



University-wide Budget Process

A Campus Perspective

Sandra K. Campbell

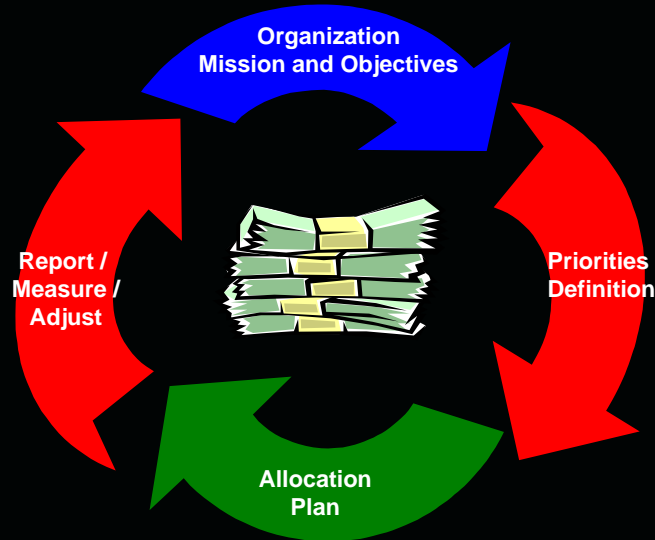
Associate Vice Chancellor
UC Irvine Budget Office

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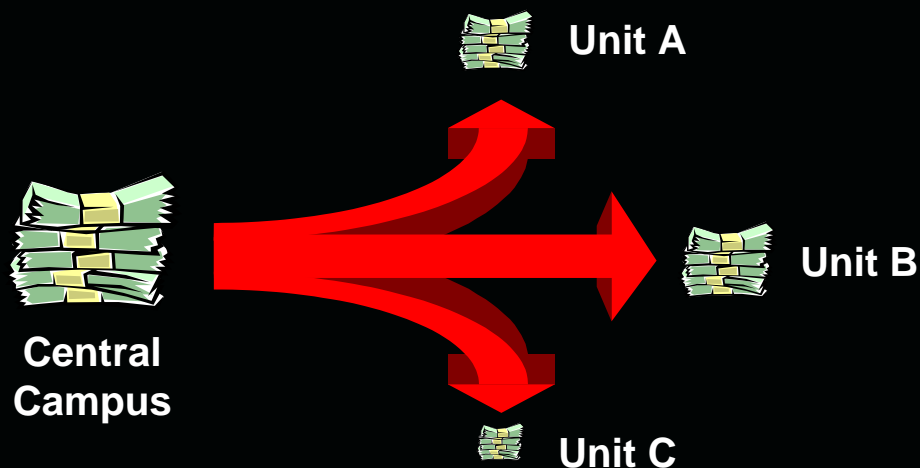
Intentions of this Section

- Quick Review - Basic Budgeting Concepts
- Campus Fund Sources
- Campus Resources for 2004-05
- UC Allocation Methodology
- Campus Budget Process
- Wrap Up

Budgeting is...A Process for Resource Management



Budgeting provides blueprint for allocation



Budgeting involves...



Communication

&



Accountability

The budget function involves three (3) major activities:

Budget Development

Budget Negotiation

Budget Management

There are two types of budgets to be aware of...

Focus
Here

OPERATING BUDGET

CAPITAL BUDGET

Permanent vs. Temporary Budgets

Permanent Budget

- Result of incremental budget approach
- Base level of resources recurring to cover costs for faculty and staff salaries, S&E, etc.

Temporary Budget

- Annual installment of permanent base + one-time allocations

Campus Fund Sources

CORE FUNDS

- State General Funds
- UC General Funds
- Tuition and fees

Other Budgeted Funds

- Sales and Services Revenue
- Auxiliary Revenue
- Hospital Income

Extramural Funds

- State & Local Contracts/Grants
- Federal Contracts/Grants
- Private Gifts and Grants

State of California General Funds (19900-19999)

- Are appropriated from the State General Fund as part of annual state budget process and
- Support all University activities (except Auxiliaries).
- Some funds are restricted.
- No STIP is earned by UC (State retains STIP).
- Fund balances lapse at year-end.

Lottery Funds

- Are restricted State General Funds;
- Used for instruction, including instructional computing, instructional equipment, and instructional support; and
- Cannot be used to support research or to replace state allocations.

UC General Funds

- Appear as if appropriated by the State; however,
- Funds are actually generated by each campus in order to fund a portion of the UC budget plan.
- State portion of Federal Overhead Recovery and Non-Resident Tuition are biggest generators.
- UC General Funds support all University activities (except Auxiliaries).
- No STIP earned by UC (State retains STIP).

Non-Resident Tuition

- Fee paid by non-resident students – in addition to fees paid by resident students.
- Viewed as part of UC General Funds – Portion previously earmarked for debt financing in support of deferred maintenance projects

Educational (ED) Fee (20095)

- Paid by all students
- Campus does not retain STIP
- Portion reserved for financial aid – Remainder returned to campuses, looking like General Funds
- Controlled system-wide

Registration Fee (20XXX)

- Paid by all students
- Provides funding for services that are necessary for students (e.g., Counseling, Advising, Recreation) but not part of instruction
- Campus retains STIP
- Controlled at the campus level

Other Fees Include:



- Professional Degree Fees
(Law, Business, Optometry)



- Student Approved Mandatory Fees
(Life/Safety, specific student supported facilities such as student centers, events centers, and recreational centers)

Sales and Services revenue includes:



Educational Activities

- Revenues from Dental Clinics, Botanical Gardens, Veterinary Clinics, etc.
- Funds support the activities



Auxiliary Enterprises

- Self-supporting (Athletics, Housing, Parking, Teaching Hospital)
- Revenues must cover expenses

Gifts and Endowments

- Many designated for specific purposes
- Amount of endowment distribution by OP and campus foundation specified by formula (5-year rolling average market value used to determine the payout based on a spending rate of 4.75%)



Overhead Recovery Funds



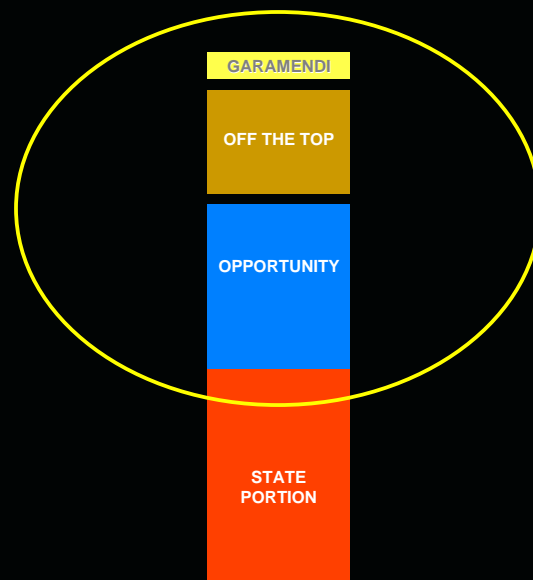
Based upon the amount and type of research conducted on the campus, the campus is reimbursed for some of the costs the campus has incurred to support that research.

This is overhead recovery.

Federal Overhead Recovery Funds

Three types of funds above State Portion:

- Garamendi
- Off-the-Top
- Opportunity



Garamendi Funds

- Amount based upon Federal research occurring in specific campus space
- Available for revenue bond repayment on acquisition, construction, renovation, or equipping research facilities, as well as maintenance costs
- Capital projects require both Regental and State approval



Off-the-Top Funds (69750)

- Approximately 20% of Federal Overhead recovery (after Garamendi)
- Intended to cover contract and grant administrative costs and support other research related activities
- Campus does not retain STIP earnings



Opportunity Funds (07427 or 09XXX)

- 45% (of the remaining 80%) of Federal overhead recovery, after the Off-the-Top & Garamendi removed
- Chancellor's discretionary fund
- Primary source of funds for long term debt service
- Campus does not retain STIP earnings



Private Contract and Grant Overhead Recovery -

The Educational Fund (05397)

- Large portion of the indirect cost recovered from private contracts and grants is returned to campus as the Educational Fund
- Clinical Trial recovery is retained in total by the campus

UC Irvine Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	227.2	16%
•Tuition and Fees	171.3	12%
•Auxiliaries and Sales	693.2	50%
•Other Funds	39.0	3%

SUBTOTAL BUDGETED FUNDS	1,130.7	81%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	10.1	1%
•Federal Contracts & Grants	188.2	13%
•Private Gifts & Grants	72.0	5%

SUBTOTAL EXTRAMURAL FUNDS	270.3	19%
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TOTAL FUNDS	1,401.0	100%
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UC Davis Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	401.1	18%
•Tuition and Fees	205.4	9%
•Auxiliaries and Sales	1,139.8	51%
•Other Funds	21.4	1%

SUBTOTAL BUDGETED FUNDS	1,767.7	79%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	82.7	4%
•Federal Contracts & Grants	286.6	13%
•Private Gifts & Grants	113.2	5%

SUBTOTAL EXTRAMURAL FUNDS	482.5	21%
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TOTAL FUNDS	2,250.2	100%
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UCLA Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	591.7	18%
•Tuition and Fees	284.0	8%
•Auxiliaries and Sales	1,610.7	47%
•Other Funds	44.5	1%

SUBTOTAL BUDGETED FUNDS	2,530.9	74%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	46.2	1%
•Federal Contracts & Grants	586.3	17%
•Private Gifts & Grants	243.8	7%

SUBTOTAL EXTRAMURAL FUNDS	876.3	26%
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TOTAL FUNDS	3,407.2	100%
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UC San Diego Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	270.0	13%
•Tuition and Fees	176.3	9%
•Auxiliaries and Sales	825.6	41%
•Other Funds	30.9	2%

SUBTOTAL BUDGETED FUNDS	1,302.8	65%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	28.7	1%
•Federal Contracts & Grants	524.5	26%
•Private Gifts & Grants	153.8	8%

SUBTOTAL EXTRAMURAL FUNDS	707.0	35%
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TOTAL FUNDS	2,009.8	100%
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UC Berkeley Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	454.5	30%
•Tuition and Fees	274.9	18%
•Auxiliaries and Sales	140.1	9%
•Other Funds	43.4	3%

SUBTOTAL BUDGETED FUNDS	912.9	60%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	57.6	4%
•Federal Contracts & Grants	346.0	22%
•Private Gifts & Grants	217.5	14%

SUBTOTAL EXTRAMURAL FUNDS	621.1	40%
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TOTAL FUNDS	1,534.0	100%
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UC Merced Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	26.9	78%
•Tuition and Fees	.1	<1%
•Auxiliaries and Sales	.1	<1%
•Other Funds	1.5	4%

SUBTOTAL BUDGETED FUNDS	28.6	83%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	.5	1%
•Federal Contracts & Grants	3.8	11%
•Private Gifts & Grants	1.7	5%

SUBTOTAL EXTRAMURAL FUNDS	6.0	17%
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TOTAL FUNDS	34.6	100%
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UC Riverside Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	141.7	35%
•Tuition and Fees	104.3	26%
•Auxiliaries and Sales	44.4	11%
•Other Funds	8.9	2%

SUBTOTAL BUDGETED FUNDS	299.3	74%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	7.5	2%
•Federal Contracts & Grants	77.1	19%
•Private Gifts & Grants	21.6	5%

SUBTOTAL EXTRAMURAL FUNDS	106.2	26%
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TOTAL FUNDS	405.5	100%
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UC Santa Barbara Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	186.7	30%
•Tuition and Fees	145.6	24%
•Auxiliaries and Sales	81.3	13%
•Other Funds	18.2	3%

SUBTOTAL BUDGETED FUNDS	431.8	70%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	2.5	<1%
•Federal Contracts & Grants	126.4	21%
•Private Gifts & Grants	55.8	9%

SUBTOTAL EXTRAMURAL FUNDS	184.7	30%
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TOTAL FUNDS	616.5	100%
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UC Santa Cruz Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	115.5	28%
•Tuition and Fees	101.3	25%
•Auxiliaries and Sales	71.9	17%
•Other Funds	15.7	4%

SUBTOTAL BUDGETED FUNDS	304.4	74%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	2.5	<1%
•Federal Contracts & Grants	78.0	19%
•Private Gifts & Grants	26.7	6%

SUBTOTAL EXTRAMURAL FUNDS	107.2	26%
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TOTAL FUNDS	411.6	100%
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UC San Francisco Budget 2004-05 by Fund Source (\$ Ms)

BUDGETED FUNDS

•State of California	192.2	8%
•Tuition and Fees	31.1	1%
•Auxiliaries and Sales	1,260.3	53%
•Other Funds	35.4	1%

SUBTOTAL BUDGETED FUNDS	1,519.0	63%
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EXTRAMURAL FUNDS

•State Contracts & Local Government	126.4	5%
•Federal Contracts & Grants	497.7	21%
•Private Gifts & Grants	250.9	11%

SUBTOTAL EXTRAMURAL FUNDS	875.0	37%
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TOTAL FUNDS	2,394.0	100%
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UC allocations to campuses for inflation include:



- Salary increases (for budgeted positions)



- Benefit cost increases



- Price increases

Final allocations may include:

Funding for increased WORKLOAD



- Marginal cost of instruction per incremental budgeted student FTE
- Provides for new Faculty and TA FTE

Final Allocations may also include:



- Operations and maintenance of plant funds for new space (OMP)

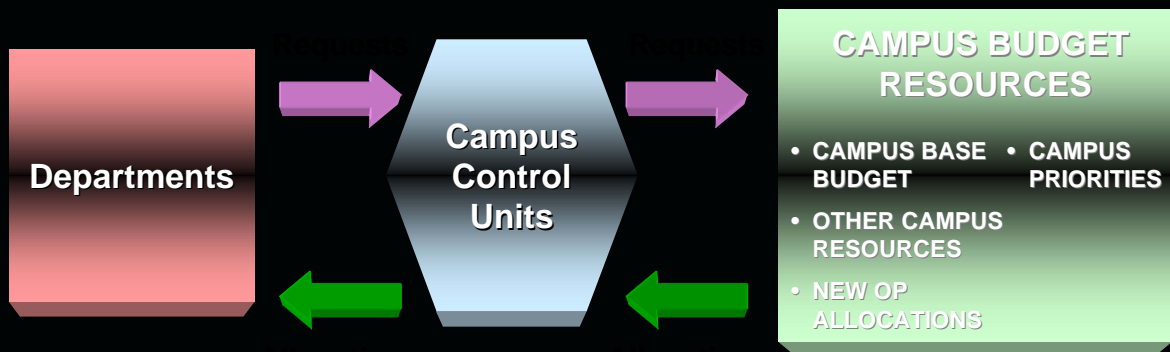


- Special Program Funds



- Deferred Maintenance funding

Irvine Campus Budget Process



Budget Process Timeline



JANUARY

- Governor's Budget is announced
- Planning & Budget estimates available resources and identifies planning assumptions based on Governor's Budget
- Campus budget call sent to control units

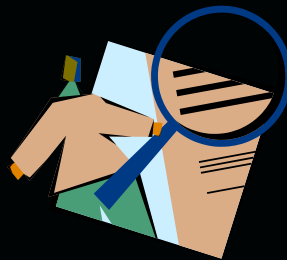


MARCH



- Control units submit requests

APRIL



- Planning & Budget analyzes requests

MAY



- Campus budget discussions occur

MAY



- Governor announces budget revision
- Campus adjusts revenue projections

JUNE/JULY



- Governor's Budget finalized???

**AUGUST/
SEPT**



- Campus receives final budget allocations and makes final decision on distribution of funds

Budget Principles:

- Base strategic budgetary decisions on analysis, evaluation, and consultation
- Continue to build excellence of academic and professional programs, while accommodating enrollment increases
- Continue to recruit highest-quality faculty and provide associated new staff
- Continue to streamline processes
- Continue to seek new sources of revenue

Irvine campus budget process has several benefits:

- Units do more formal planning
- Look at all campus resources
- Units report on prior year allocations
- Opportunity for dialogue about priorities

Budgeting Issues for Managers

- Awareness of campus and unit budget process
- Understand your unit's (College or Department) permanent and temporary budget and the relationship between them
- Understand which actions you take affect which budget
- For help contact:
 - Your control unit's (Vice Chancellor) Budget Office
 - Campus Budget Office

Questions

