

UC is not just an
institution of higher learning.
Here, research aims higher.
Service reaches higher.

**A higher level of excellence
calls for a higher commitment.**

UNIVERSITY OF CALIFORNIA

2010-11 State Budget Overview and 2010-11 UC Budget Issues

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State Budget Overview and UC Budget Issues

- Overview of 2010-11 Governor's Budget
- 2010-11 UC Budget Issues

Overview of 2010-11 Governor's Budget

State General Fund Revenue

Overview of 2010-11 Governor's Budget

State General Fund Expenditures

- 2009-10 State General Fund \$86.1 B
- 2010-11 State General Fund \$82.9 B
- State General Fund Growth (\$ 3.2 B)
-3.7 %

Overview of 2010-11 Governor's Budget

- State General Fund Budget Gap \$19.9 B
 - 2009-10 Fiscal Year Shortfall \$6.6 B
 - 2010-11 Fiscal Year Shortfall \$12.3 B
 - State General Fund Reserve \$1.0 B
- What Contributed to the State Budget Gap?
 - Revenue Decline \$3.4 B
 - Federal & State Court Litigation \$4.9 B
 - Erosion of Budget Solutions \$2.3 B
 - Population and Caseload Growth \$1.4 B

Overview of 2010-11 Governor's Budget

Closing the Budget Gap

• Expenditure Reductions (43%)	\$ 8.5 B
• Federal Funds (35%)	\$ 6.9 B
• Alternative Funding (20%)	\$ 3.9 B
• Fund Shifts/Other Rev. (3%)	<u>\$ 0.6 B</u>
• Closing the Budget Gap (100 %)	\$19.9 B

Overview of 2010-11 Governor's Budget

Budget Process

- January 10 – Governor Declares Fiscal Emergency/
Calls Special Session
- January 13 – Assembly Budget Committee Overview
Hearing
- January 14 – Senate Budget Committee Overview
Hearing
- Mid-February – LAO Analysis on State Budget
- Early March – Budget Subcommittees Hold Hearings

2010-11 UC Regents Funding Request

2010-11 UC Budget Issues

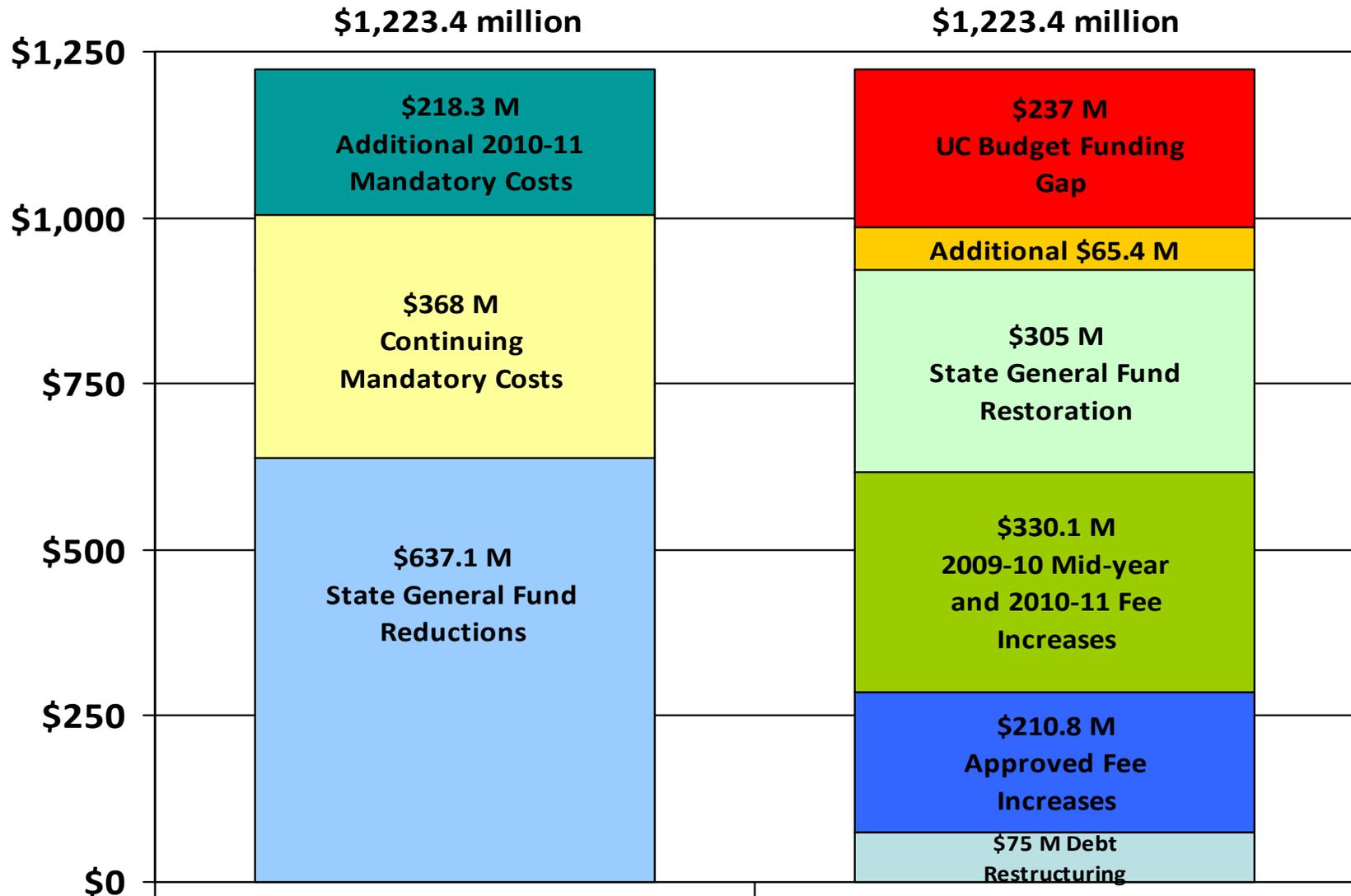
- Governor Proposes Constitutional Amendment – State of the State Address
- Year-Over-Year Change
 - 2009-10 State General Funds \$2.6 B
 - 2010-11 State General Funds \$3.0 B
 - Overall General Fund Increase \$370 M

2010-11 UC Budget Issues

- Funding Proposals:
 - Restoring 2009-10 Budget Cut \$305.0 M
 - Enrollment Funding* \$ 51.3 M
 - Health Annuitant Benefits \$ 14.1 M
 - Total General Fund Support Increase \$370.4 M
- Other Issues:
 - UCRP – Budget Trailer Bill Language
 - Capital Facilities – No 2010 Bond Measure, Alternative Funding Option
 - Cal Grants
 - Entitlement Awards Fully Funded*
 - No New Funding for Competitive Award

* Relies on approval of California's request for federal funds

2010-11 UC Potential Budget Reductions and Funding Issues



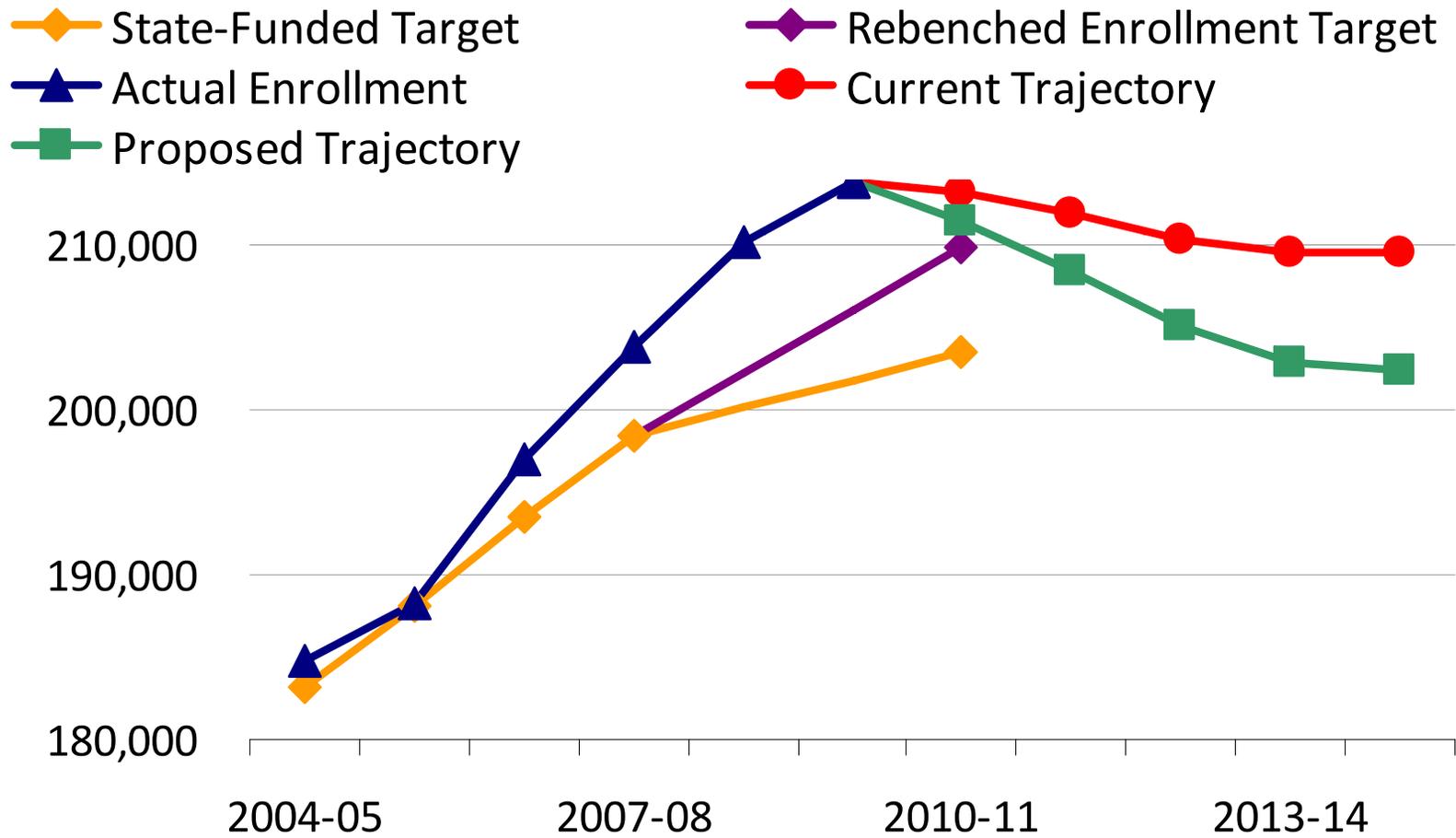
UC Unfunded Enrollment

- In 2009-10, UC is over-enrolled by 14,000 students at a cost of \$155.8 million (current estimates = more than 15,000)
- Multi-year plan to reduce total enrollments by 8,000 – 10,000 students
- For 2009-10, first-time freshmen reduced by 2,300 and CCC transfers increased by 500
- 2010-11 Regents Budget recommendation:
 - Request funding for 14,000 FTE
 - If no State funding for enrollment request, reduce first-time freshman by another 2,300
 - Increase CCC transfers by another 250

UC Unfunded Enrollment

- 2010-11 Budget provides \$51.3 million to fund 5,121 Full-Time Equivalent Students (FTES)
- Growth funding is predicated on receipt of federal funds
- Assumes \$64 million in fee revenue to fund 6,400 FTES
- Reduces unfunded enrollment by 11,521 FTES

State-Funded Enrollment



UC 2010-11 State-Funded Capital Budget Request

• Infrastructure/building renewal (51%)	\$325.0 M
• Seismic/life-safety (28%)	\$173.5 M
• Enrollment growth (17%)	\$106.0 M
• New program initiatives (4%)	<u>\$27.0 M</u>
Total	\$631.5 M

Funding requires a new General Obligation bond measure in November 2010 (SB 271-Ducheny, AB 220-Brownley)

Overview of 2010 Governor's Budget

Impact of Failure to Achieve Governor's Federal Fund Budget Solutions

- Eliminate CalWorks \$1.0 B
- Reduce Medi-Cal Eligibility \$532 M
- Cut State Employee Salaries (5%) \$508 M
- Eliminate IHSS \$495 M
- Shift County Savings \$325 M
- Eliminate Inmate Rehab Program \$280 M

Overview of 2010 Governor's Budget

Impact of Failure to Achieve Governor's Federal Fund Budget Solutions (cont'd)

- Eliminate Healthy Families Program \$126 M
- Eliminate Prop. 99 programs \$115 M
- Eliminate UC/CSU Enrollment Growth \$112 M
- Freeze Eligibility, Cal Grants \$ 79 M
- Eliminate Foster Youth Housing \$ 36 M