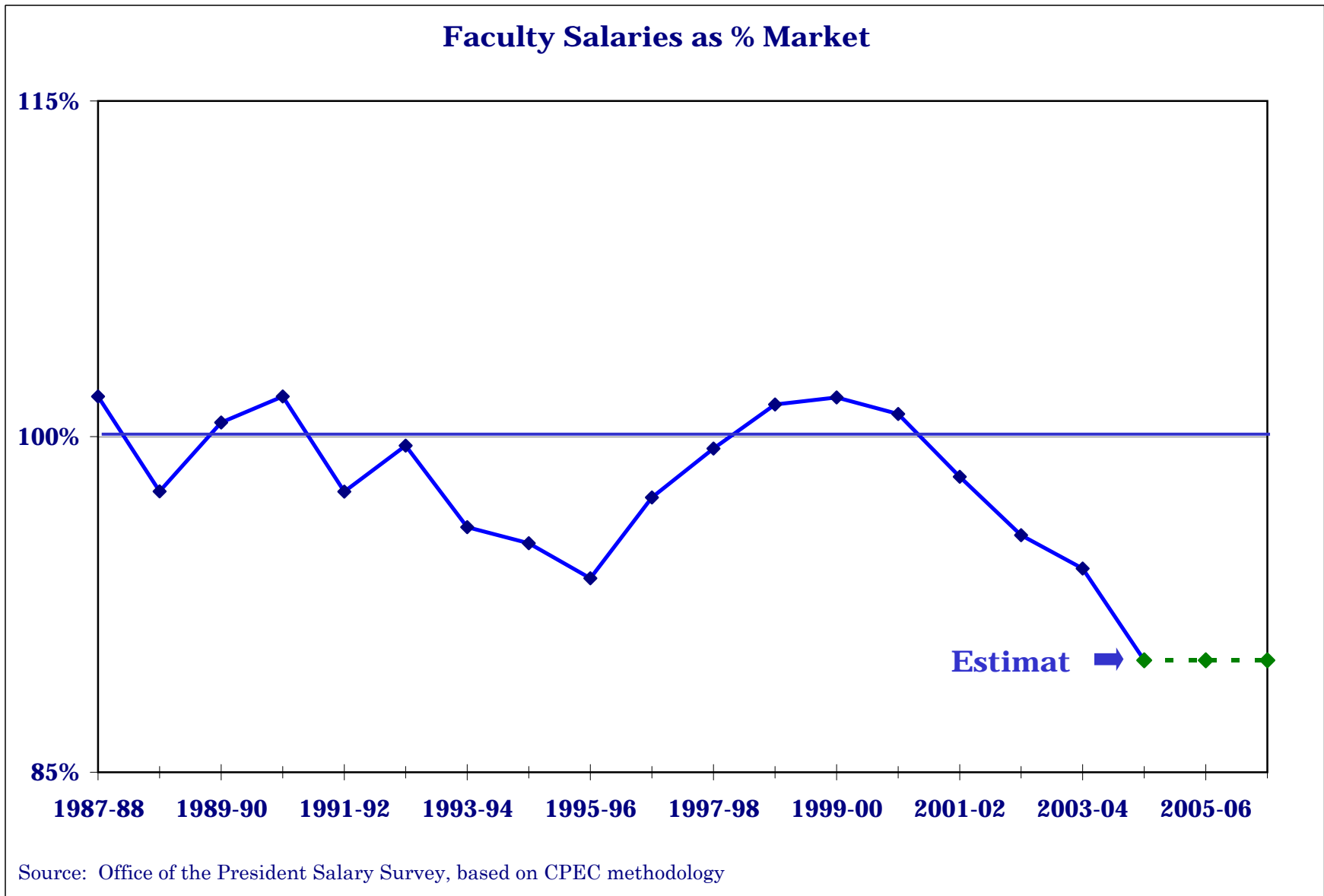


Graduation Rates by Cohort, Regularly Admitted Freshmen

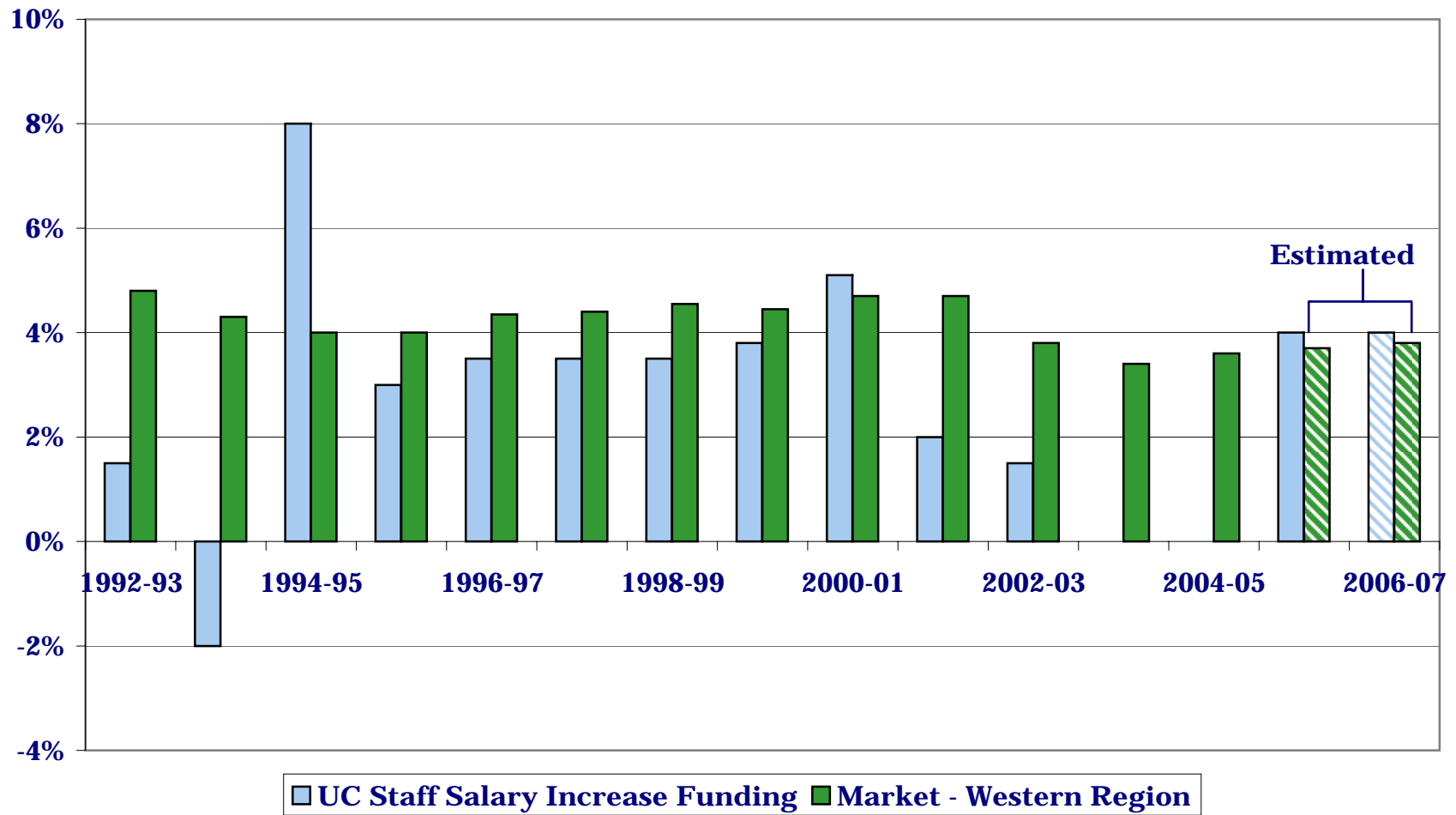


### Budgeted General Campus Student-Faculty Ratio



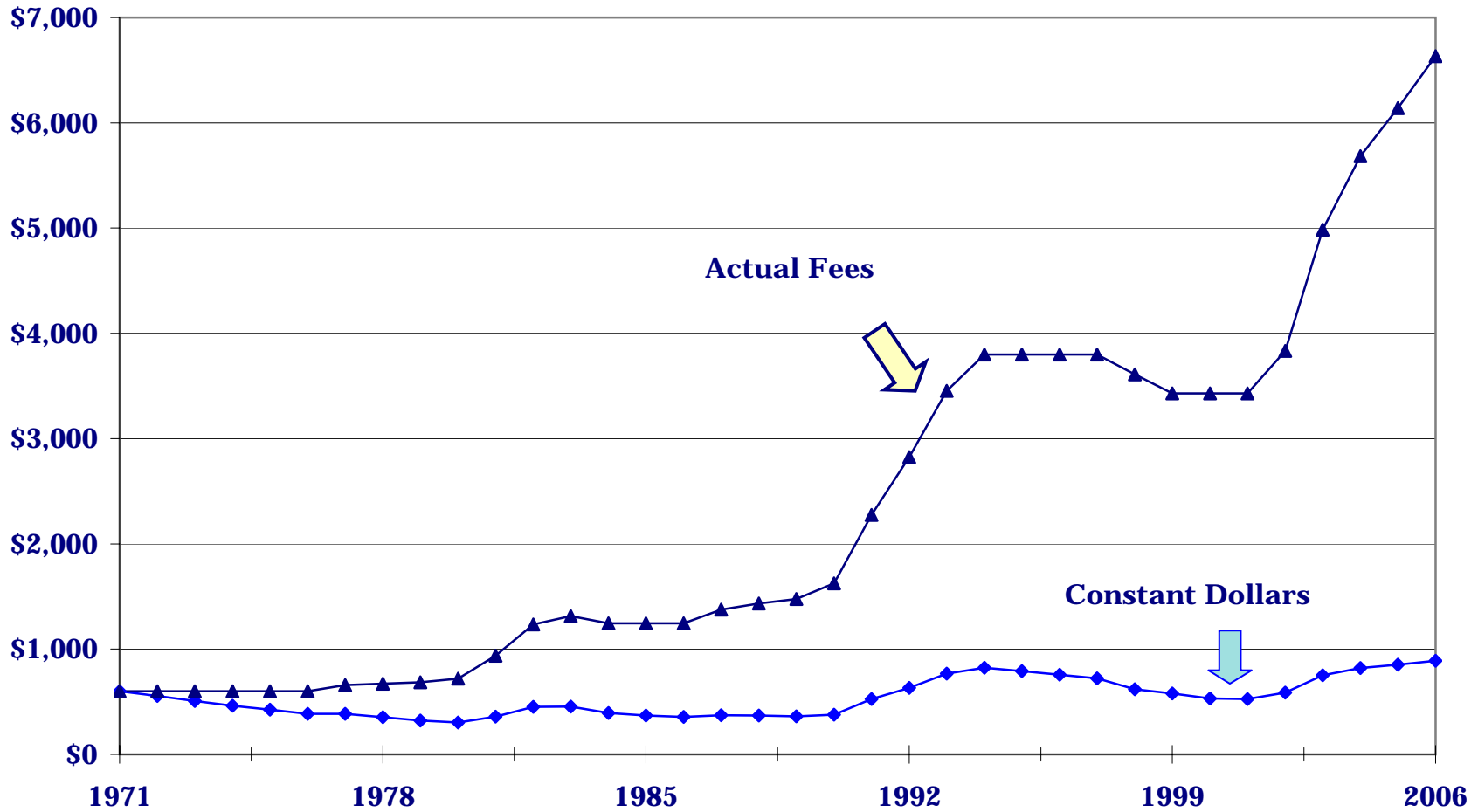


**% Increase/Decrease in State Funding  
for Staff Salaries**



Source: WorldatWork, "Annual Salary Budget Survey"

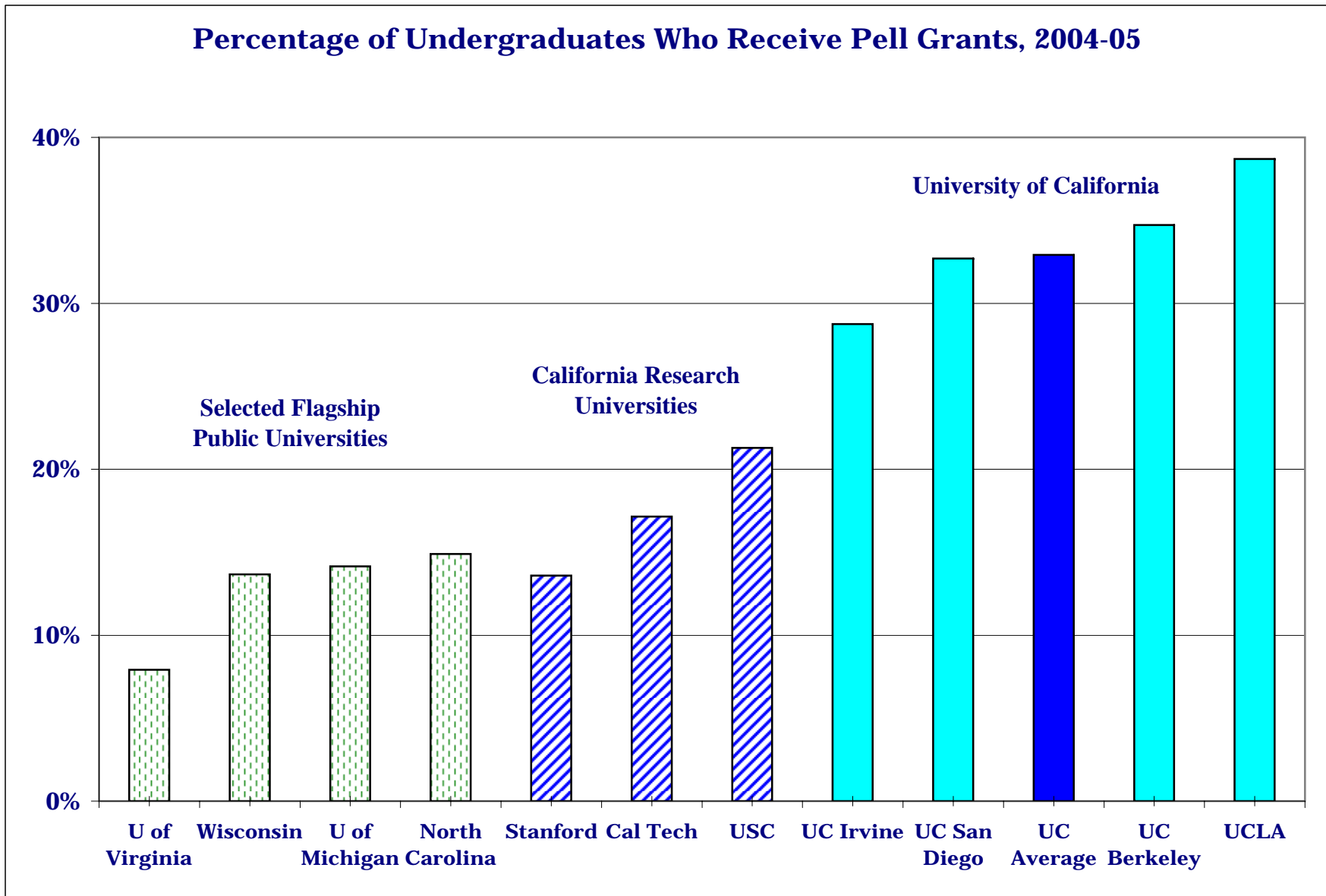
**Resident Undergraduate Student Fee Levels Compared to Fees in  
Constant 1971 Dollars  
(Mandatory Systemwide Fees)**



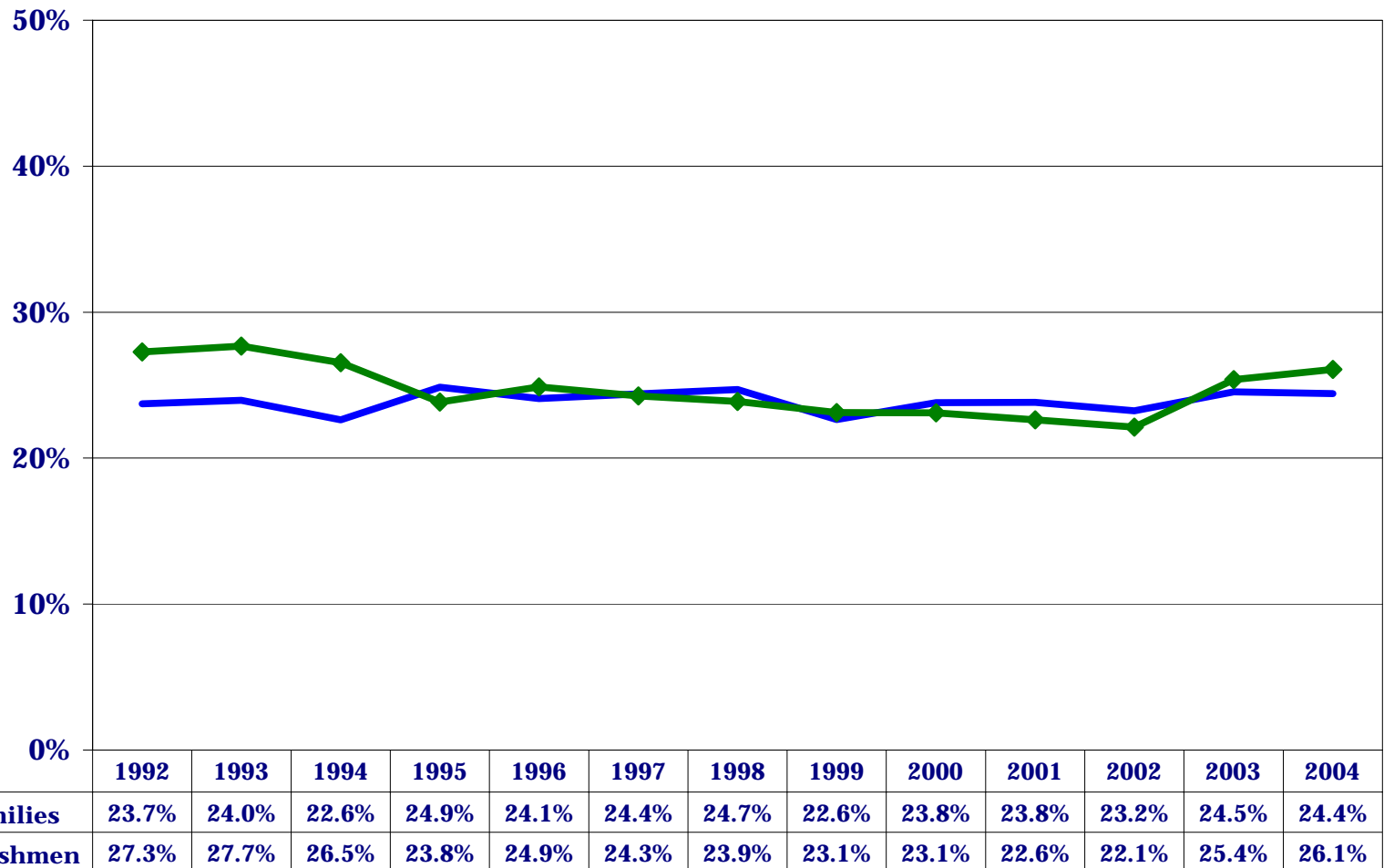
<b>University of California and Public Salary Comparison Institutions Total Student Fees *</b>				
	<u>Undergraduate</u>		<u>Graduate</u>	
	Resident	Nonresident	Resident	Nonresident
<b>Public Salary Comparison Institutions 2005-06 Fees</b>				
University of Illinois	\$ 8,634	\$ 22,720	\$ 8,878	\$ 21,718
University at Buffalo (SUNY)	\$ 6,068	\$ 12,328	\$ 9,427	\$ 13,447
University of Virginia	\$ 7,370	\$ 24,290	\$ 9,800	\$ 20,400
University of Michigan	\$ 9,213	\$ 28,689	\$ 14,271	\$ 28,689
2005-06 Average Fees of Comparison Institutions	\$ 7,821	\$ 22,007	\$ 10,594	\$ 21,064
<i>2005-06 Average UC Fees</i>	<i>\$ 6,802</i>	<i>\$ 24,622</i>	<i>\$ 8,708</i>	<i>\$ 23,669</i>
<b><i>2006-07 Estimated Average Fees for Public Salary Comparison Institutions</i></b>	<b>8,212</b>	<b>23,107</b>	<b>11,124</b>	<b>22,117</b>
<b><i>2006-07 Estimated Average UC Fees assuming increases in systemwide fees consistent with the Compact**</i></b>	<b>\$ 7,294</b>	<b>\$ 26,020</b>	<b>\$ 9,398</b>	<b>\$ 24,383</b>

\* Includes mandatory systemwide fees and campus-based fees, and nonresident tuition for nonresident students

\*\* Increases of 8% for undergraduate students and 10% for graduate students in systemwide fees; and 5% in nonresident tuition for undergraduates.



**Percent with Family Incomes of \$60,000 - \$99,999:  
UC First-Time Freshmen and All California Families  
(2002 Constant Dollars)**



**Scholarships, Grants, and Fellowships  
by Fund Source, 2002-03 to 2005-06  
(\$ in Millions)**

	2002-03	2003-04	2004-05	2005-06
<b><i>UC Funds</i></b>				
Student Fees and State General Funds	\$ 262.7	\$ 330.8	\$ 356.8	\$ 400.1
Other University Funds	<u>125.4</u>	<u>159.1</u>	<u>163.5</u>	<u>167.3</u>
Subtotal	\$ 388.1	\$ 489.9	\$ 520.3	\$ 567.4
<b><i>Other Funds</i></b>				
Student Aid Commission	\$ 148.7	\$ 219.3	\$ 257.3	\$ 272.6
Federal	203.2	214.5	211.3	216.3
Private Agency Funds	<u>49.6</u>	<u>52.4</u>	<u>47.5</u>	<u>48.6</u>
<b>Total</b>	\$ 789.7	\$ 976.0	\$ 1,036.4	\$ 1,104.9

Note: Numbers for 2004-05 and 2005-06 are estimates; Student Fees and State General Funds are based on budgeted amounts.

