Budget and Planning

A Universitywide Perspective
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1. Supporting Student Access and Enrollment Growth
2. UC Funding Sources: Focus on State Funds
3. New Compact with Governor
4. Budget Process and Issues
UCOP Budget Office

UC Faces a Period of Continued Growth

Can We Maintain Quality?

Education Pays

Source: Bureau of Labor Statistics

2004 Average Earnings

2004 Average Unemployment Rate

Source: UCOP Budget Office
Fastest Growing Occupations: Professionals and Managers

Graduation rates have been increasing steadily
Time-to-degree is at an all-time low

Time-to-Degree: Average Number of Terms Enrolled
Regularly-admitted First-time Freshmen

Serving Low Income Students

Percentage of Undergraduates Who Receive Pell Grants, 2005-06
State Dollars, Student Fees, and UC General Funds Are the Foundation

- D.O.E.
- Auxiliaries
- Research
- Private Fund Raising
- UC General Funds
- Student Fees
- State Funds

Core UC Support

Core Support for Academic Programs

- **State General Funds**: general tax revenues
- **Student Fees**: includes set-aside for Financial Aid
- **UC General Funds**: Non-resident tuition and contract and grant overhead
UC's Share of State General Funds Has Declined

California’s Fiscal Crisis Has Impacted the UC Budget
Resident Undergraduate Student Fee Levels Compared to Fees in Constant 1971 Dollars (Mandatory Systemwide Fees)

Who Funds the Cost of a UC Education?

Funding Components of the Average Cost of Education (2006-07 Dollars)

- State General Funds
- UC General Funds
- Student Fees

Funding Gap = $2,470
Student-Faculty Ratio
Budgeted General Campus

Budgeted General Campus Student-Faculty Ratio

Regents' Goal
17.6 : 1

Faculty Salaries as % of Market

Faculty Salaries as % of Market

Estimated

Source: Office of the President Salary Survey
Staff Salaries

Change in State Funding for Staff Salaries

- UC Staff Salary Increase Funding
- Market - Western Region

Source: WorldatWork, “Annual Salary Budget Survey”

The New Compact with Governor Schwarzenegger

State Funds

- Enrollment growth: 5,000 students/year
- 2005-06 and 06-07: 3% increase on base
- 2007-08 thru 09-10: 4% increase on base
- 2008-09 and 09-10: Additional 1% for instructional support (libraries, IT, equipment, maintenance)
- Capital outlay: $345 million per year
The New Compact with Governor Schwarzenegger

- **UC General Funds**
  3 to 4% increases to cover inflation

- **Student Fees**
  Undergraduate - 8% annually
  Graduate - 10% annually
  Professional - multi-year plan

- **Accountability elements**
  For student enrollment, timely graduation, faculty workload, etc.


**Budget Development**

- President Meets with Dept. of Finance
- UC Drafts Budget Request
- Regents Approve Budget Request
- Governor's Budget
- Leg. Analyst Recommendations
- Subcommittee Hearings
- January
- July
The Political Process

1. Governor’s Budget
2. Regents Approve Budget Request
3. President Meets with Dept. of Finance
4. UC Drafts Budget Request
5. Leg. Analyst Recommendations
6. Subcommittee Hearings
7. Conference Committee
8. Senate and Assembly Approve Budget Bill
9. Line Item Veto and Gov. Signature

Budget Issues

- **Maintain Quality**
  - Student/faculty ratio
  - Competitive salaries for faculty & staff
  - Translate into marginal cost of instruction and annual % increase on the base

- **Retirement Contributions**

- **Facilities and Infrastructure Needs**
  - Technology
  - Maintenance and capital renewal
  - Utilities
Systemwide Program Planning

- Long range guidance team, convened by President Dynes
- Systemwide strategic academic planning process
- Task force on planning for doctoral and professional education
- Advisory council on future growth in the health professions
- Work force on multi-campus research

Summary

- UC is important to California’s economic future
- UC faces continued enrollment growth and access issues
- Can we maintain quality with growth given California’s fiscal problems?
- There will be continued competition for State funds
- New funding sources required for program expansion