



# Preliminary Discussion of 2015-16 Budget

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# 2014-15 UC Budget - Recap

## Support Budget

- Regents' Recommendation \$383.1 M
- State Budget Appropriation \$142.2 M
- Nonresident Tuition Revenue \$26.0 M
- Alternative Revenues/Cost Savings \$90.0 M
- Revenue and Expenditure Shortfall \$124.9 M

# 2014-15 UC Budget Expenditures

## November Regents' Budget: \$383.1 Million

- **Mandatory Costs** **\$168.1 M**  
(Retirement, Health Benefits, Contractual Compensation, Academic Merits, Price Increases)
- **High Priority Costs** **\$165.0 M**  
(Compensation, 1% Enrollment, Deferred Maintenance, High Priority Capital Facilities)
- **Reinvestment in Academic Quality** **\$ 50.0 M**  
(Student/Faculty Ratio, New Faculty Start-up Costs Reduce Faculty and Staff Salary Gaps, Enhance Undergraduate Instructional Support)

# 2014-15 UC Budget – Recap

## *Capital Facility Projects (1 of 2): \$277.8 M*

- UC Berkeley, Tolman Hall \$75.0 M
- UC Davis, Walker Hall Seismic Corrections \$27.9 M
- UC Davis, Chemistry Seismic/Life Safety \$ 3.5 M
- Div. of Ag. and Nat. Resources, Intermountain  
Research Center Modernization \$ 0.2 M
- UC Irvine, Business Unit 2 – Equipment \$ 1.1 M
- UC Irvine, Electrical Improvements \$19.5 M

# 2014-15 UC Budget – Recap

*Capital Facility Projects (2 of 2): \$277.8 M*

- UC Merced, Central Plant/Telecommunications Upgrade \$15.2 M
- UC Santa Barbara, Infrastructure Renewal \$12.1 M
- UC San Diego, Campus Life Safety \$49.0 M
- UC Santa Cruz, Coastal Biology Building \$64.1 M
- UC Santa Cruz, Life Safety Upgrades \$10.2 M

# 2015-16 UC Budget Expenditure Assumptions

# Proposed 2015-16 Expenditure Costs

*Mandatory Costs: \$120 – 135 M*

• UCRP	\$18 – 20 M
• Health Benefits	\$28 – 34 M
• Annuitant Health Benefits	\$5 – 7 M
• Contractually Committed Compensation	\$15 – 18 M
• Academic Merit Increases	\$30 M
• Non-Salary Price Increases	<u>\$25 M</u>
Total:	\$120 – 135 M

# Proposed 2015-16 Expenditure Costs

*High-Priority Costs: \$190 – 205 M*

• Compensation Increases (3%)	\$120 M
• 1% Enrollment Growth	\$ 22 M
• Deferred Maintenance	\$35 – 50 M
• High-Priority Capital Needs	<u>\$10 – 15 M</u>
Total:	\$190 – 205 M

# Proposed 2015-16 Expenditure Costs

*Reinvestment in Quality: \$50.0M*

- Reduce Student-Faculty Ratio
- Support Startup Costs for New Faculty
- Reduce Faculty Salary Gap
- Reduce Staff Salary Gap
- Increase Graduate Student Support
- Enhance Undergraduate Instructional Support

# 2015-16 UC Budget – Recap

## *Capital Facility Projects: \$298 M*

### *Continuing Projects*

- Div. of Ag. And Nat. Resources, Intermountain Research Extension Center \$ 1.8 M
- UC Davis, Chemistry Seismic/Life Safety \$31.1 M
- UC Merced, Classroom & Academic Office-Equipment \$ 5.0 M
- UC Riverside, Batchelor Hall Building Systems Renewal \$17.8 M
- UC Riverside, Environmental Health and Safety Expansion-Equipment \$ 0.4 M
- UC San Francisco, Clinical Sciences Retrofit/Renovation \$21.7M
- UC Santa Cruz, Coastal Biology Bldg.-Equipment \$ 2.0 M

# 2015-16 UC Budget – Recap

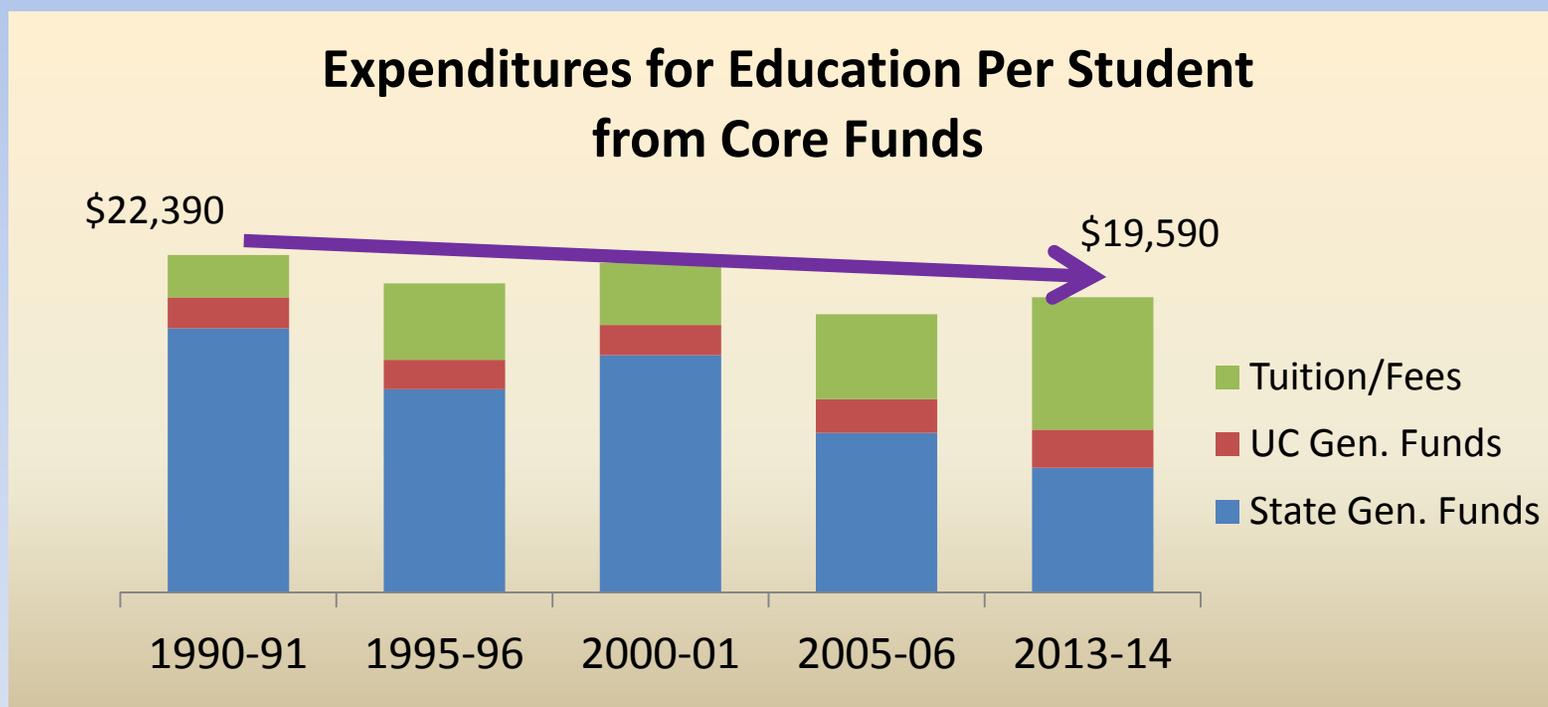
## *Capital Facility Projects: \$298 M*

### *New Projects*

- UC Santa Barbara, Campbell Hall Replacement Bldg. \$15.8 M
- UC Berkeley, Wheeler Hall Capital Renewal \$19.4 M
- UC San Diego, Biological and Physical Sciences Bldg. \$55.8 M
- UC Santa Cruz, Telecomm Infrastructure Renewal Ph. B \$12.6 M
- UC Irvine, Fire and Life Safety Improvements Ph. 1 \$35.5 M
- UC Riverside, Pierce Hall Improvements \$34.7 M
- UC Santa Cruz, Environmental Health and Safety Facility \$19.4 M
- UC Los Angeles, CHS – SOM West Seismic Renovation \$25.0 M

# Facts and Myths about the University of California

**Fact:** Last year, UC spent less from core funds to educate each student than it did in the early 1990s.

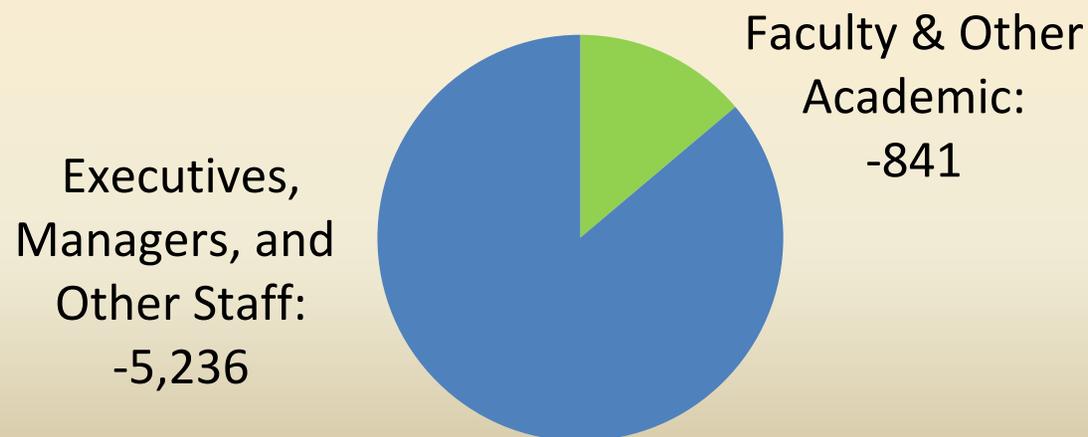


*Figures are for general campus students, adjusted for inflation.*

**Myth:** UC has not “bent the cost curve”

**Fact:** Over 85% of the recent decline in core-funded UC employees were non-academic employees.

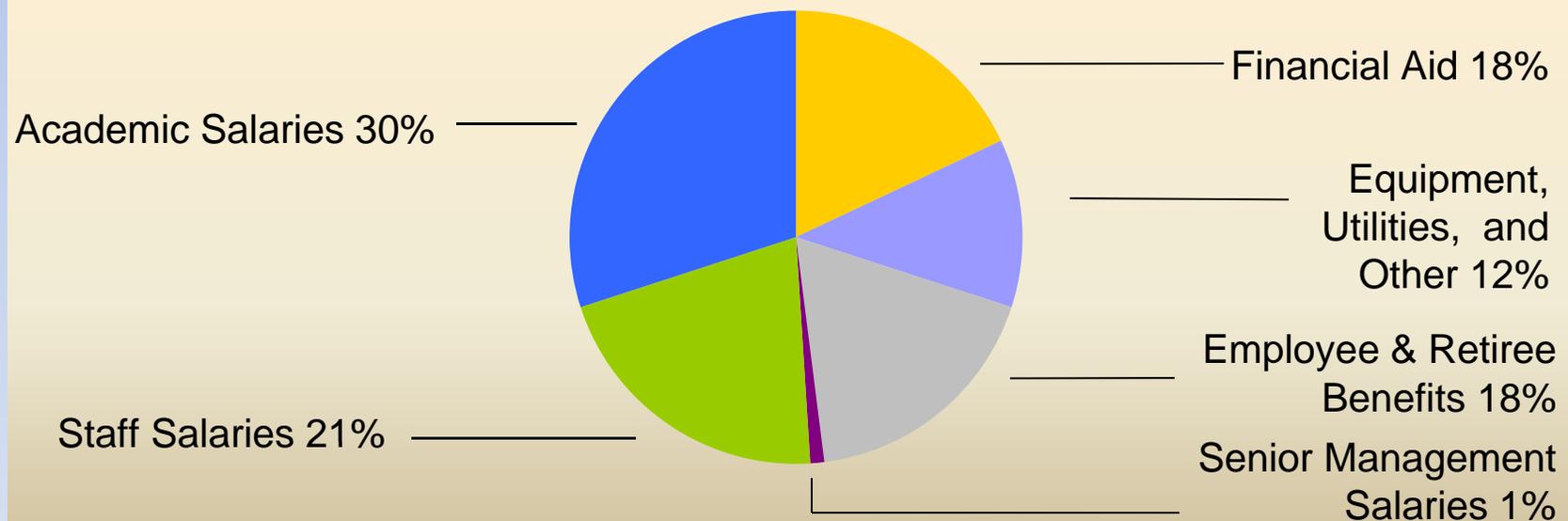
**Decline in Faculty and Staff Paid with Core Funds:  
2008 to 2013**



**Myth:** UC has “administrative bloat”

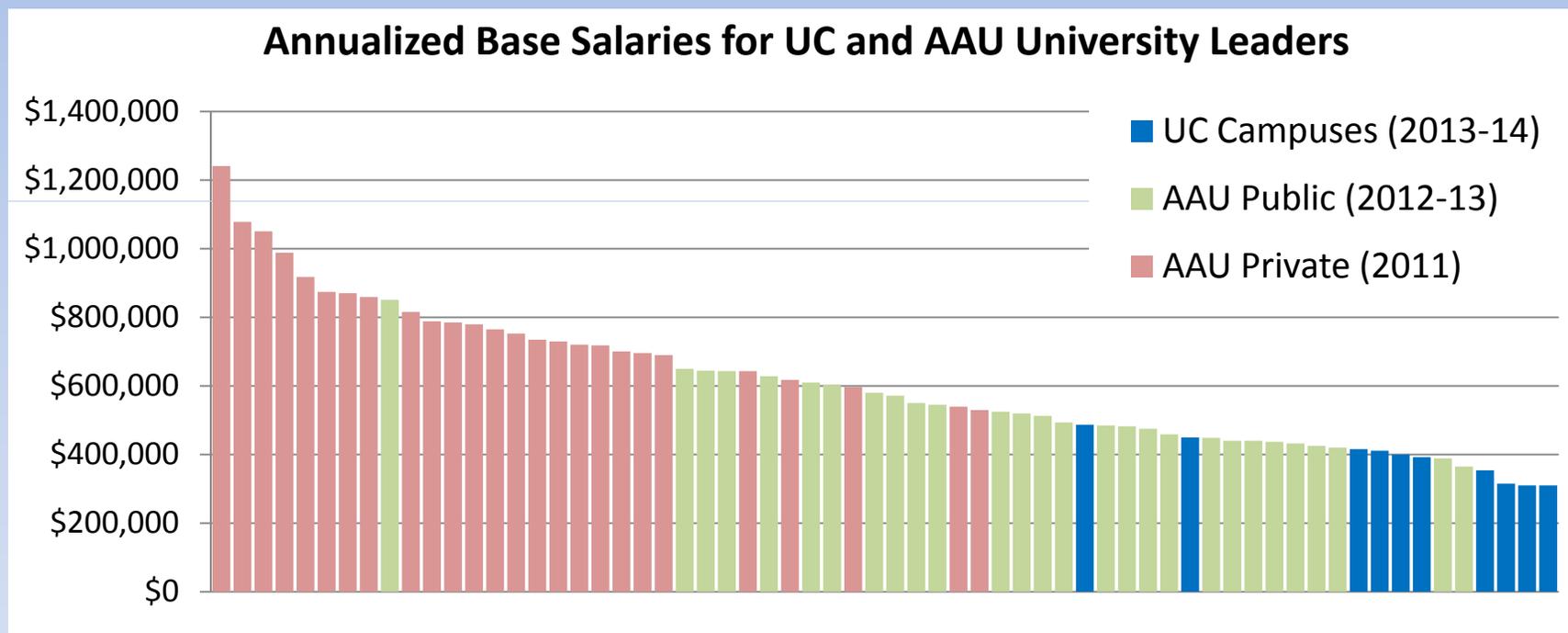
**Fact:** Senior management salaries are only 1% of UC core funds expenditures.

2012-13 Core Funds Expenditures by Type



**Myth:** Executive salaries are to blame for UC's budget shortfall

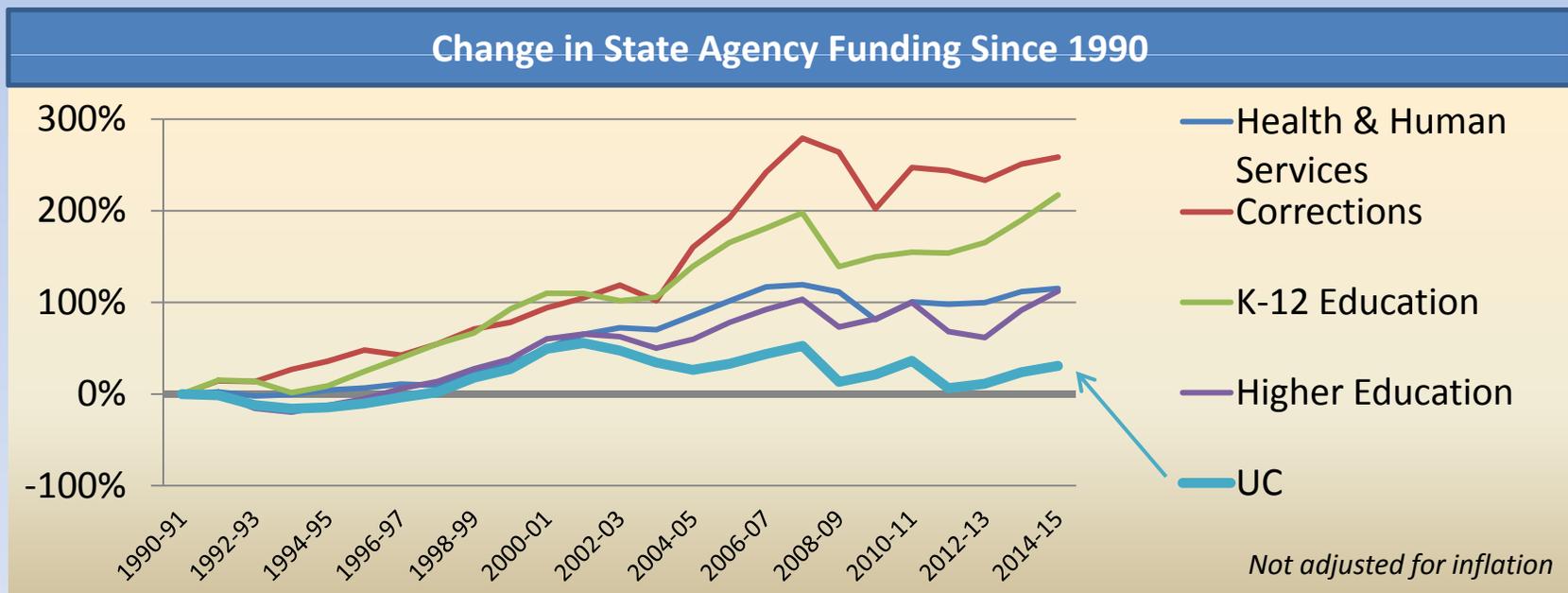
**Fact:** Most UC Chancellors rank near the bottom of AAU leaders in base pay.



*Figures reflect base pay for the years indicated. AAU figures are from the most recent years available.*

**Myth:** UC's Chancellors are overpaid

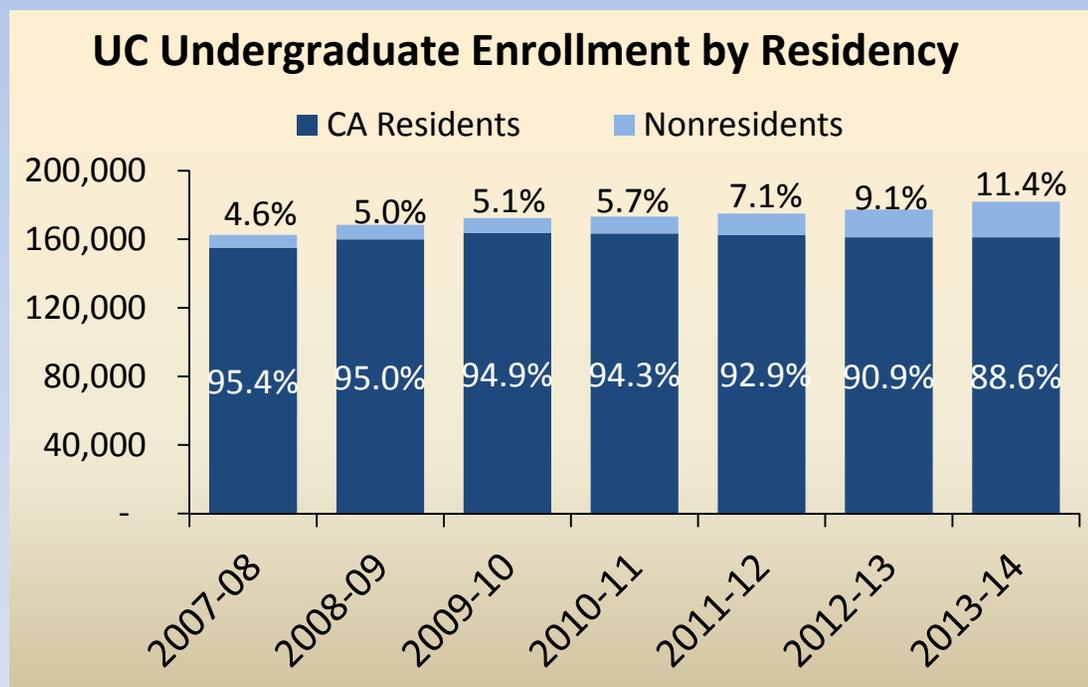
**Fact:** Between 1990-91 and 2014-15, State funding increased only 31%, while inflation grew 80% and enrollment grew over 50% (82,000+).



**Myth:** UC has been a funding priority of the State

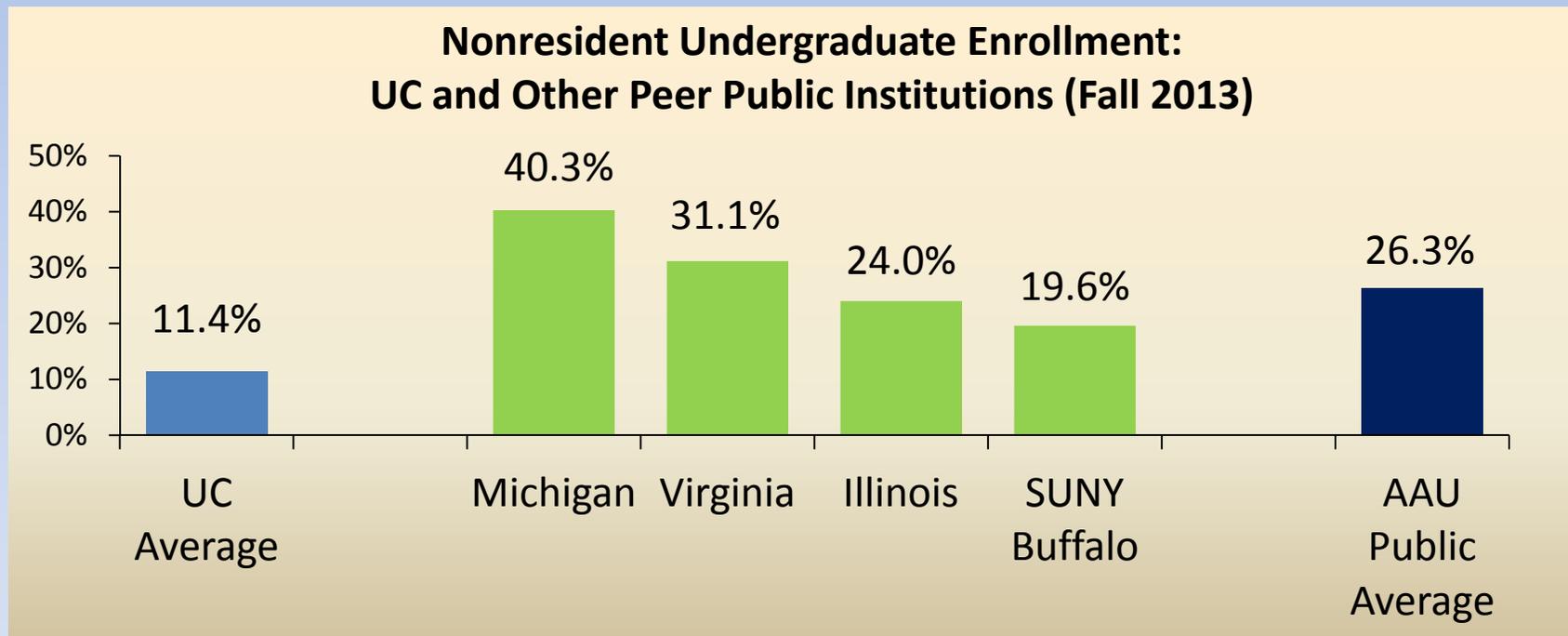
**Fact:** UC enrolls CA students above state-funded levels partly by enrolling nonresidents.

- Since 2007-08, UC has added over 6,000 California undergraduates.



**Myth:** UC is turning away CA students to enroll nonresidents

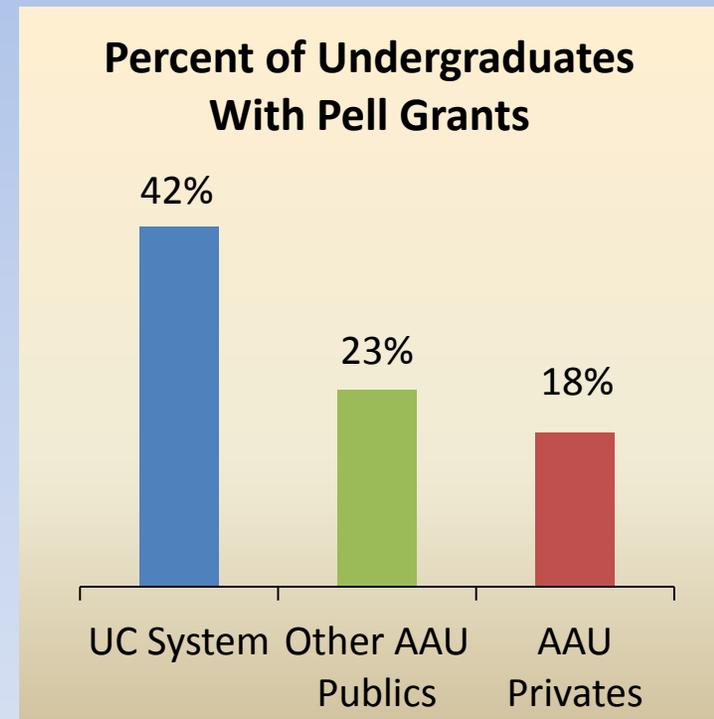
**Fact:** UC enrolls a much smaller percentage of nonresident students compared to peer publics.



**Myth:** UC is not committed to serving California residents

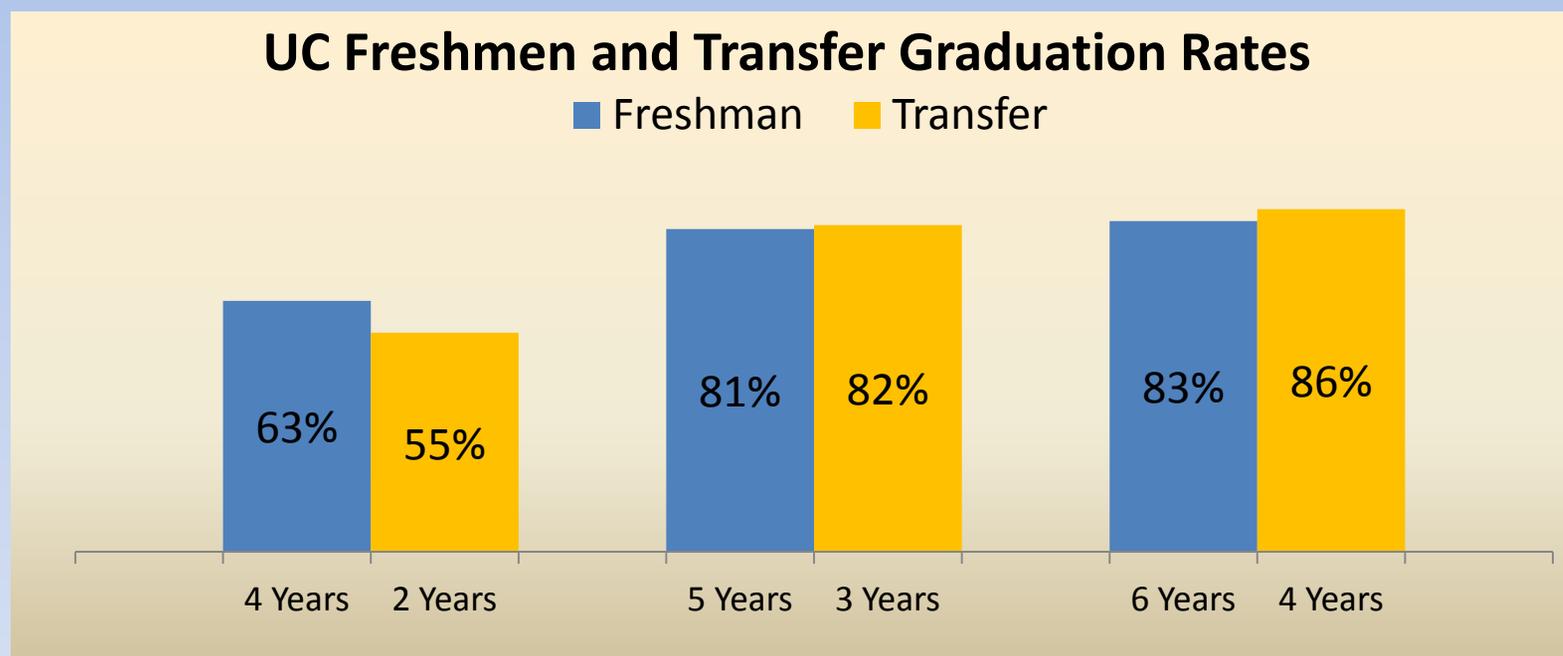
# **Fact:** Students from all social backgrounds enroll and thrive at UC.

- UC enrolls far more Pell Grant recipients than other AAU schools.
- 43% of Fall 2014 freshman admits were first-gen college students.
- UC's 4-year graduation rates are higher than at other AAU publics – and continue to rise.



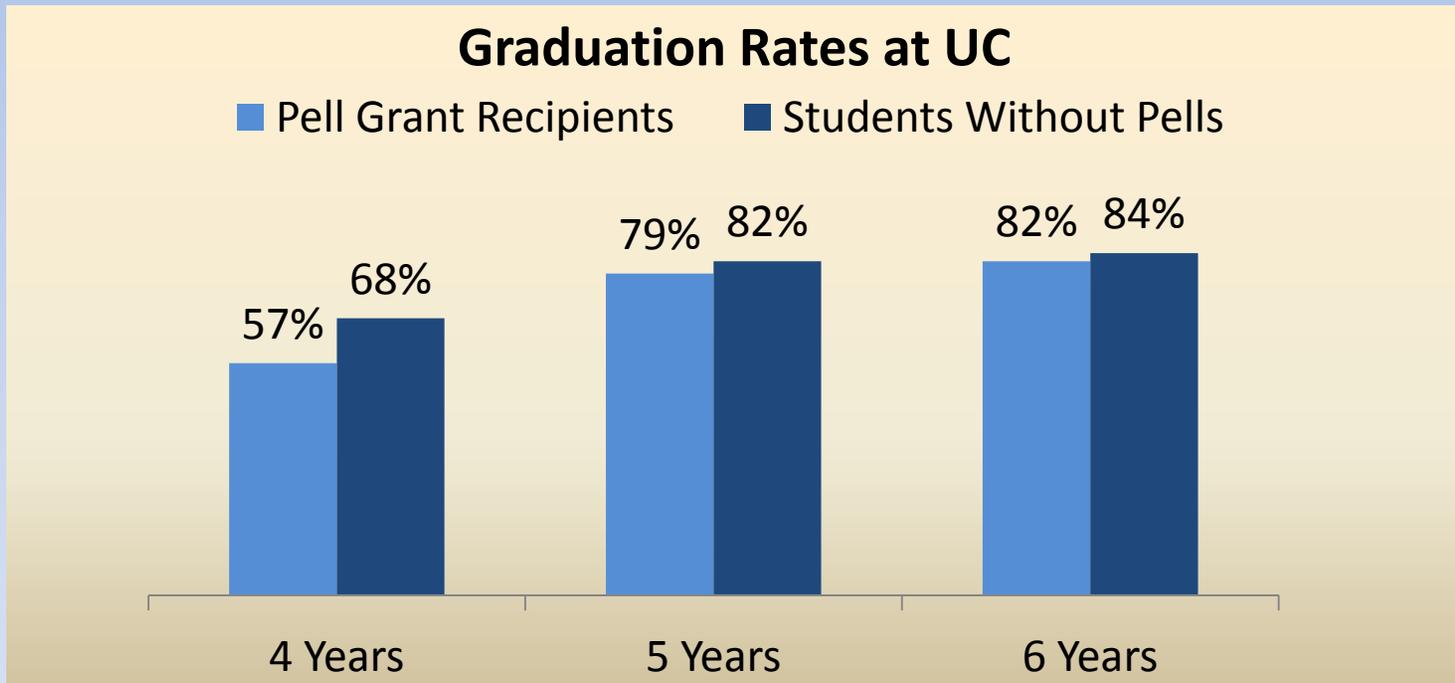
**Myth:** A UC education is out of reach for many students

**Fact:** Transfers and freshmen graduate at very similar rates.



**Myth:** Transfer students are not as successful as freshmen

**Fact:** Five- and six-year graduation rates for Pell recipients and other students are about the same.



**Myth:** Low-income students don't do as well as other students

