



# BUDGET AND PLANNING

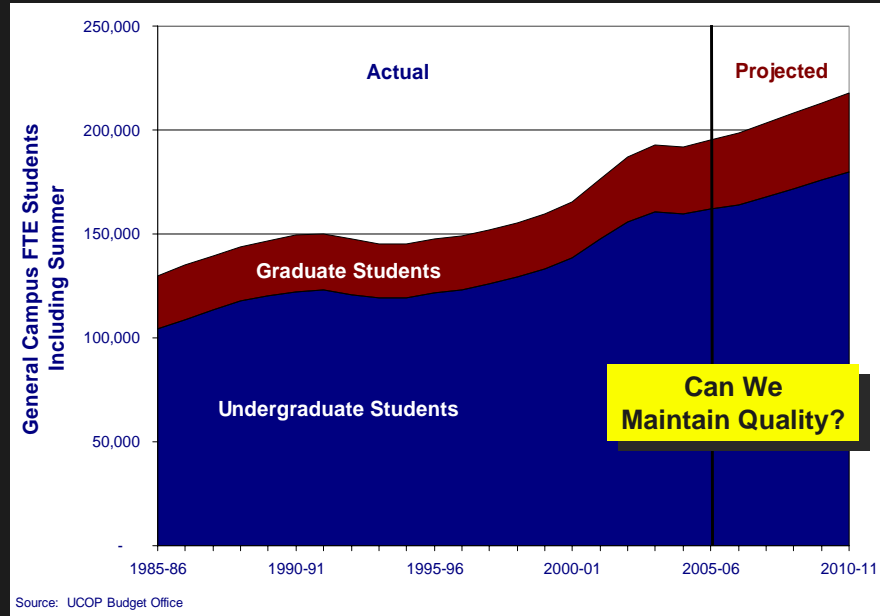
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## A Universitywide Perspective May 2006

Trudis Heinecke  
Director, Long Range Resource Planning

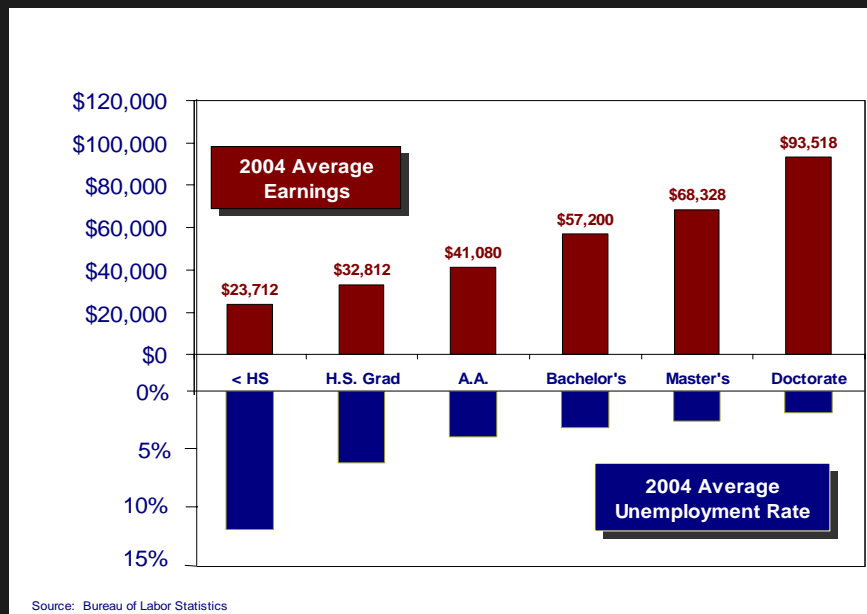
1. Supporting Student Access and Enrollment Growth
2. UC Funding Sources: Focus on State Funds
3. New Compact with Governor
4. Budget Process and Issues

## UC Faces a Period of Continued Growth



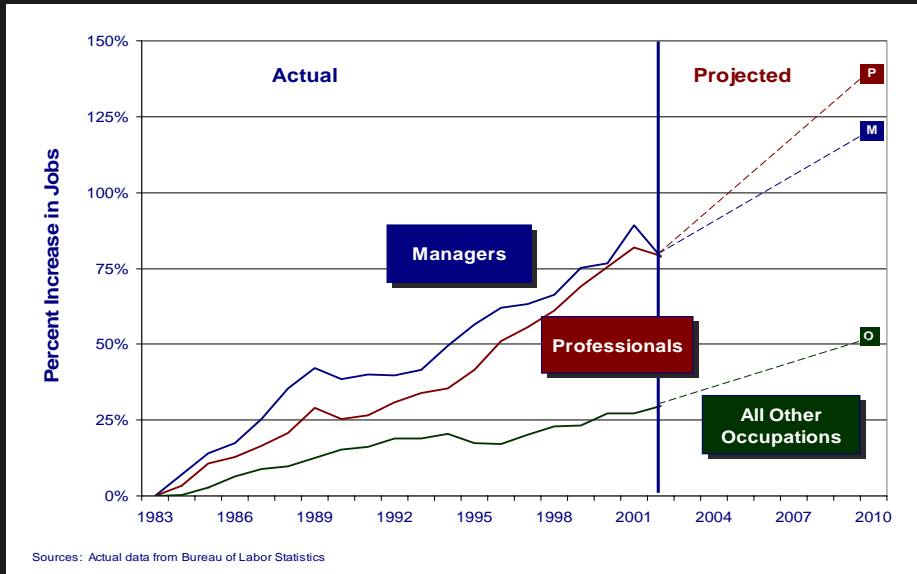
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## Education Pays

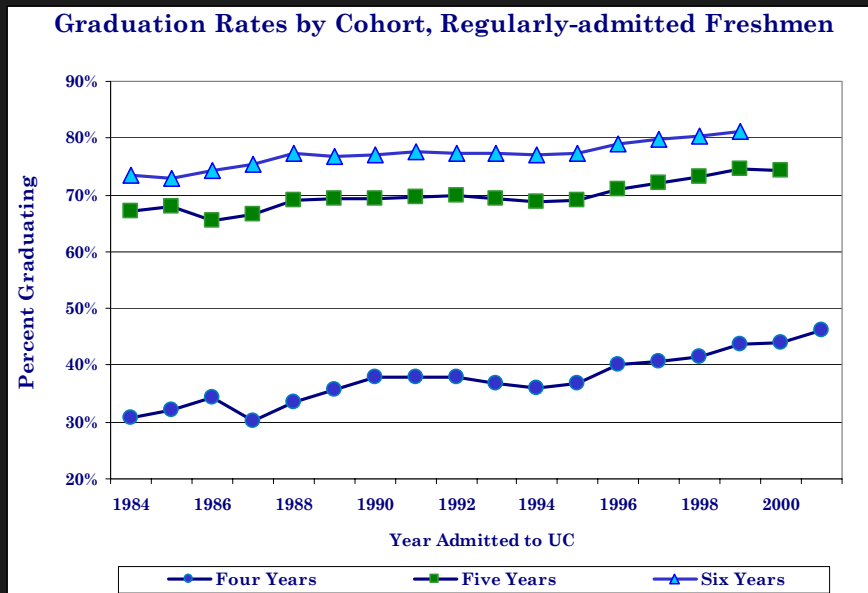


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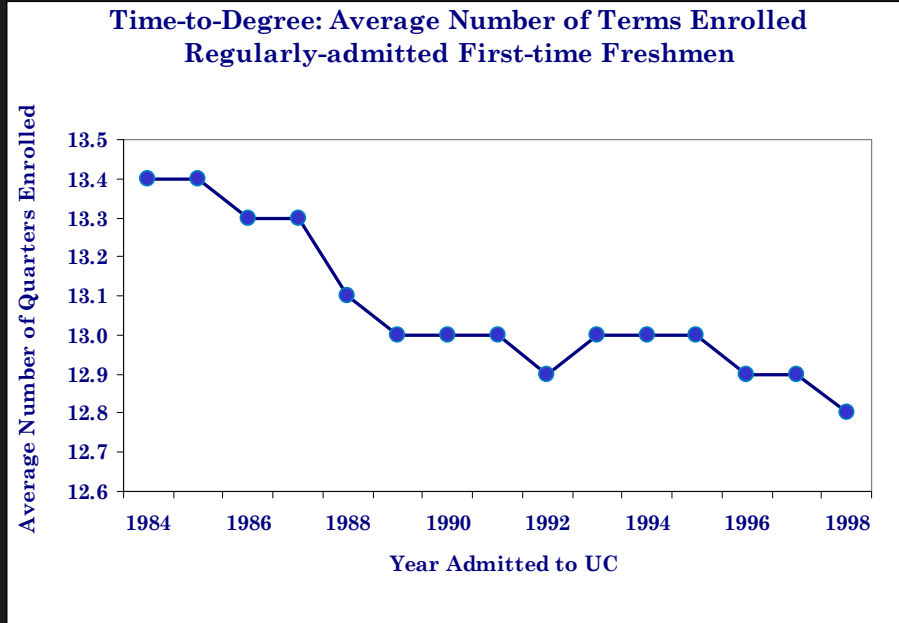
## Fastest Growing Occupations: Professionals and Managers



## Graduation Rates Have been Increasing Steadily

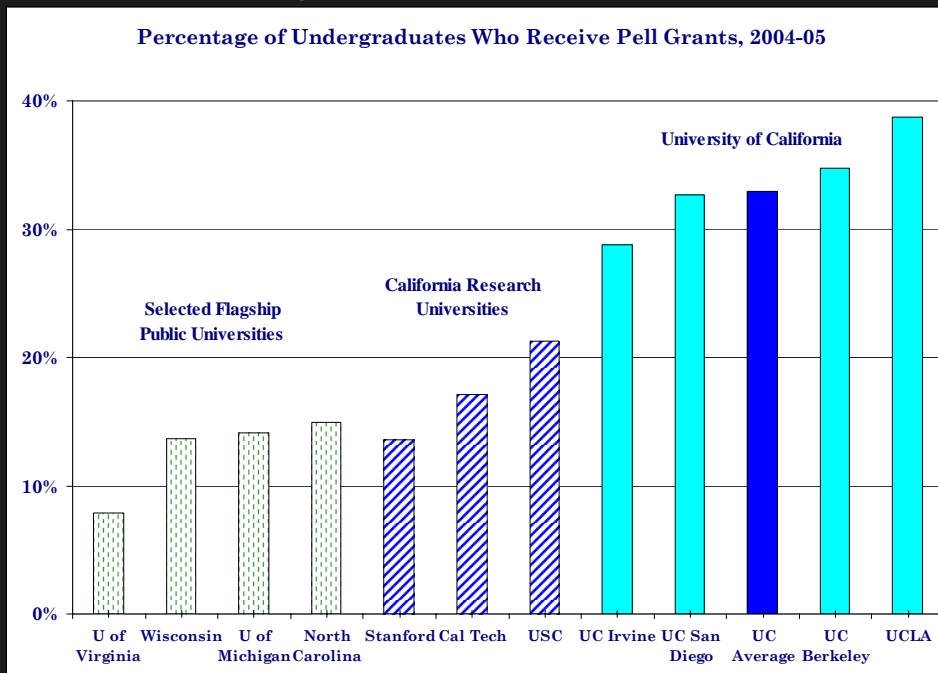


## Time to Degree is at an All-Time Low



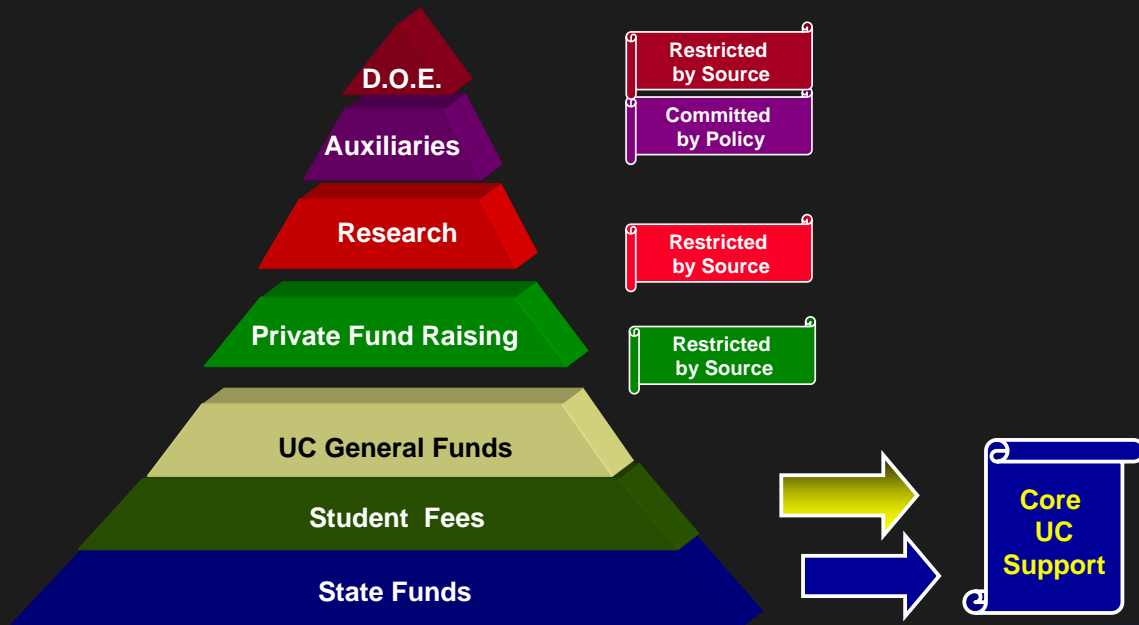
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## Serving Low Income Students



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## State Dollars, Student Fees, and UC General Funds Are the Foundation



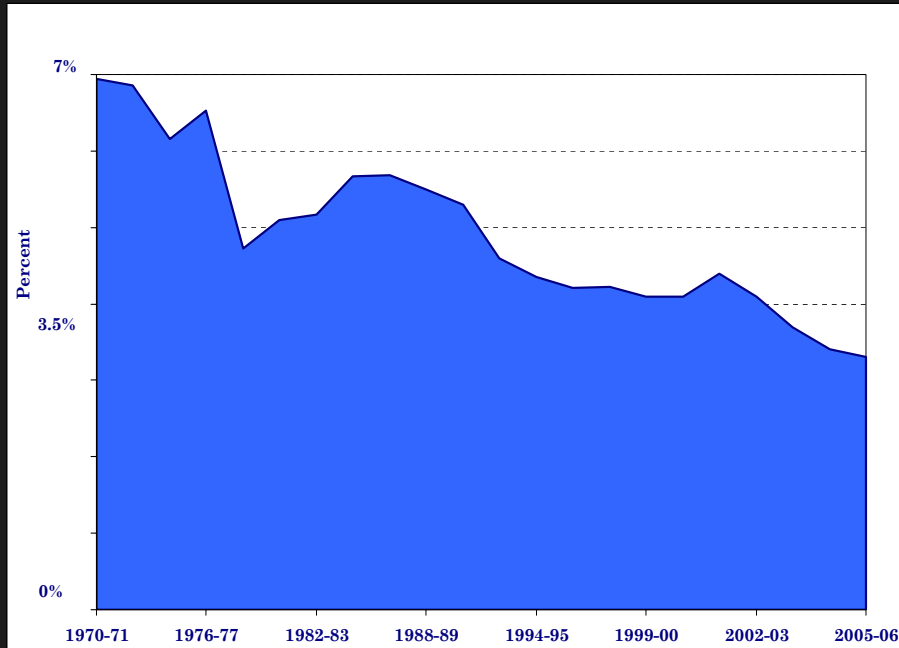
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## Core Support for Academic Programs

- 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

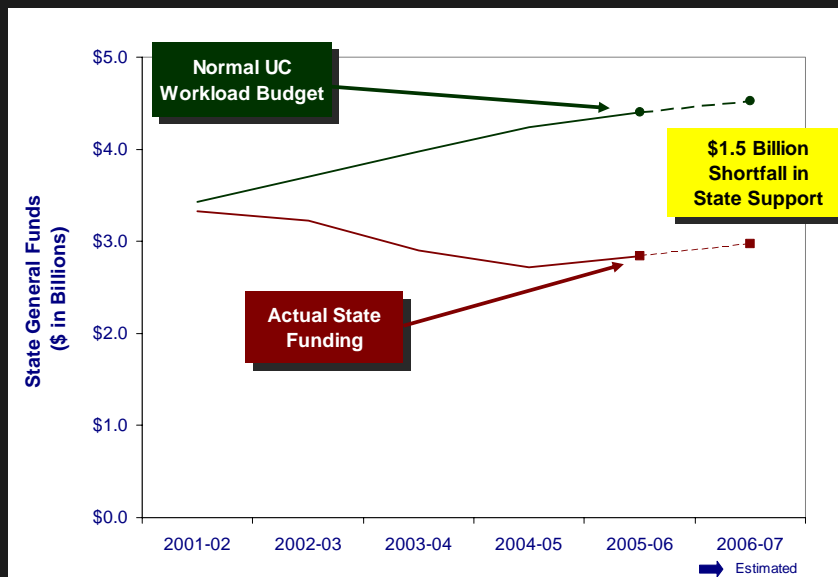
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## UC's Share of State General Funds Has Declined



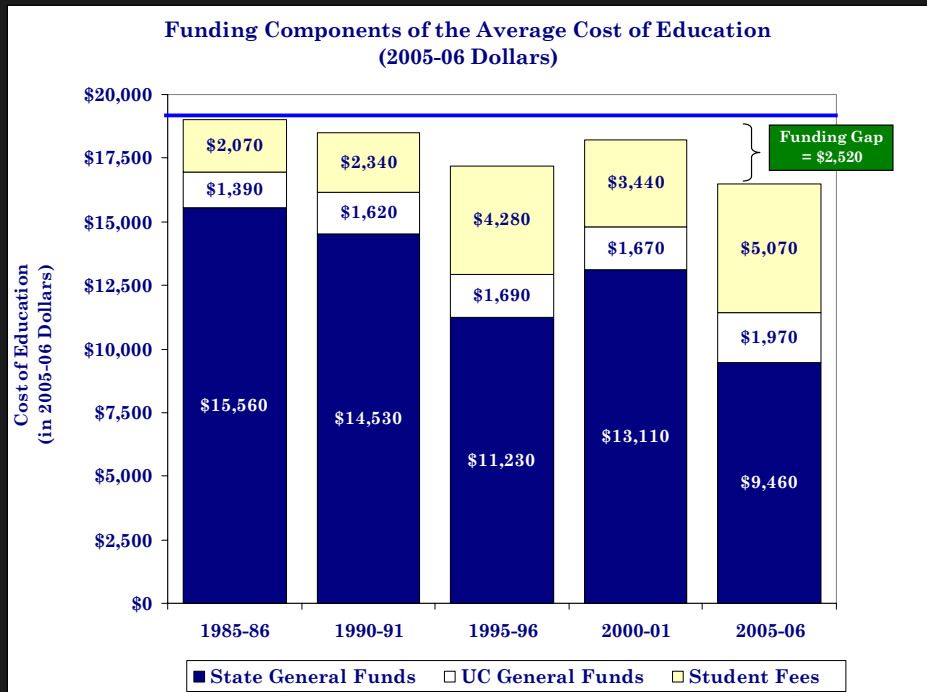
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## California's Fiscal Crisis Has Led to a Major Shortfall in UC's Budget



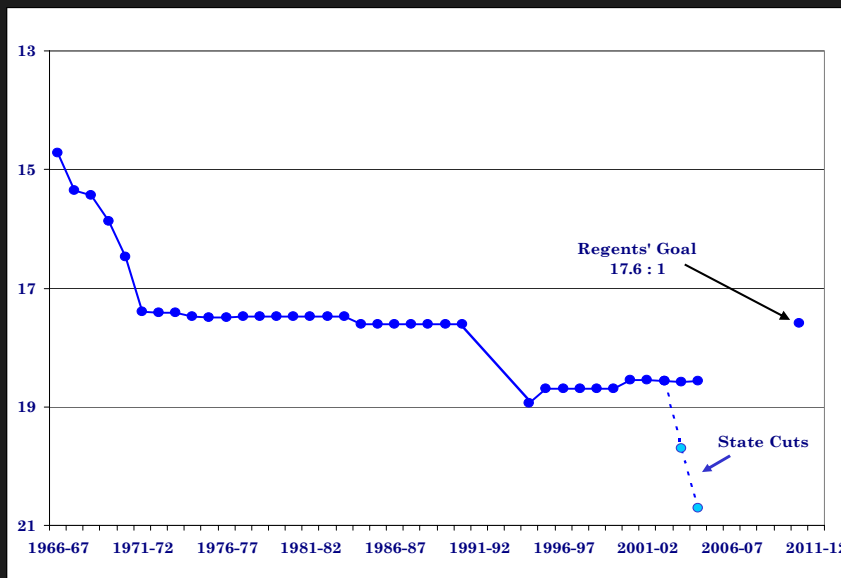
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## Who Funds the Cost of a UC Education?



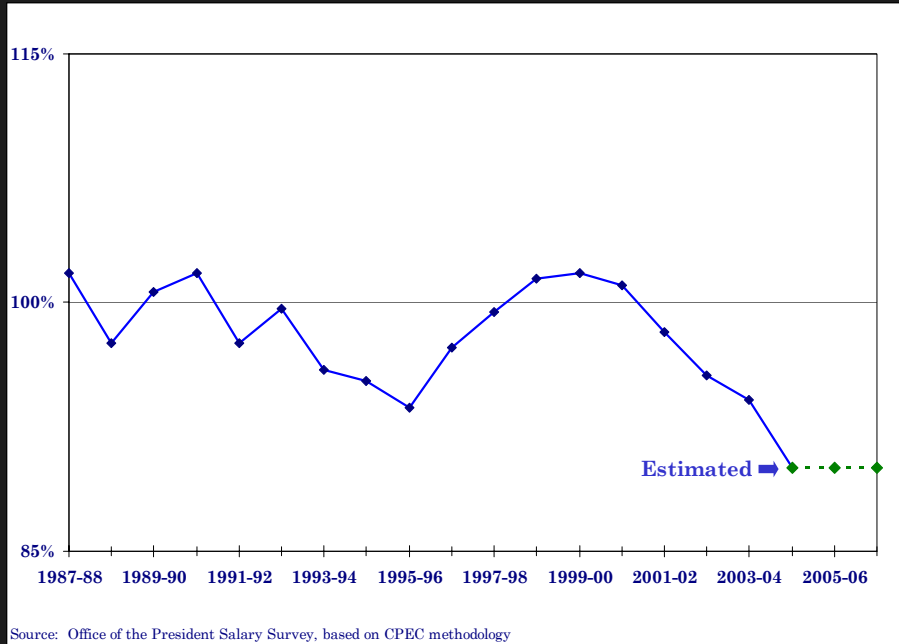
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## Student-Faculty Ratio Budgeted General Campus

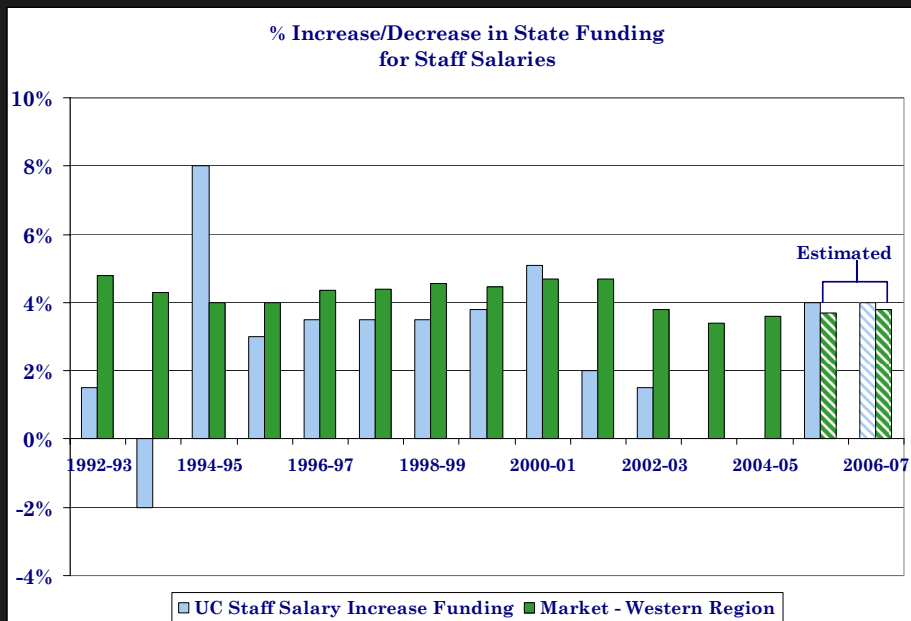


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## Faculty Salaries as % Market



## Staff Salaries



## The New Compact with Governor Schwarzenegger

### State Funds

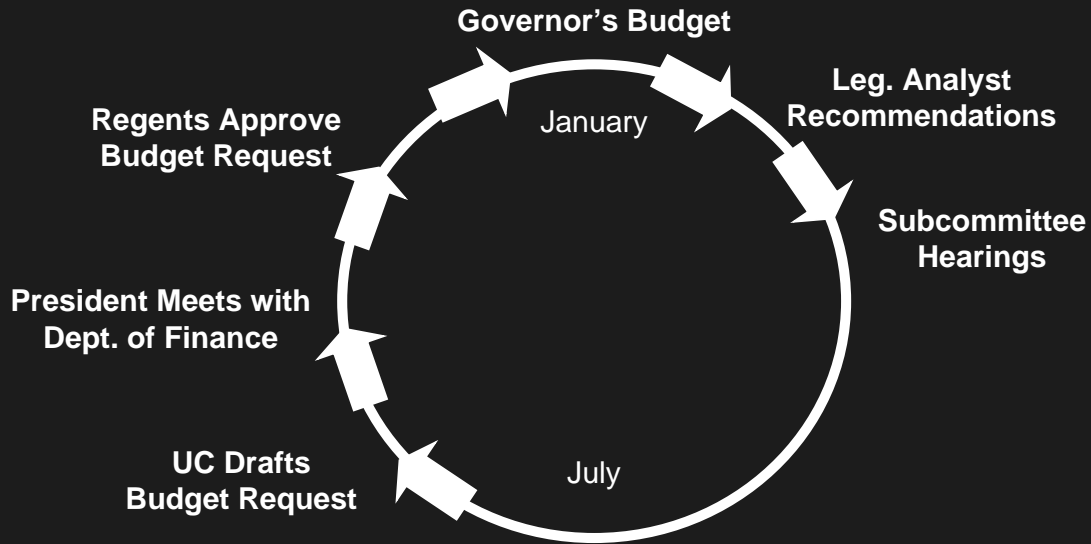
- Enrollment growth: 5,000 students/year
- 2005-06 and 06-07: 3% increase on base
- 2007-08 thru 09-10: 4% increase on base
- 2008-09 and 09-10: additional 1% for instructional support (Libraries, IT, Equipment, Maintenance)
- Capital outlay: \$345 million per year

## The New Compact with Governor Schwarzenegger

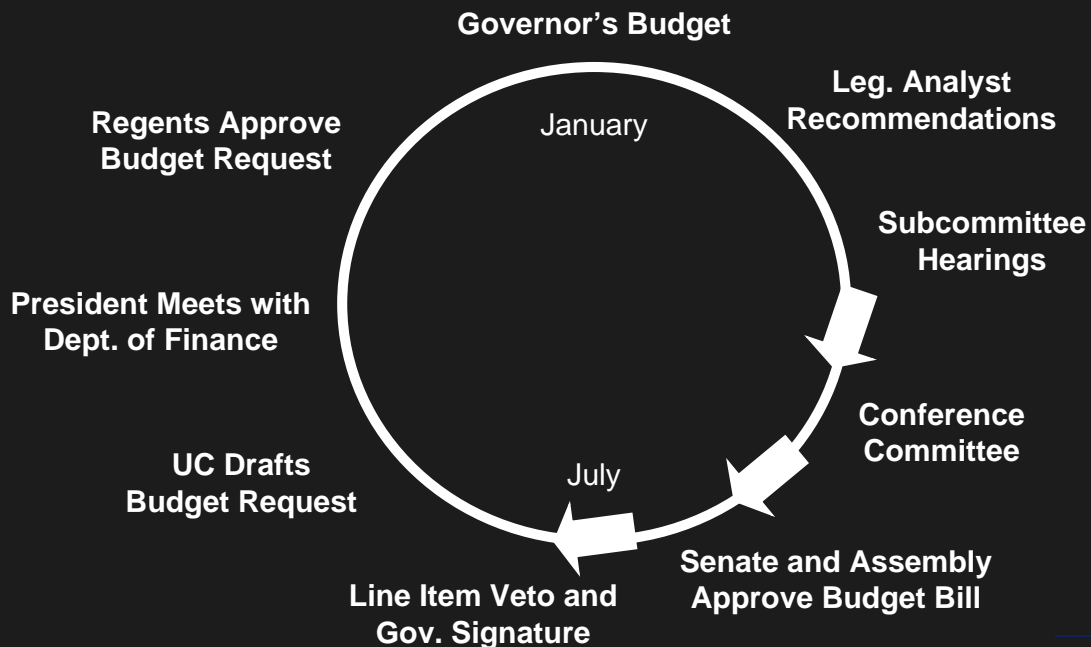
- UC General Funds: 3 to 4% increases to cover inflation
- Student Fees: Undergraduate - 8% annually  
Graduate - 10% annually  
Professional - multi-year plan
- Accountability elements for student enrollment, timely graduation, faculty workload, etc.

- <http://budget.ucop.edu/2005-11compactagreement.pdf>

## Budget Development



## The Political Process



## 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.