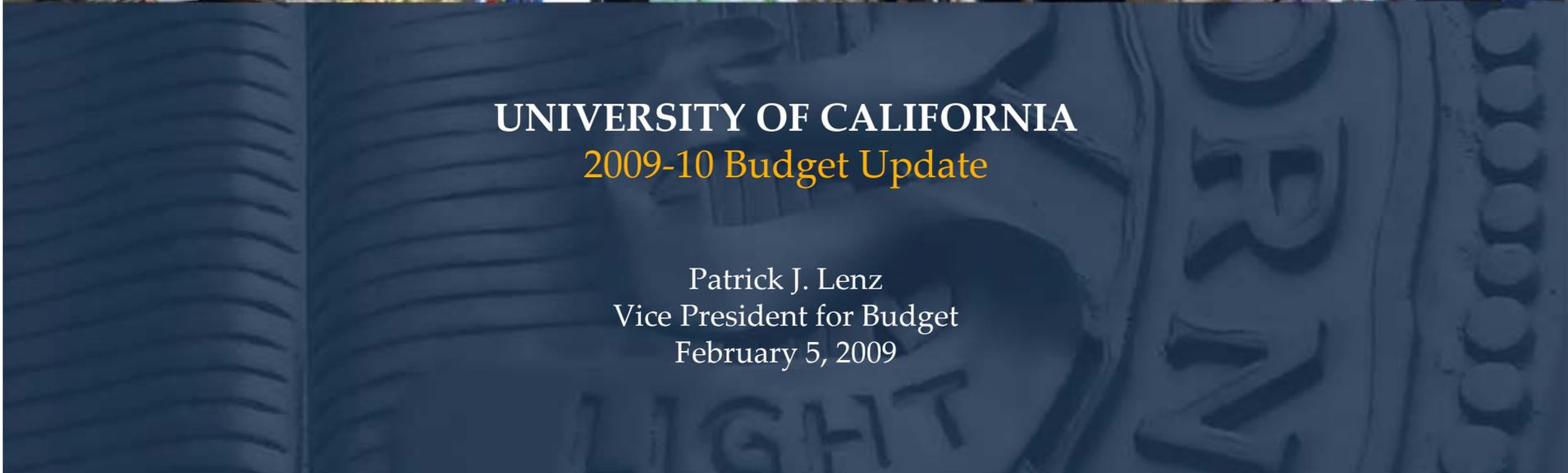




UNIVERSITY OF CALIFORNIA
2009-10 Budget Update

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Overall State Fiscal Condition

- 2008-09 enacted budget did not resolve the ongoing structural deficit.
- The 2009-10 State Budget assumes a General Fund budget deficit of \$14.8 billion in 2008-09.
- Unless action is taken, this figure will increase to \$41.6 billion in the 2009-10 fiscal year.
- No State funding for Capital Infrastructure Projects; State issues IOU's.

Governor's Proposed Action

- The Governor is proposing to address the budget gap with current year and budget year recommendations that include:
 - \$21 billion in expenditure reductions;
 - \$15.8 billion in additional revenues;
 - \$5 billion shifting lottery revenue from state funded programs to balancing the budget;
 - \$358 million in borrowing;
 - \$4.7 billion from Reimbursement Warrants that will be used to meet the cash flow needs of the state through the 2009-10 fiscal year.

2009-10 UC Budget

- No Compact Funding \$209.9 million
- Continue Base Budget Cut \$65.5 million*
- Restored 2008-09 Reduction \$33.1 million
- Restart Retirement Contributions \$20 million
- Annuitant Health Benefits \$11.3 million
- Growth for PRIME and Nursing \$2.5 million
- Increase in Student Fees (9.3 %) \$106.9 million

2009-10 UC Budget

- Replace state lottery funds \$29.8 million
- Debt service, lease purchase \$28.4 million
- Subject Matter Projects \$5.0 million
- Reduction, UC Merced funding (\$5.0 million)
- Hospital revenue \$14 to \$25 million
- Capital Facilities funding \$479.5 million

2009-10 UC Budget Issues

- No resolution to state fiscal crisis
- Pooled Money Investment Board (PMIB) freezes state funding for capital projects
- Regents decision to curtail enrollment growth
- Regents freeze senior management pay
- Regents decision on student fees

Additional Areas of Concern

- Campuses' ability to fund mandatory costs
- Resources to fund collective bargaining agreements
- Restart of employer/employee contributions to the UC Retirement Plan
- The ability for UC to continue covering Cal-Grants awards
- Budget reductions to UC Medical Centers
- State's ability to fund UC Capital Facility Projects

UC Budget – Next Steps

- President Yudof Campus Meetings
- Special Session Budget Recommendations
- Federal Economic Stimulus Proposals
- Advocacy Efforts with the Governor and the Legislature