



University of California 2015-16 Budget for Current Operations

November 19, 2014

UC's 2015-16 Operating Budget Plan

The plan is built on the strategic priorities of the long-range financial plan

- Investment in academic programs
- Improving performance outcome measures
- Long-term stabilization plan for tuition and financial aid
- Long-range enrollment plan
- Continued growth of nonresident enrollment to help backfill budget shortfalls while ensuring access for California residents
- Investment in critical deferred maintenance
- Support of modest funding program for Merced campus development, life safety, capital renewal, and other capital needs

UC's 2015-16 Operating Budget Plan

The plan is built on the assumption that a sustainable funding plan requires a combination of resources

- UC must continue to aggressively pursue **operational efficiencies, cost savings, and alternative revenues**
- **State will provide modest support (4%)**
- **Modest tuition increases** of up to 5% tuition and fees must be implemented, **or equivalent additional State support** must be provided

Proposed Increases in Revenues

New State General Funds:

\$119.5M

- The Governor's multi-year funding plan for the University includes 4% increases in 2015-16 and 2016-17. A 4% increase equates to a 1.7% increase in UC's core funds.

– 4% base budget adjustment in 2015-16

consistent with Governor's plan

\$119.5M

Proposed Increases in Revenues

Tuition and Student Services Fees & PDST (net of financial aid)

\$136.6M

This includes:

- 5% increase in systemwide tuition and fees,
or additional State funds **\$97.7M**
 - Tuition and fees from enrollment growth **\$30.2M**
 - Professional Degree Supplemental Tuition
(available for professional programs) **\$8.7M**
- \$136.6M**

Tuition revenue for financial aid

\$72.9M

Proposed Increases in Revenues

UC-Generated Revenues/Savings:

\$130.0M

Alternative Revenue Strategies and Reduced Costs:

- Liquidity Management **\$40.0M**
 - Procurement **\$20.0M**
 - New Models of Philanthropy **\$20.0M**
- \$80.0M**

Nonresident Supplemental Tuition*

\$50.0M

*Net of instructional costs

2015-16 Budget Plan: Expenditures

- **Enrollment Growth**: Includes 1,025 new resident undergraduates at every campus, 750 graduate students, and funding for 425 enrolled students not funded by the State
- **Financial Aid**: To ensure access and affordability
- **Investment in Academic Quality**: Areas identified as key to maintaining UC's excellence and helping students reduce their time-to-degree
- **Mandatory Costs**: Cost increases that are unavoidable
- **High-Priority Costs**: Budget items that are discretionary but have proven to be essential for operating a world-class university

Proposed Increases in Expenditures

Enrollment and Financial Aid:

\$94.9M

- California Enrollment Growth \$22.0M
- Financial Aid \$72.9M

Proposed Increases in Expenditures

Reinvestment in Quality:

\$60.0M

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

Proposed Increases in Expenditures

Mandatory Costs:

\$125.4M

- UCRP (14%) \$17.6M
- Health Benefits \$27.0M
- Annuitant Health Benefits \$ 5.2M
- Contractually-Committed Compensation \$15.6M
- Faculty Merit Program \$32.0M
- Non-Salary Price Increases \$28.0M

\$125.4M

Proposed Increases in Expenditures

High-Priority Costs:

\$178.7M

- Compensation Increases (3%) \$109.8M
 - Deferred Maintenance \$55.0M
 - Capital Program \$13.9M
- \$178.7M**

