

University of California
September 2011 Regents' Meeting

Development of a Multi-Year Budget Plan for
the University of California

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September 15, 2011

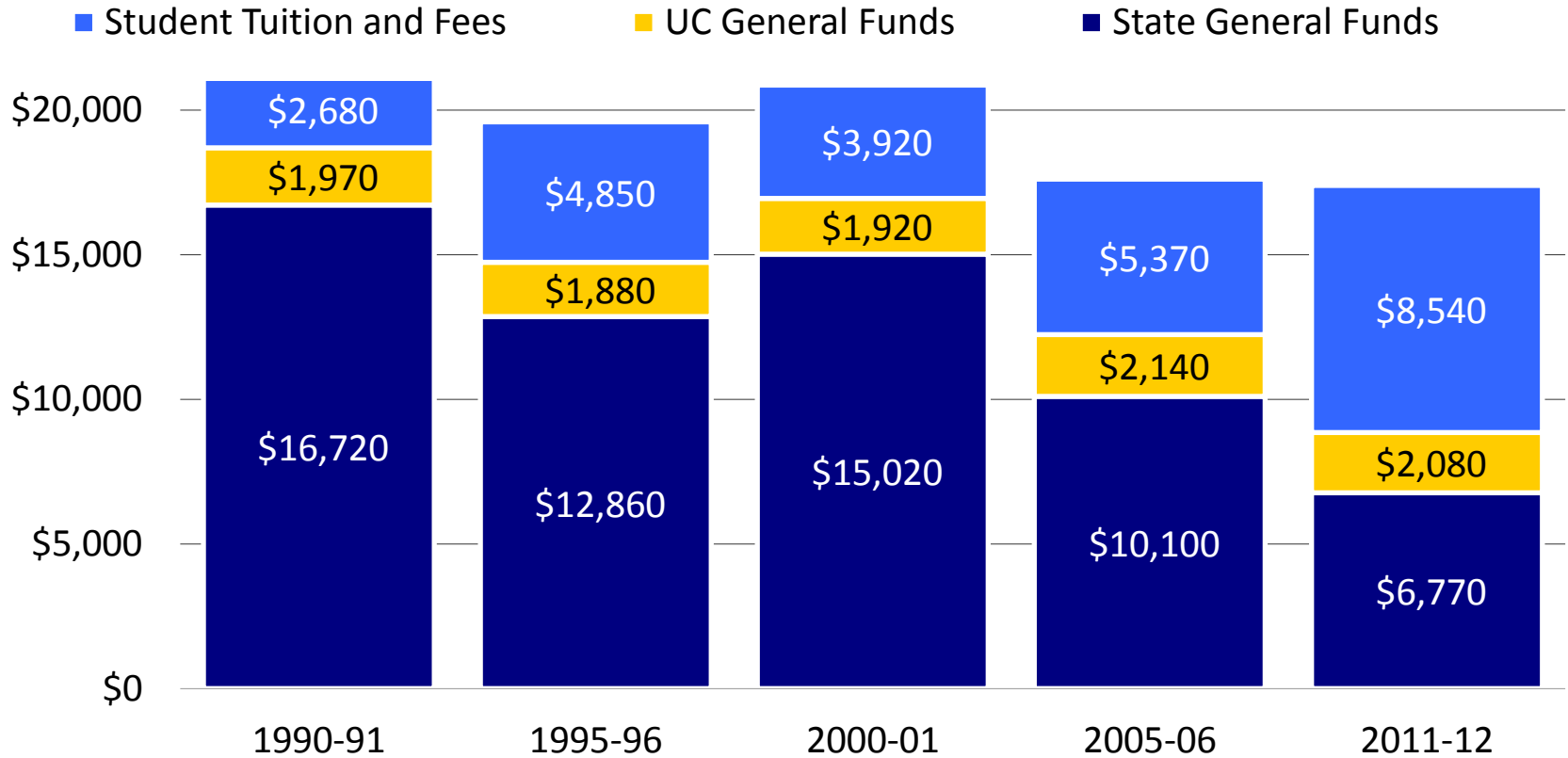
Today's Discussion

- State Budget Update
- UC Projected Budget Challenges Through 2015-16
- Elements of a Multi-Year Plan to Address Projected Budget Shortfalls and Stabilize Campus Funding
- The Need for a Multi-year Plan
 - Chancellor Dorothy Leland
 - Chancellor Timothy White
 - Chancellor Henry Yang

2011-12 State Budget Act: UC Support

- Total undesignated reduction: -\$650 million
- Limits on discretion to assign cuts
- No funding for student enrollment, employee retirement obligations, or other mandatory costs
- Funding for two capital projects: \$45.7 million
- Revenue shortfall trigger: -\$100 million

Per-Student Average Expenditures for Education



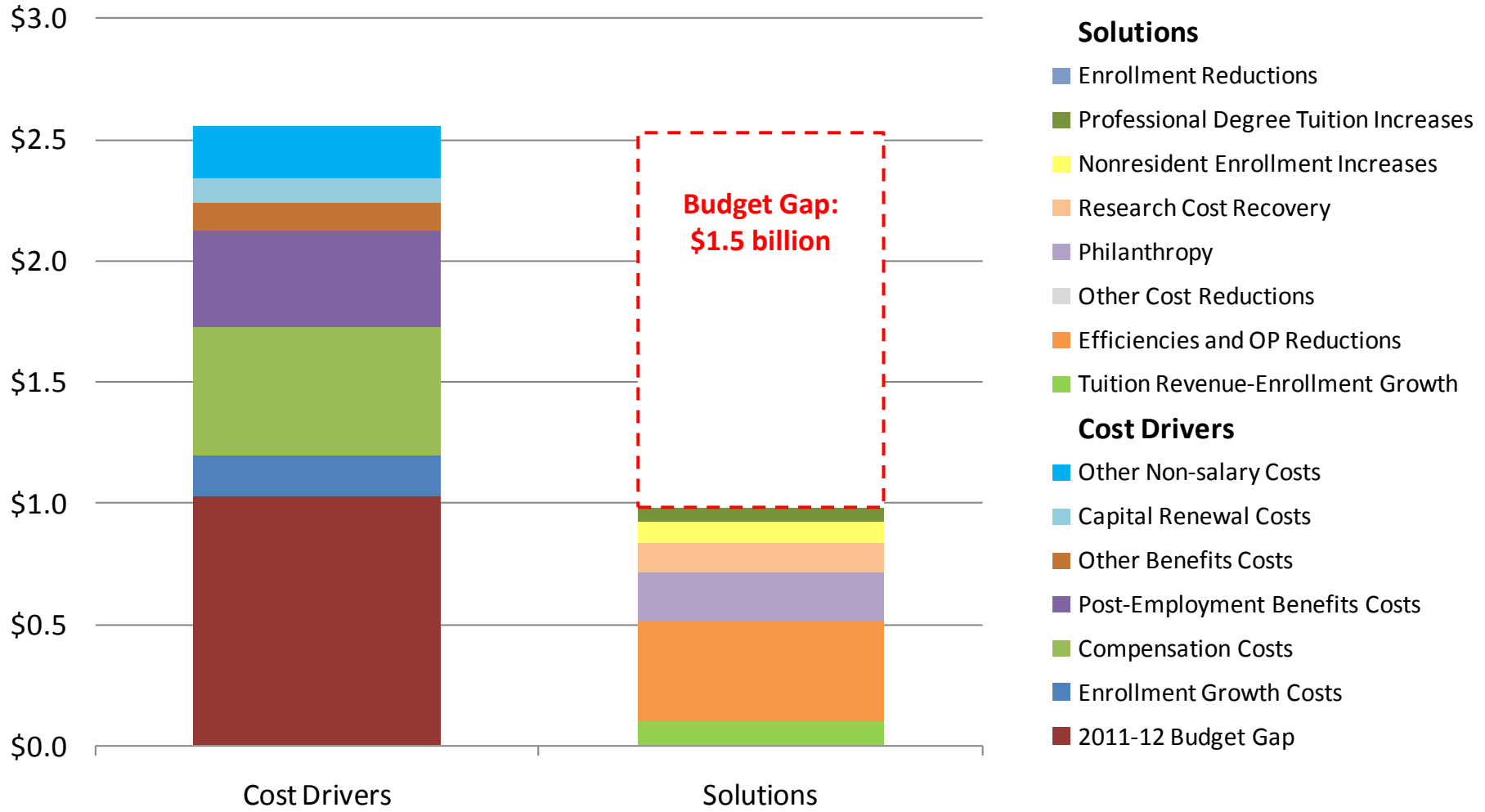
Estimated

Average inflation-adjusted resources per general campus student. Excludes financial aid. 2010-11 dollars.

The Long-term Problem

- Core expenses will continue to increase
- Pace of growth in mandatory costs is accelerated by post-employment benefit contributions
- UC needs steady and predictable revenue growth to address budget shortfalls and meet our future financial expenses
- Failure to bridge the gap threatens UC's quality, access, and affordability

UC Budget Gap: \$2.5 billion

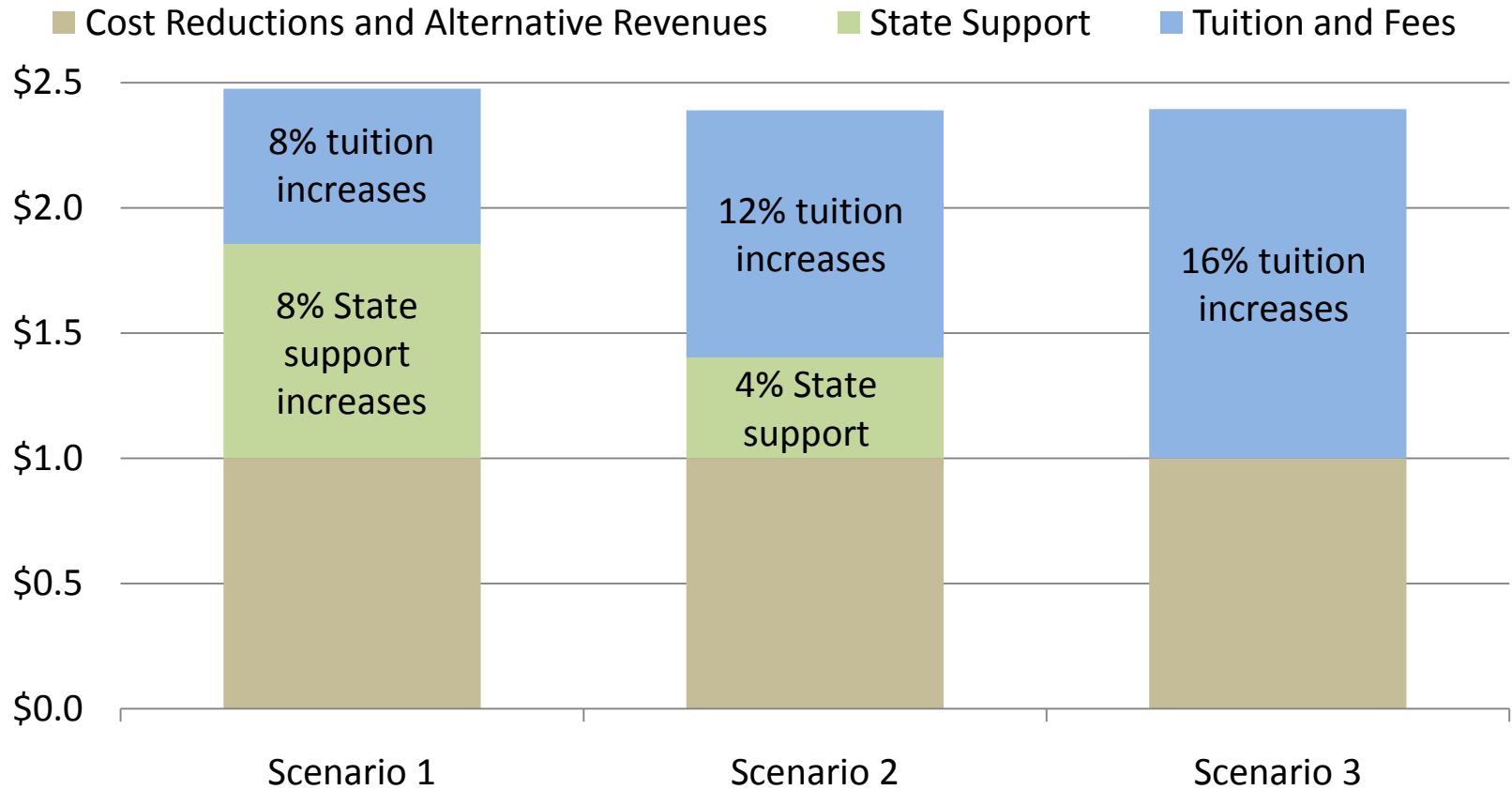


UC's Success is Built on Long-Term Investments

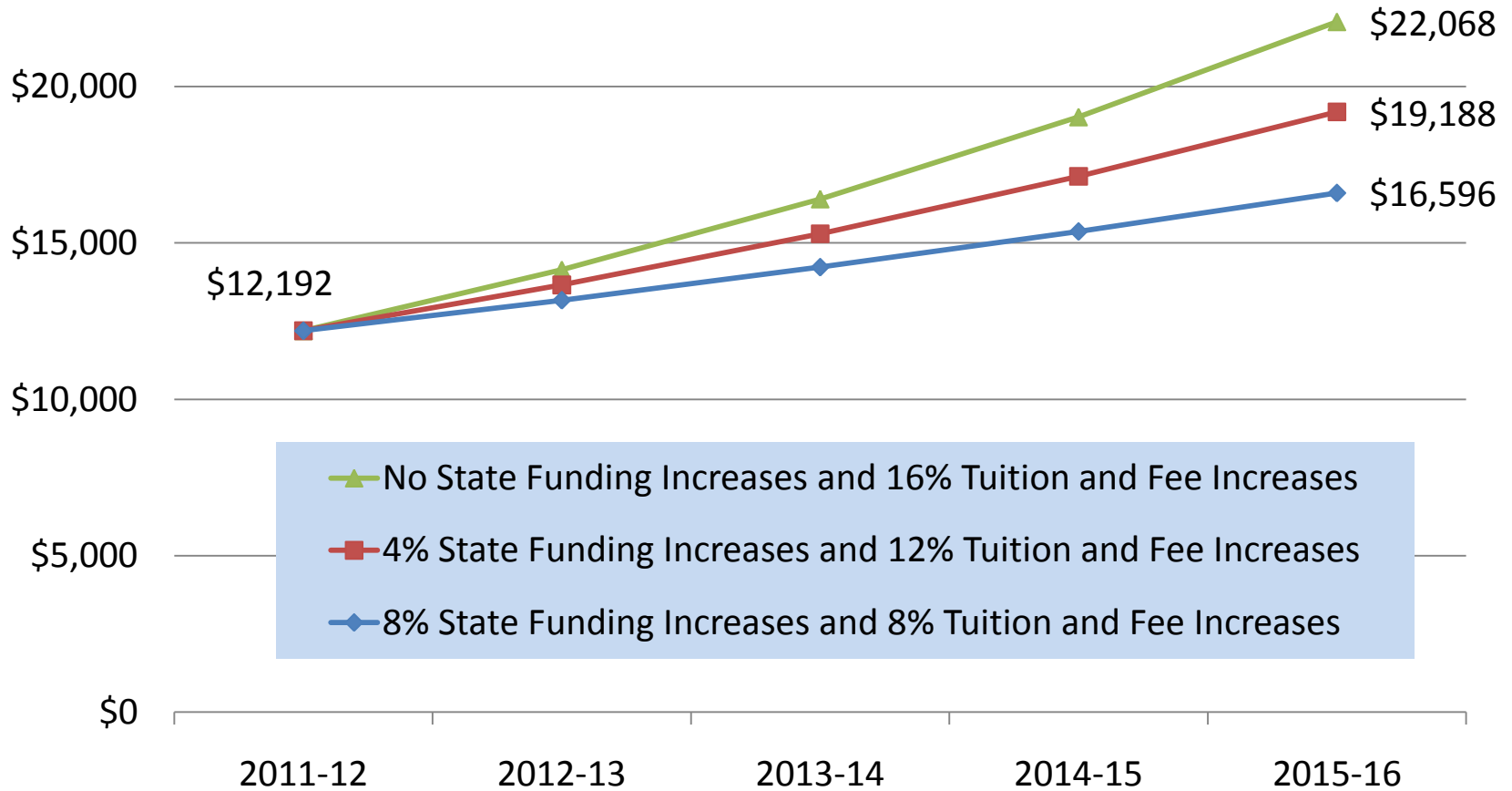
Building and maintaining quality requires long-term investments that, in turn, necessitate stable funding:

- recruiting and retaining faculty and critical staff,
 - enrolling additional students,
 - building new classrooms and research facilities,
 - adding or expanding academic programs, and
 - purchasing books and digital technology for libraries.
- Years of fiscal uncertainty have left campuses unable to make these strategic decisions.
 - Faculty need assurance now that the University will secure stable funding in order to sustain quality, irrespective of State investment.

Scenarios



Tuition Levels Under Scenarios



UC's Critical Need for a Multi-Year Budget Plan

- Stable, permanent and predictable revenue streams are critical to maintenance of quality
- Reduce significantly the volatility in revenue that prevents campus leadership from investing strategically in academic programs and tenured faculty
- Students – both current and future – need a firmer understanding of their costs of education and financial aid opportunities
- Partnership with the State to ensure student access, education quality, and a future highly skilled workforce
- Addressing the “fiscal rollercoaster” sends a positive message to existing and prospective students, faculty members, and supporters of advancing the quality of UC as a world class research university