



BUDGET OVERVIEW 2016 NEW DEPARTMENT CHAIRS WORKSHOP

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KEN BURTIS, ACTING PROVOST AND EXECUTIVE VICE CHANCELLOR

SARAH MANGUM, DIRECTOR OF ACADEMIC BUDGET AND POLICY, BUDGET AND INSTITUTIONAL ANALYSIS

UC DAVIS

Balancing Investments for Growth and Resource Constraints

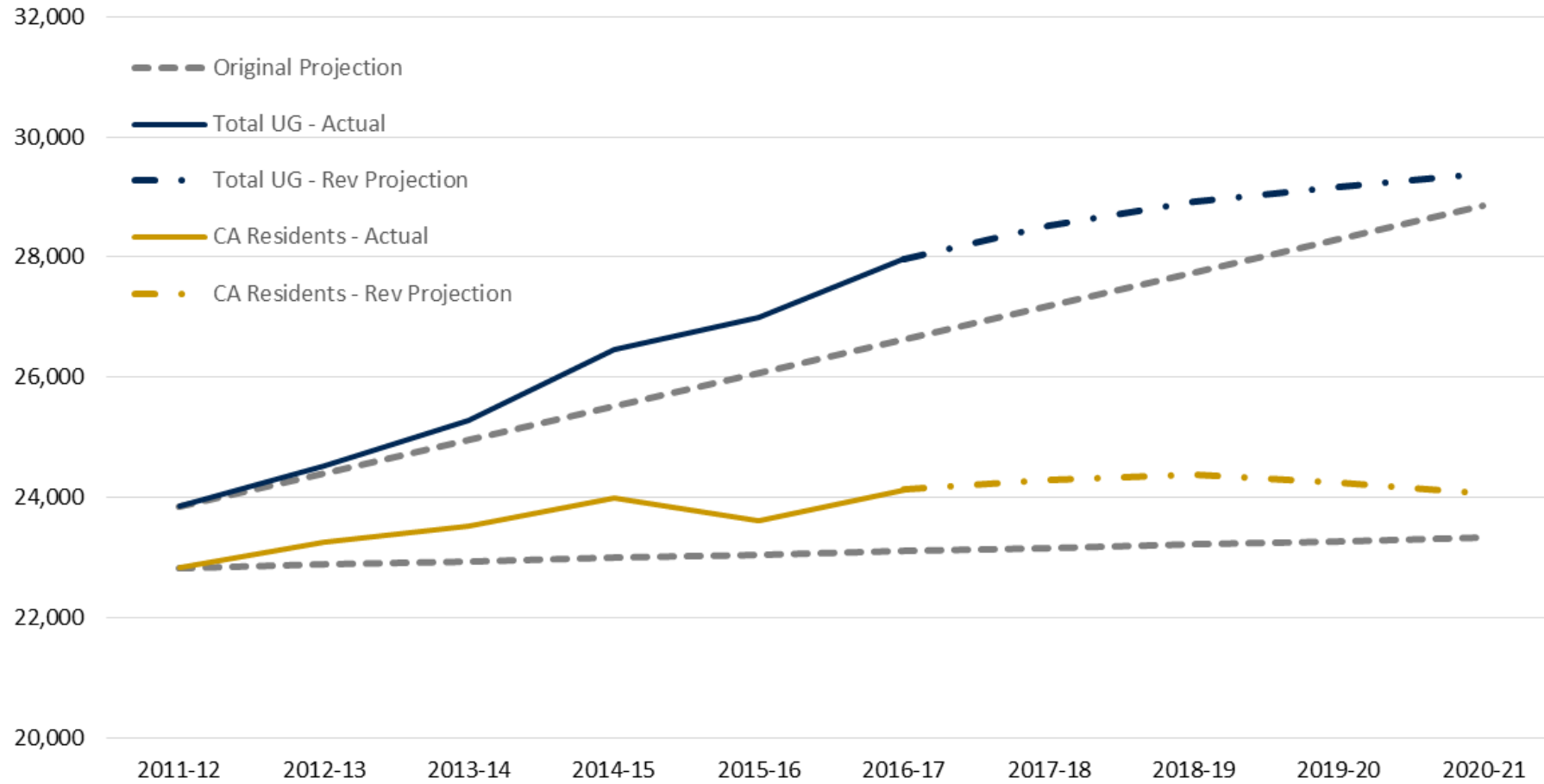
Enrollment:

- Total undergraduate enrollment: almost **28,000**
- **9,135** (7,735 CA residents) new freshmen and transfer students this fall
- Undergraduate enrollment increased by **4,100** students since 2011-12
- Proportion of national/international students increased from 4% to **15%**

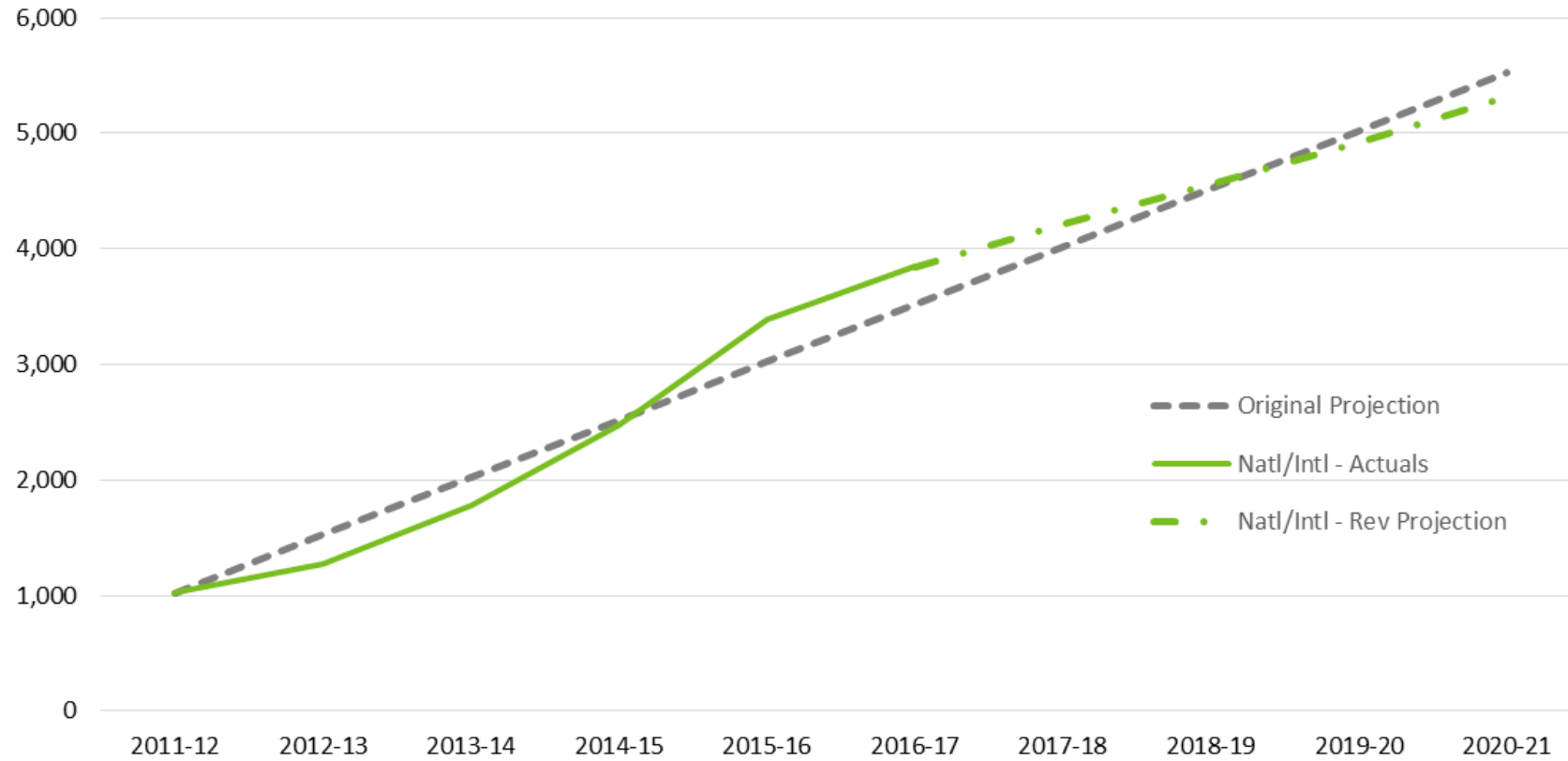
Enrollment Planning

- Process spans entire year and involves many stakeholders
- Major issues include CA access, budget, infrastructure, goals
- Planning process needs to integrate all of the above while maintaining excellence in many dimensions
- Communication between deans/FEC and chairs/faculty is critical

2020 Enrollments: Undergraduate Totals - Straight-line Trajectory v. Actuals Total UG and CA Residents



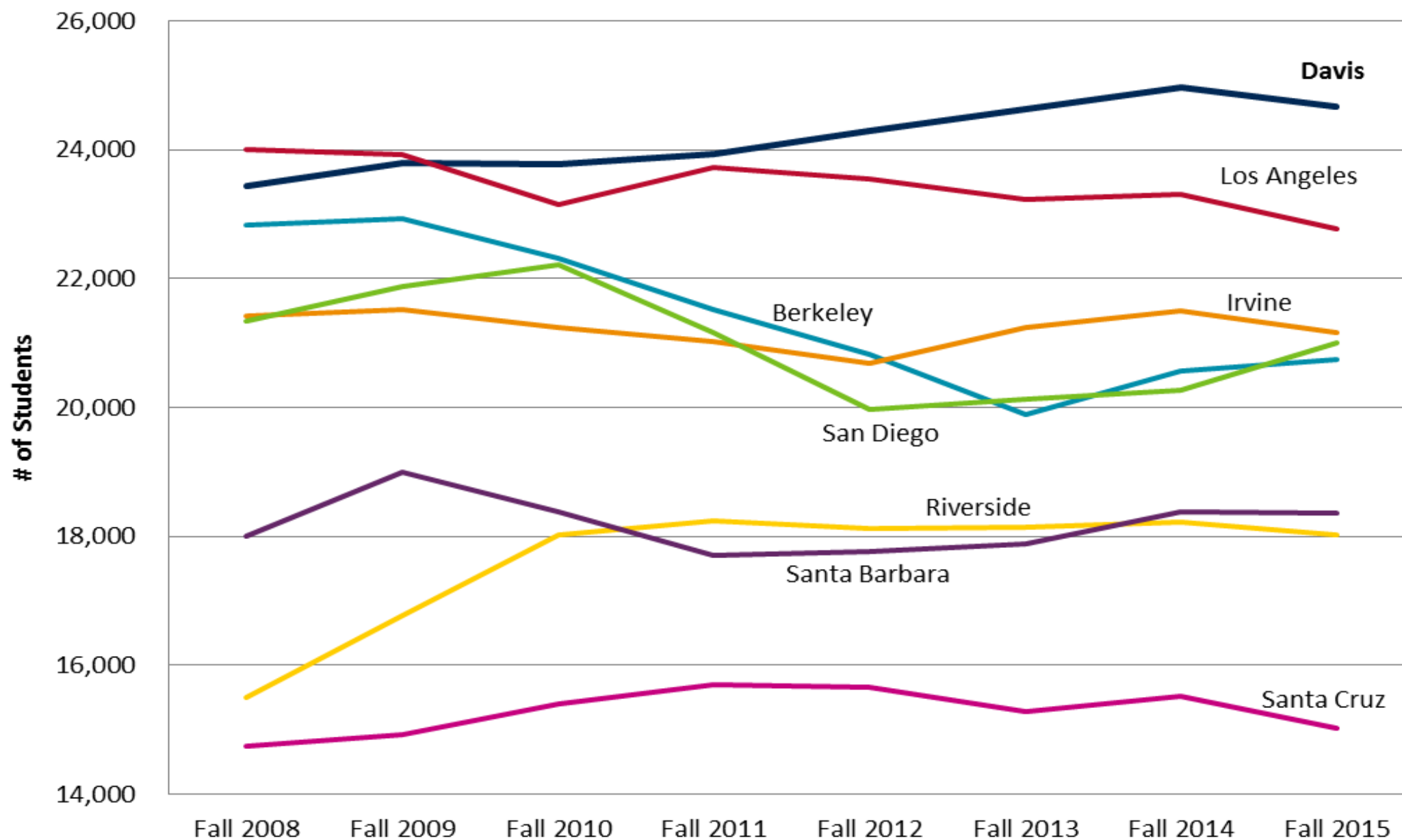
2020 Enrollments: Undergraduate Totals - Straight-line Trajectory v. Actuals National & International Students



Note: The enrollment categories of Resident and National/International (Natl/Intl) are determined by the students' NRST fee assessment status.

California Resident Undergraduates by Campus

(Excludes UC Merced)



Fall 2015 Percent Resident UG

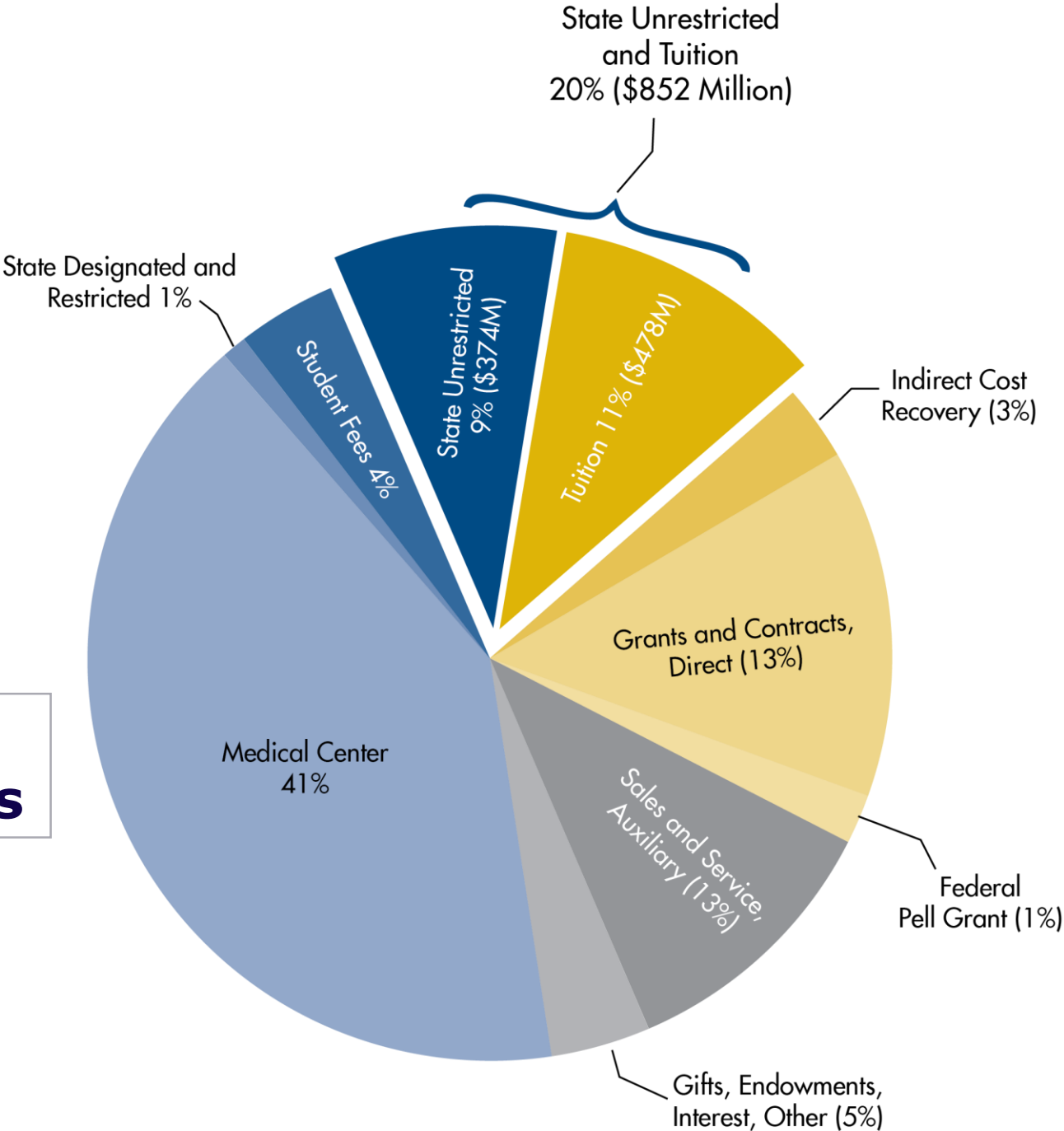
Davis	87%
Los Angeles	77%
Irvine	84%
San Diego	79%
Berkeley	75%
Riverside	97%
Santa Barbara	89%
Santa Cruz	93%

The Budget: Big Picture

The Budget Process: Annual Decisions & Check-In

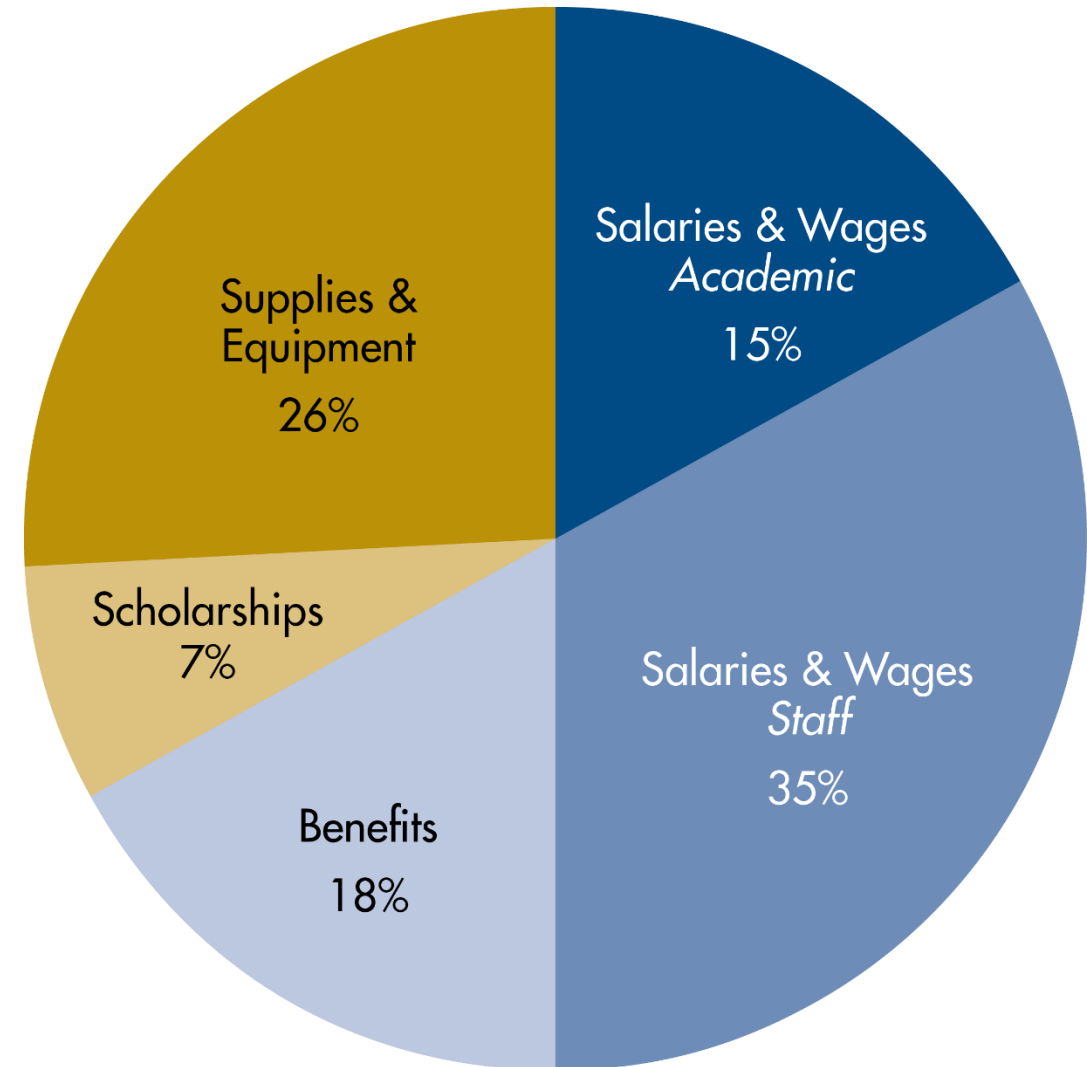
The Budget Model: Revenue Allocation

**2015-16 Revenue:
\$4.3 Billion, All Funds**



Operating Expenditures: 2014-15 Actuals, \$3.86 Billion, All Funds

Function	Amount (Millions)	% of Total
Instruction and Academic Support	\$ 985	24%
Research	\$ 542	13%
Student Services and Financial Aid	\$ 403	10%
Operation and Maintenance	\$ 94	2%
Auxiliary	\$ 103	2%
Institutional Support	\$ 116	3%
Public Service	\$ 81	2%
Medical Center	\$ 1,589	38%
Depreciation/Interest Expense/Other	\$ 275	7%
Total Expenses	\$ 4,189	100%



2016-17 Budget Process and Decisions:

Balancing Investments for Growth and Resource Constraints

Some Revenue Increases:

- State Funds: ~\$394M, increase of \$21M
- Tuition & Supplemental Tuition: ~\$515M, increase of \$27M due to growth
- Indirect Cost Recovery: \$126.6M, increase of \$6.1M

2016-17 Budget Process and Decisions:

Balancing Investments for Growth and Resource Constraints

Resource Constraints:

- Fixed Cost Increases for Employee Salaries & Benefits Continue to Grow: \$25.2M increase on core funds
- Central Campus Structural Deficit: \$25M on core funds, NOT sustainable.
- Continued need for basic infrastructure & costs of growth
- State is funding enrollment growth at lower level than past, ~\$7K compared to ~\$10K per student

2016-17 Budget Process and Decisions:

Incremental Allocations

Dollars in millions	Deans	Academic Support and Administration	Campus	Total
Budget Model Allocations				
Undergraduate Tuition	\$ 10.0	\$ -		\$ 10.0
Indirect Cost Return	\$ 2.2	\$ 0.9		\$ 3.1
Subtotal, Budget Model	\$ 12.2	\$ 0.9	\$ -	\$ 13.1
Provost Investment Decisions				
Hiring Investment Program	\$ 5.0			\$ 5.0
Salary & Benefit Funding for Fixed Cost Increases	\$ 19.6	\$ 4.7		\$ 24.3
Decisions-Base	\$ 5.8	\$ 11.7	\$ 10.4	\$ 27.9
Decisions-One-Time	\$ 3.0	\$ 9.8	\$ 10.1	\$ 22.9
Subtotal, Provost Investments	\$ 33.4	\$ 26.2	\$ 20.5	\$ 80.1
Total Allocations	\$ 45.6	\$ 27.1	\$ 20.5	\$ 93.2

2016-17 Budget Process and Decisions:

Key Investment Decisions

- Debt Service for Growth-Related Capital (\$2M)
- Modernized Classroom Technology (\$2M)
- Instructional Equipment Replacement (\$1M)
- Faculty Equity, additional over requirement (\$2M)
- Animal Program Per Diem, Improvements, Cage Wash (\$3.9M)
- Advising (\$500K), Testing Center (\$160K), Graduate Program Recruitment (\$150K)

UC Davis Budget Model

Key Principles

- Create incentives to advance campus goals
- Transparency
- Simplicity
- Balance local autonomy with campuswide vision
- Transition strategies

How it Works (Briefly)

- Revenue only
- Hybrid: mix of formulas & incremental decisions
- Allocations to deans: departmental allocations determined within unit
- Allocation methodology differs by revenue source
- Ability to adjust

UC Davis Budget Model

Undergraduate Tuition

- Pool Allocated: Net after return-to-aid, includes share of supplemental tuition paid by non-residents, prospective revenue estimate
- 30% Retained by Provost for Campus Investments
- 70% Allocated to Units based on Metrics:
 - 60% Student Credit Hours
 - 30% Majors
 - 10% Degrees Awarded
- \$236 Million Allocated in 2016-17

UC Davis Budget Model

Professional Tuition

- All Retained by Schools

Graduate Tuition

- Incremental growth since 2013 shared between provost, deans, programs

Summer Session Tuition

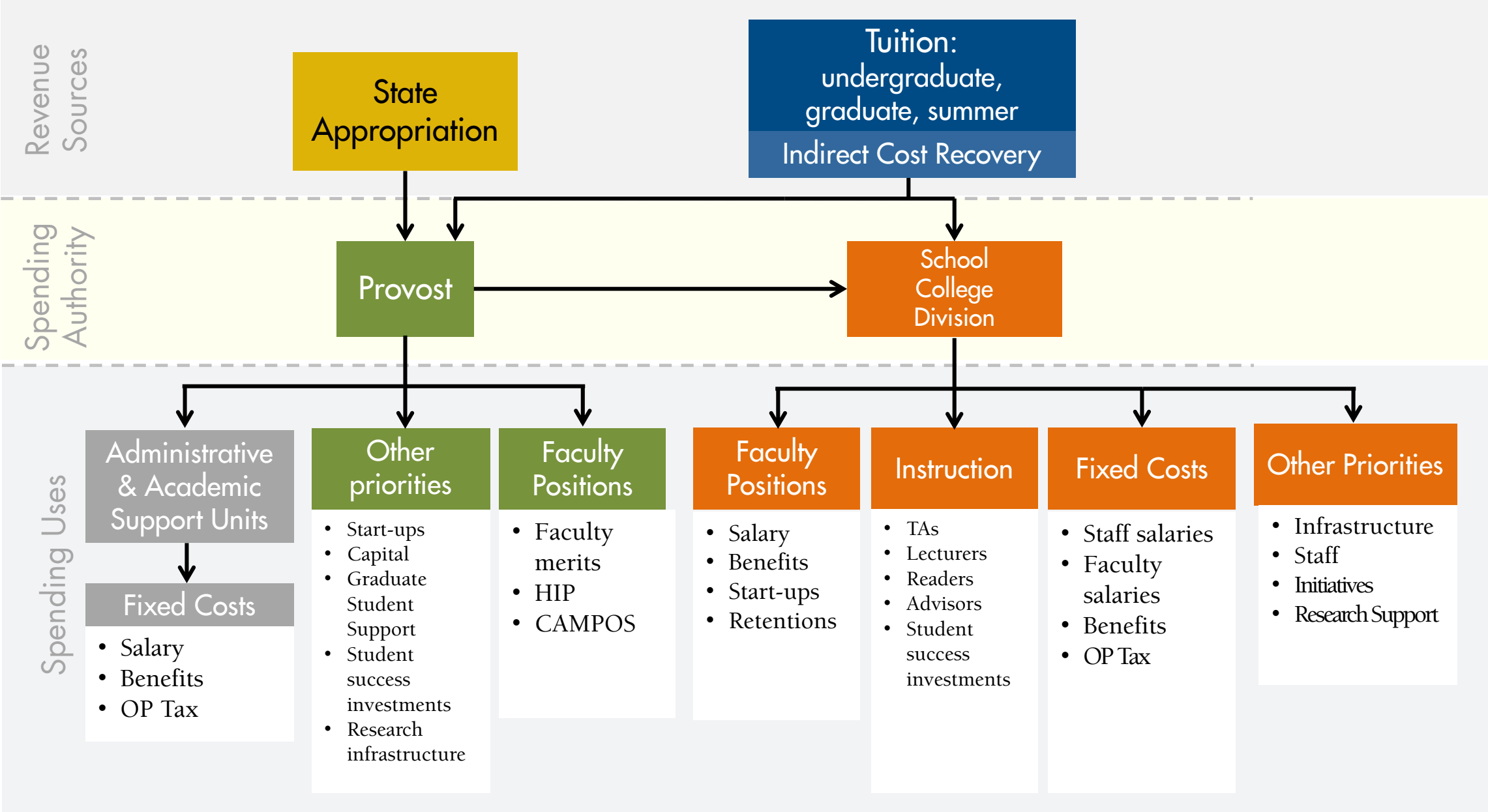
- Pool Allocated: Net after return-to-aid and historic commitments
- 20% Retained by Provost for Campus Investments
- 80% Allocated to Units by SCH, \$94/SCH
- \$9.3M Allocated in 2015-16

UC Davis Budget Model

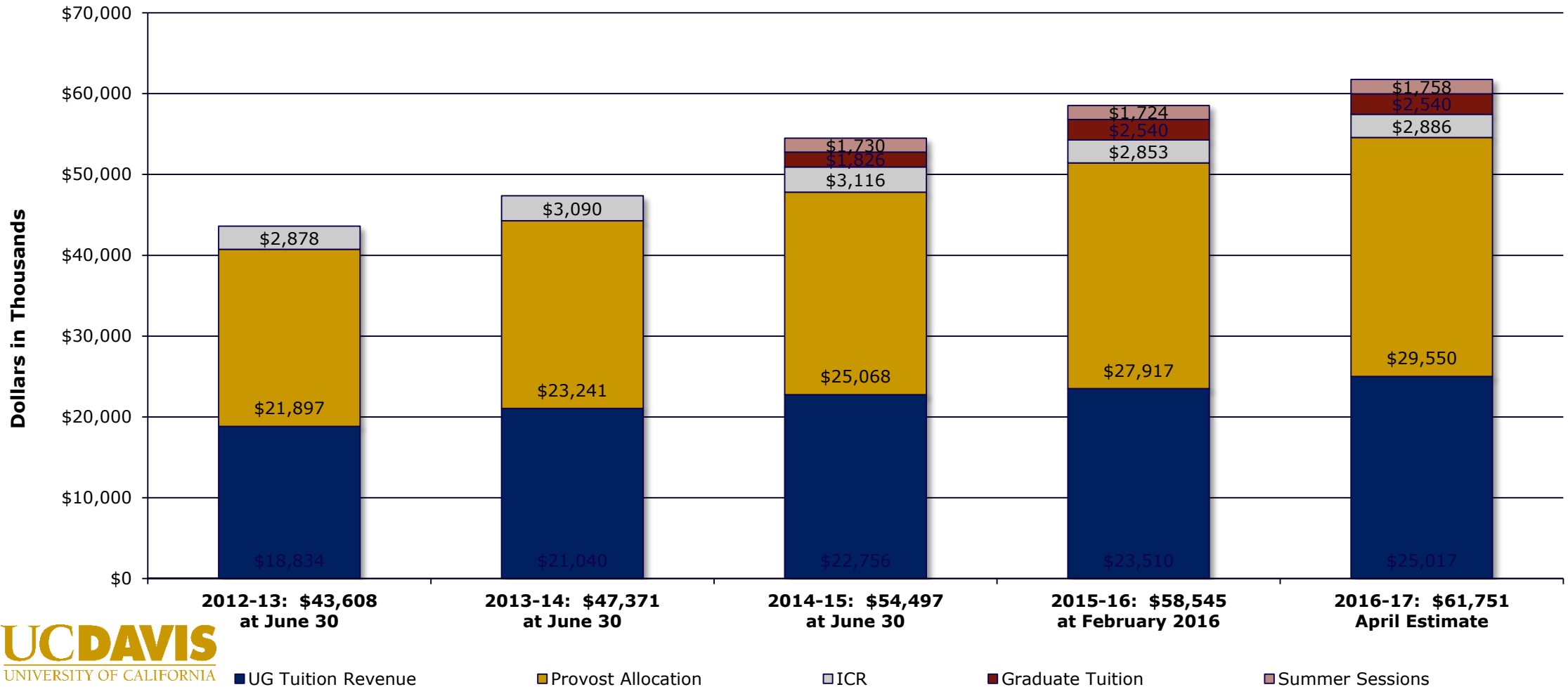
Indirect Cost Return

- Pool Allocated: Net received by campus after categorical set asides
- 63% Retained by Provost to fund campus research infrastructure and investments
- 37% Allocated to Deans based on administrative home of grant
- For 2016-17, total ICR allocated \$126.6M:
 - \$23.6M Categorical Set Asides (debt service, ARRA, CIRM, CNPRC)
 - \$38.1M Units
 - \$64.9M Provost

Budget Model Source, Authority, and Use



Sample Unit Base Budget Allocations



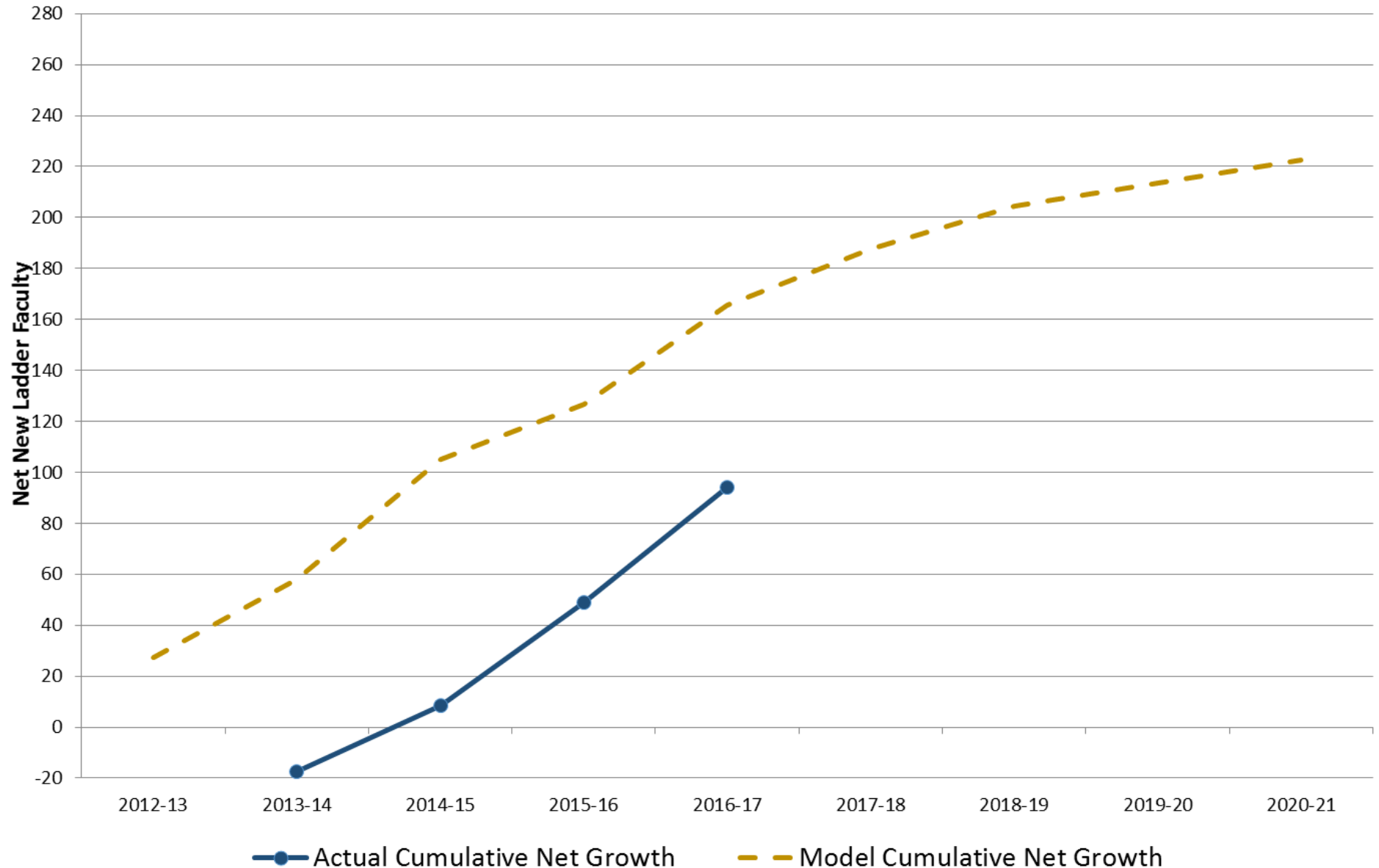
Goal:

250 Net New Ladder Faculty

Status:

- Almost **100** net new ladder faculty hired in colleges
- **70** new lecturers or adjuncts, 29% increase
- **1,585** total ladder faculty, increase of 124 since 2011
- **48** HIP positions authorized, **21** hired to date.

Cumulative Ladder Faculty Hiring Compared to Growth Model (Colleges and Divisions)





Resources: <http://www.budget.ucdavis.edu/>

[Budget Planning & Process Info](#)

[Budget Model](#)

[Campus Metrics & Data](#)

[Hiring Investment Program](#)