

Budget Overview

2017 New Department Chairs Workshop

September 19, 2017

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Enrollment Overview

Undergraduate Enrollment:

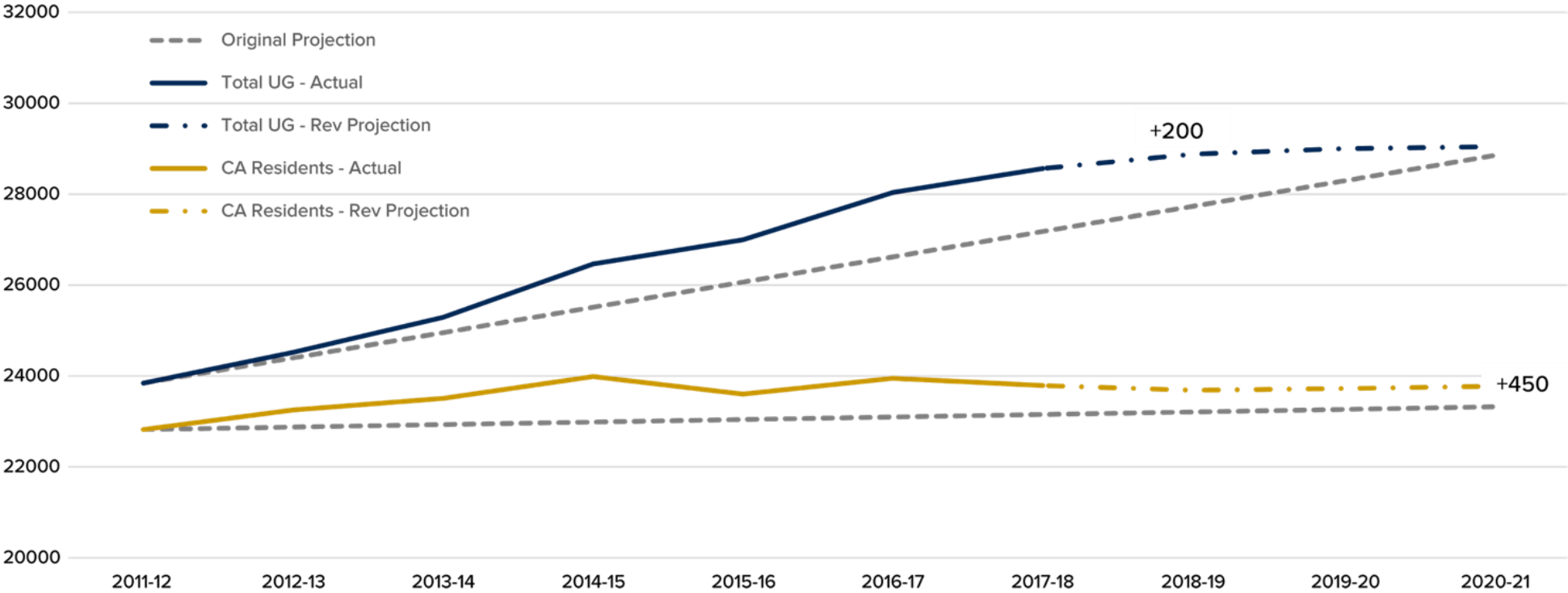
- Total undergraduate enrollment: almost **28,500**
- **9,165** (7,325 CA residents) new freshmen and transfer students this fall
- Undergraduate enrollment **increased by 4,700** students since 2011-12
- Proportion of national/international students **increased from 4% to 17%**

Enrollment Overview

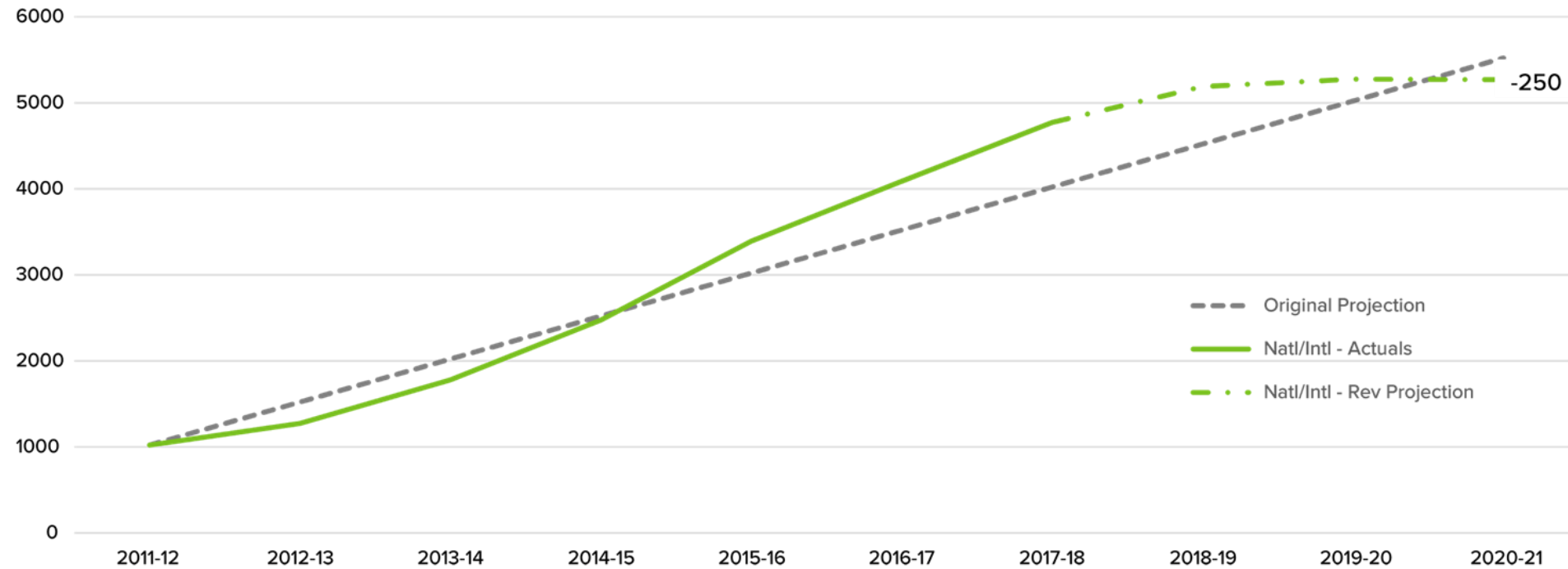
Graduate and Professional Enrollment:

- Total graduate enrollment: almost **7,000**
- Graduate and professional enrollment **increased by 500** students since 2011-12
- Approximately **23%** of graduate and professional students are international
- Ratio of Undergraduates to PhD students has **increased from 7.7 to 8.5** since 2011-12

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



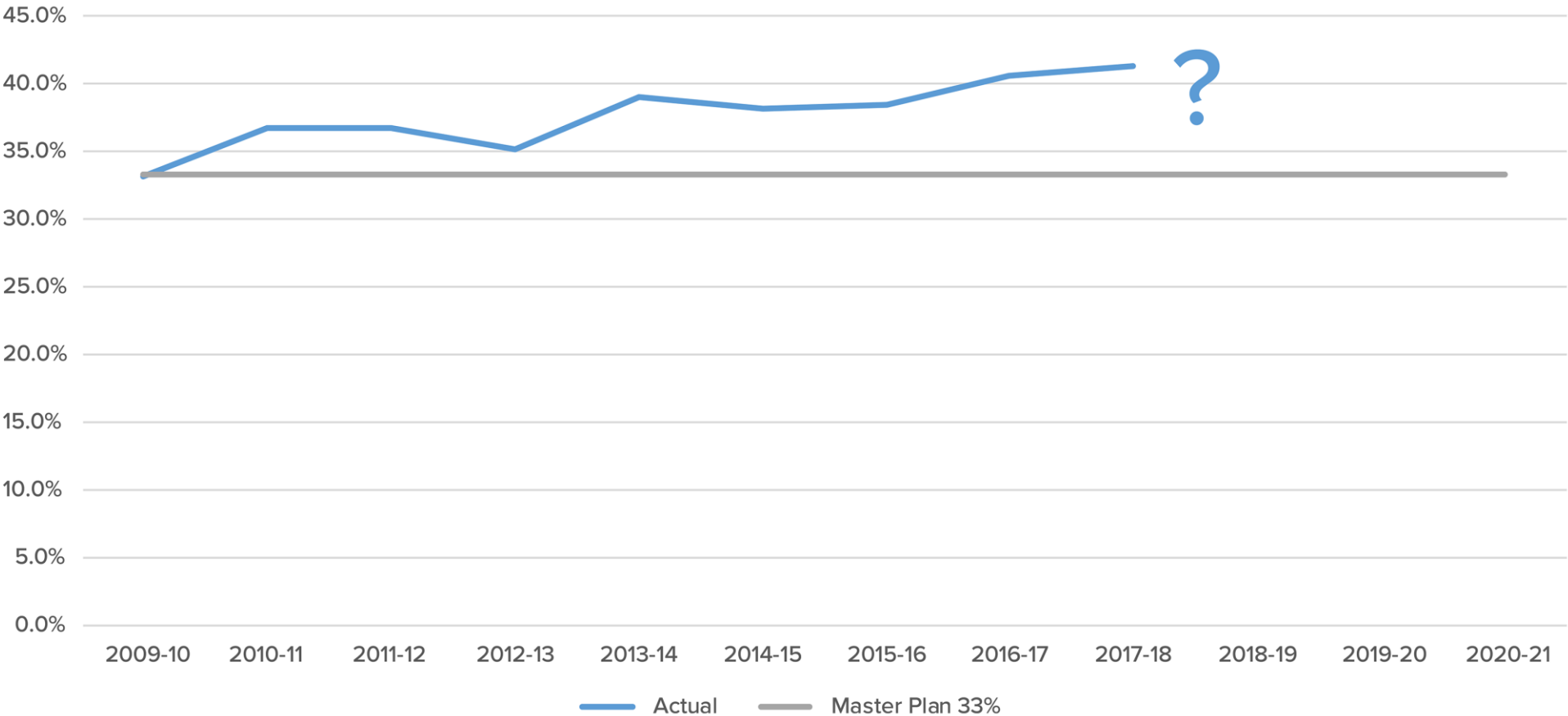
Undergraduate Enrollment Planning

- Process spans entire year and involves many stakeholders, ***external*** and ***internal***
- Influenced by State and UC Office of the President budget agreements
 - State Funding in return for increased enrollment of CA residents
 - Transfer ratio target: 1 transfer student for every 2 CA resident freshmen (UC Davis exceeds this)
- NEW Regents policy capping national/international enrollment at 18%

Undergraduate Enrollment Planning

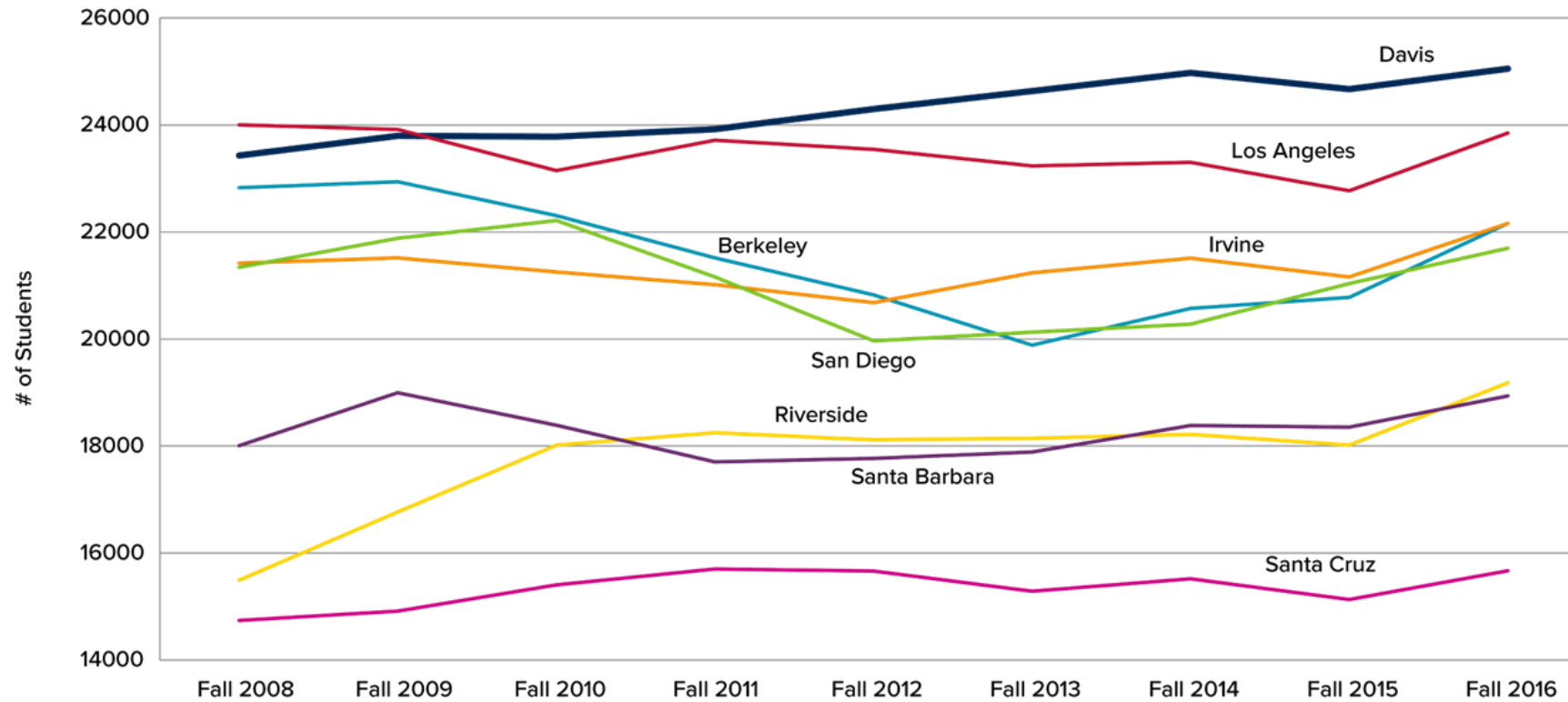
- Planning process needs to integrate all of the above while balancing many dimensions, for example:
 - Mix of freshman and transfer students
 - Academic quality indicators, holistic review process
 - Disciplinary mix and capacity
 - Compares favorably policy for national/international students
 - Financial outcomes, infrastructure capacity (housing, classrooms, faculty)
- Enrollment team meets with Deans during target setting process:
 - Communication between Deans, Chairs, FEC, & faculty is critical to understand capacity local issues
 - Recent years targets have generally reflected proportional growth, likely to change as growth rate flattens
- Outcomes depend on pool and yield. . . .

Percent Transfer of New CA Resident Students



California Resident Undergraduates by Campus

(Excludes UC Merced)



Fall 2016 Percent Resident UG

Davis	85%
Los Angeles	77%
Irvine	81%
Berkeley	76%
San Diego	77%
Riverside	97%
Santa Barbara	88%
Santa Cruz	92%

Graduate and Professional Enrollment Planning

- Largely decentralized to School or Program level, currently no coordinated planning process
- Interested in increasing graduate enrollment, ratios of undergraduate to PhD students have increased in recent years
- Proportion of Masters students lower than many comparators
- Significant investments in graduate student support over past 5 years
- New Masters Enrollment Incentive Program one effort to address this, looking at other strategies
- May see increased graduate enrollment as new faculty become fully established

Goal:

250 Net New Ladder Faculty

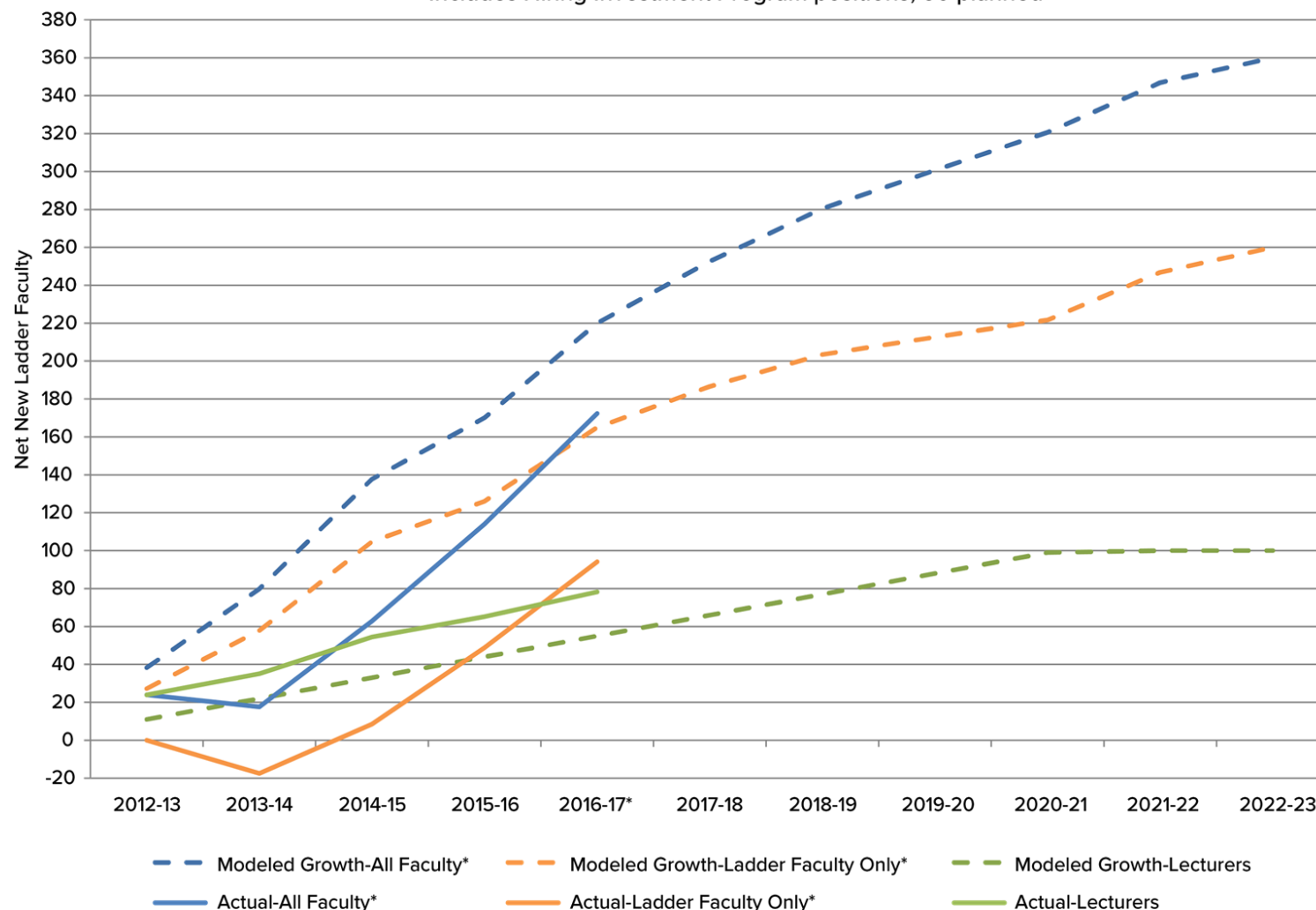
Status:

- Over 120 net new ladder faculty hired in colleges to date
- Over 70 new lecturers or adjuncts, 29% increase*
- 1,585 total ladder faculty, increase of 124 since 2011*
- 48 HIP positions authorized, 29 hired to date.

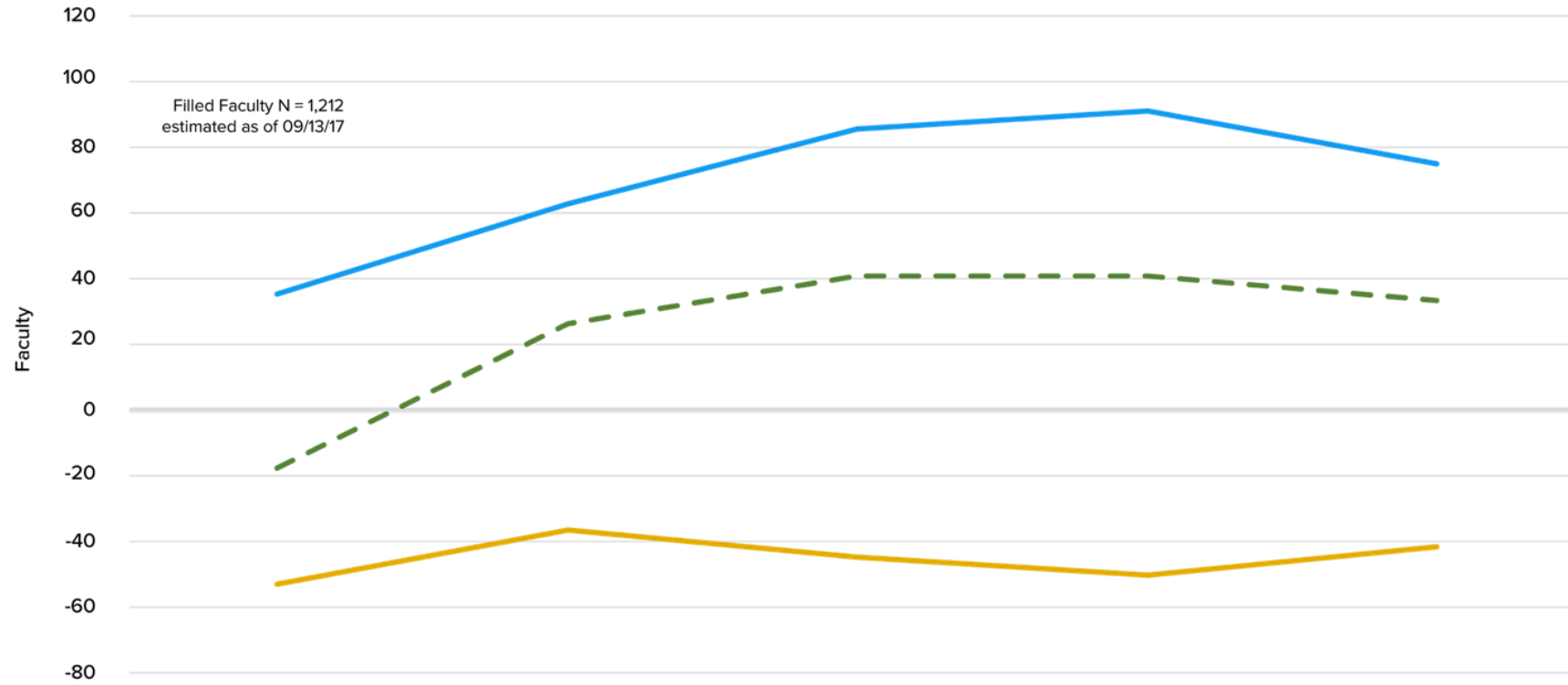
*As of Oct 2016, expected to increase

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

*Includes Hiring Investment Program positions, 60 planned



Ladder Faculty Recruitment and Hiring Trends, Colleges



Capital and Facility Investments: Instructional Space

- Investing \$20 million over 4 years to renovate and improve technology in general assignment classrooms.
- 20 classrooms completed, 15 in progress in 2017
- 48 classroom projects scheduled in 2018-20
- Location of Classrooms: Hart, Olson, Robbins, Storer, Rock Hall, Wellman; additional future projects identified
- \$1 million per year for enhanced custodial and technology upgrades across all general assignment rooms

Capital and Facility Investments: New Projects

- Many significant Capital Needs, investments and planning is underway:
 - California Hall: Opening mid-2018, 600 seats
 - Teaching and Learning Complex, in planning, 2,000 seats
 - Walker Hall: Opening Fall 2019
 - Chemistry and Chemistry Annex, seismic, life safety, & increased laboratory capacity
 - Controlled Environment Facility: Opening 2019
 - Planning for mixed-use office and residential facilities along A Street corridor
 - Student Housing and Dining Projects, including West Village

Completed Projects

Ann E. Pitzer
Center



Vet Med
Student
Services and
Admin



Manetti Shrem
Museum of Art



Earth and
Planetary
Sciences
Shockwave
Lab



Projects Under Construction

Central Cage
Wash Facility



California Hall



Projects In Design

Engineering
Student Design
Center

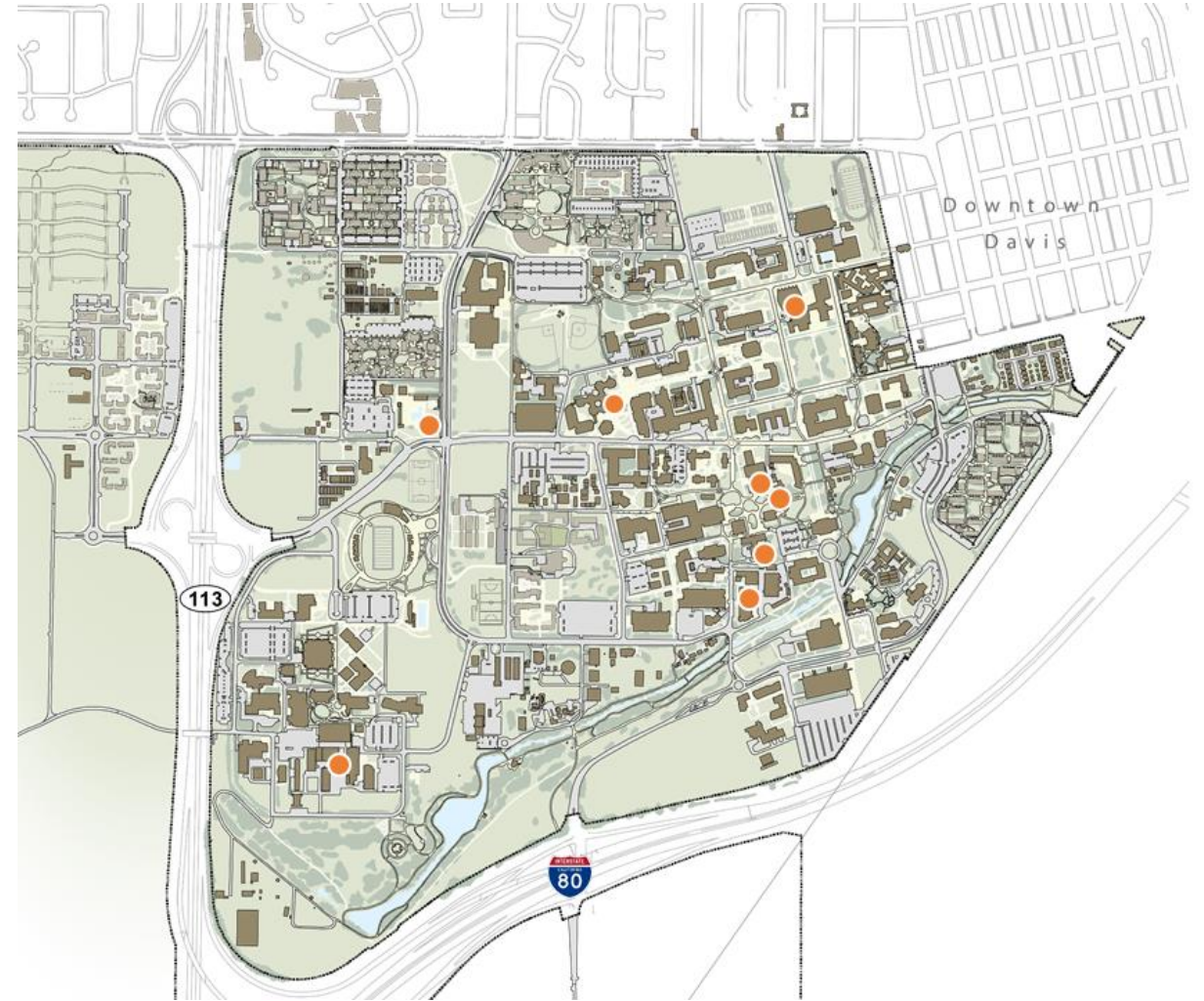


Walker Hall
Renewal



Projects In Pre Design

- Teaching and Learning Complex
- Briggs Hall Lab Renovations
- Chemistry Addition and Phase I Renovation
- Chemistry Seismic and Safety Corrections
- Controlled Environmental Facility Expansion
- Freeborn Hall Renovation
- Quantum Mathematics and Physics Center
- Rec Pool Renovation
- Vet Med Teaching Hospital



The Budget:

Big Picture (All Funds)

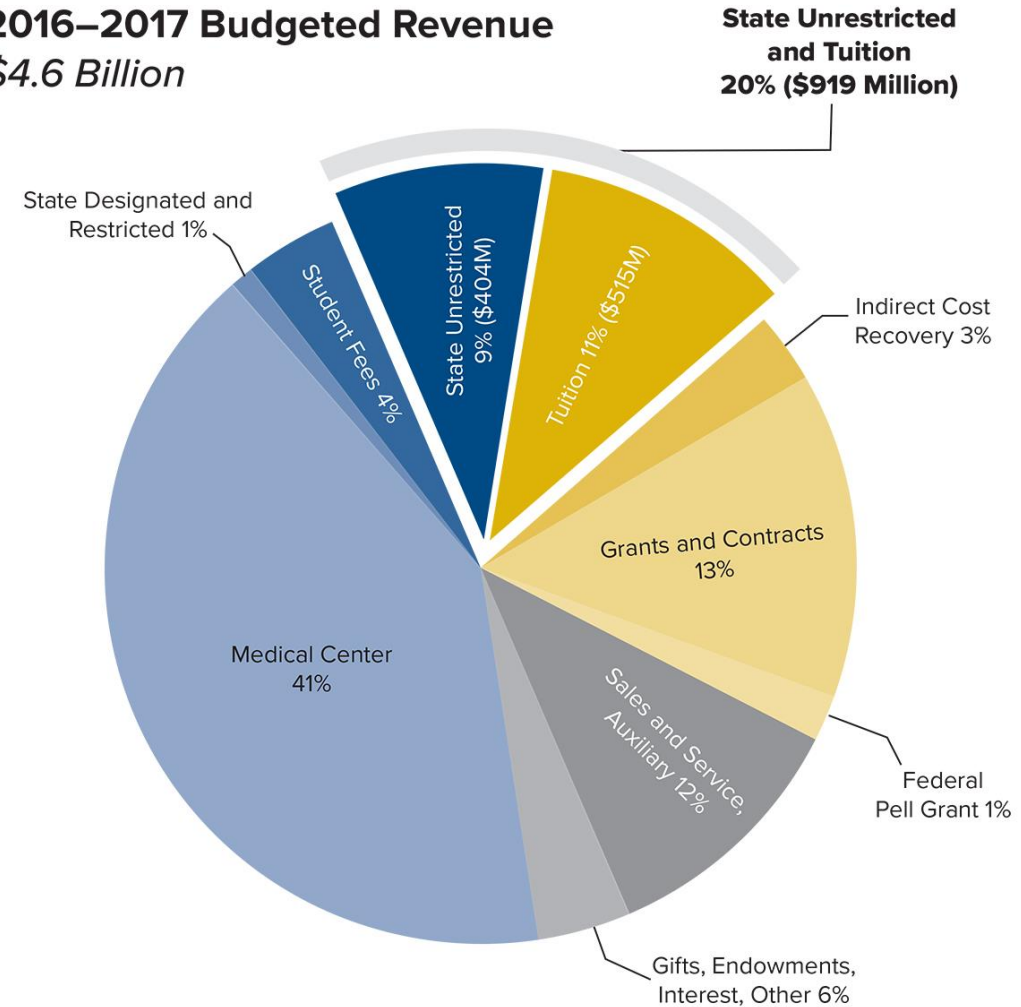
The Budget Process:

Annual Incremental Decisions
& Check-In (Core Funds)

The Budget Model:

Formula-Based Allocations
(Specific Revenue Streams)

2016–2017 Budgeted Revenue
\$4.6 Billion



The Budget: General Funds and Tuition

2007-08

Enrollment

- 29,572
- 7% N&I (2.9%UG)

Systemwide Fee Level

- CA: \$6,636
- N&I UG: \$26,256
- N&I Grad: \$22,428

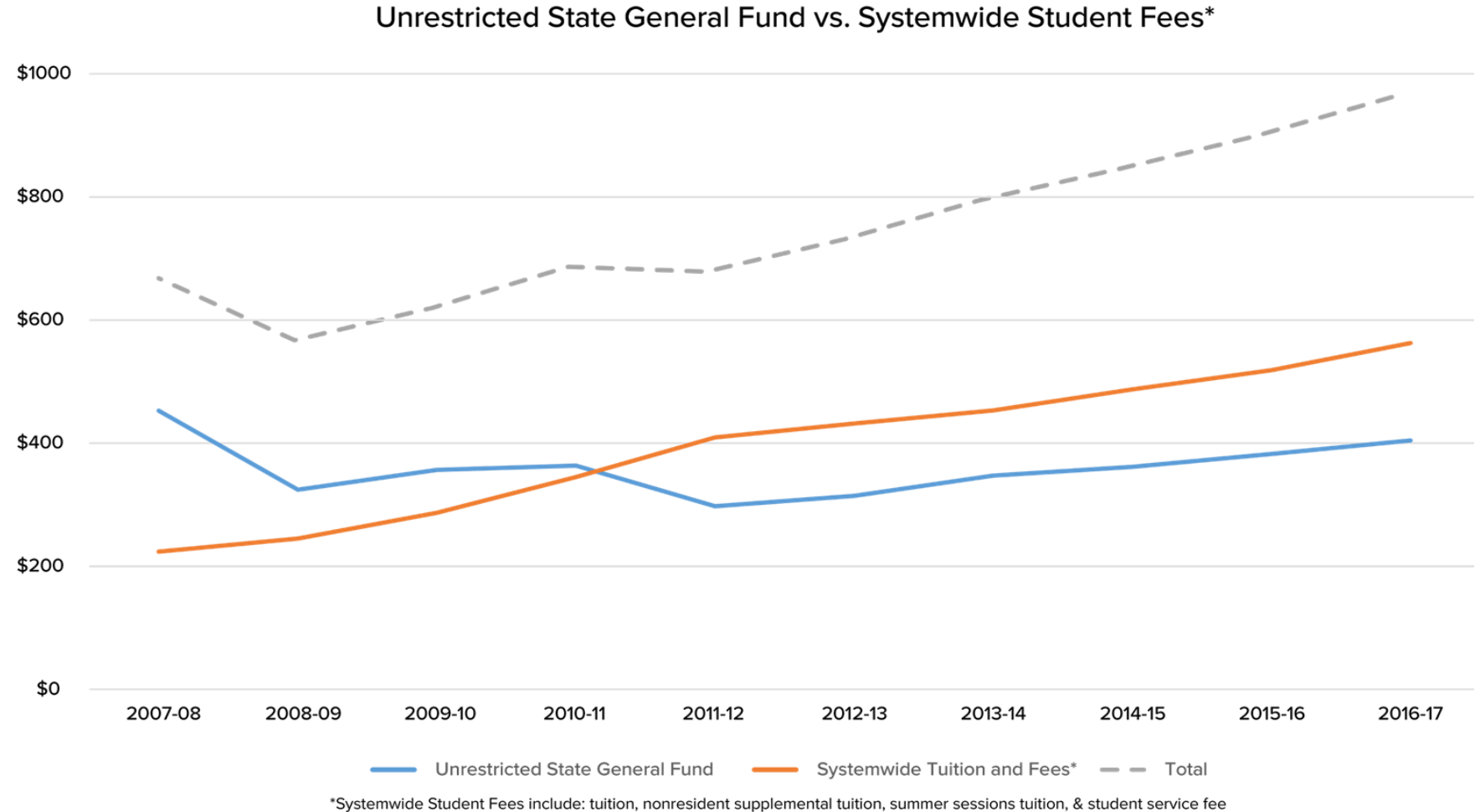
2016-17

Enrollment

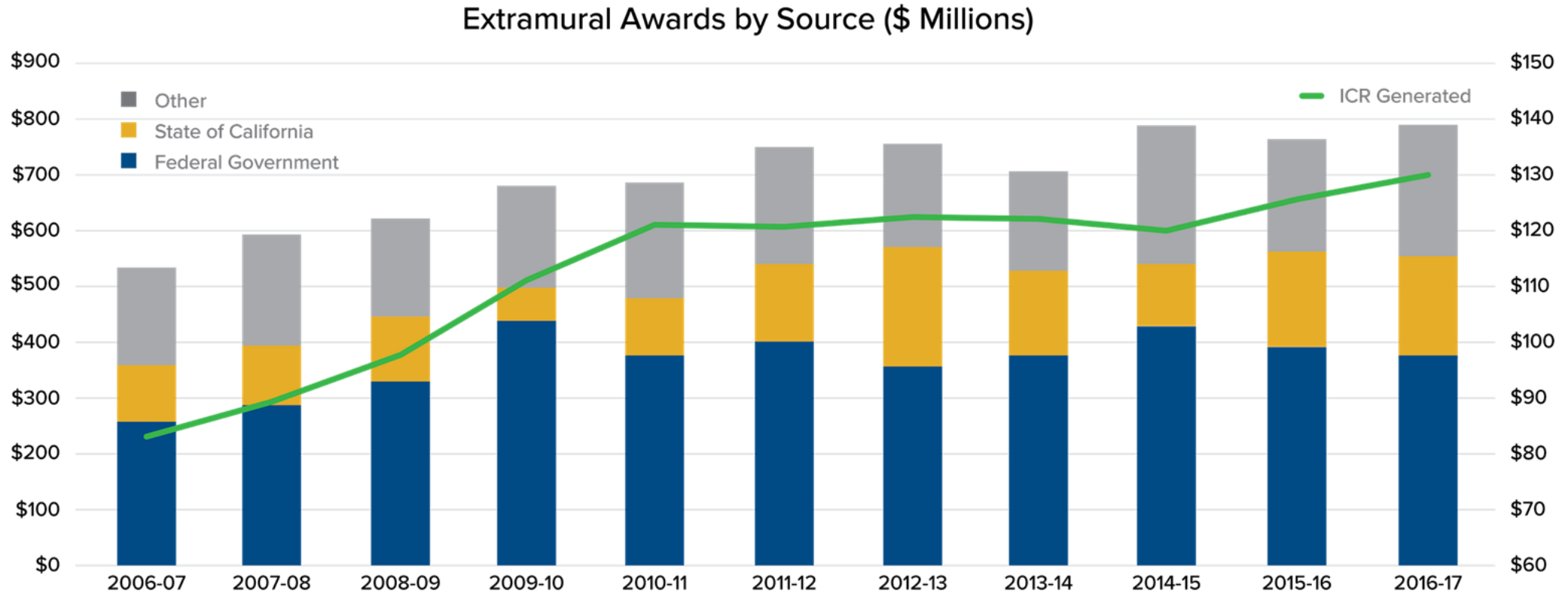
- 35,108
- 17% N&I (14.7% UG)

Systemwide Fee Level

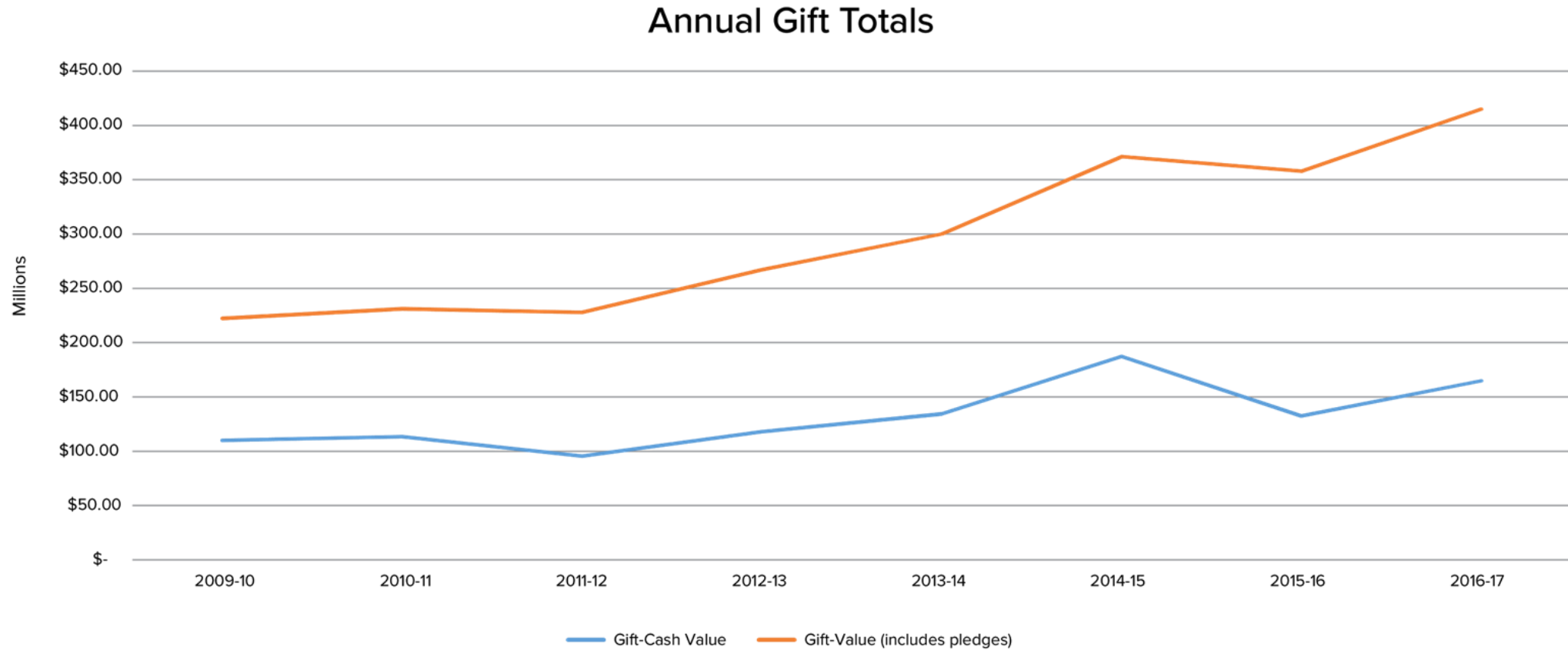
- CA: \$12,294
- N&I UG: \$38,976
- N&I Grad: \$27,396



The Budget: Growing Research Funding



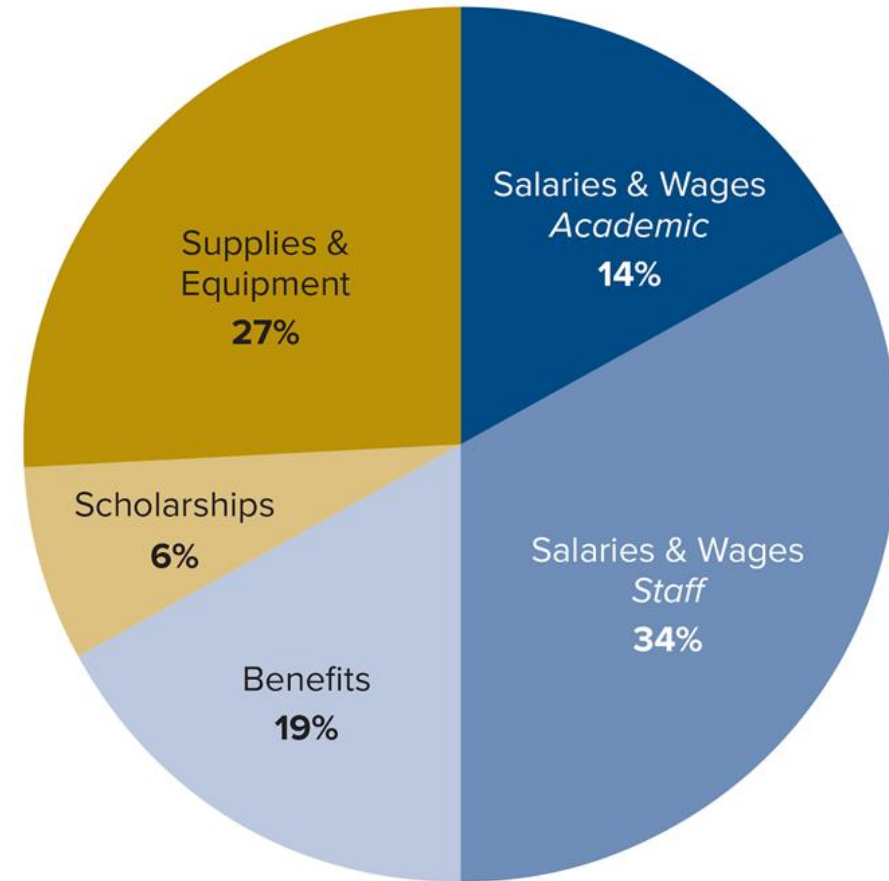
The Budget: Growing Philanthropy



UC Davis Operating Expenditures

*\$4.64 Billion**

Function	Amount (Millions)	% of Total
Instruction and Academic Support	\$ 1,133	24%
Research	\$ 572	12%
Student Services and Financial Aid	\$ 413	9%
Operation and Maintenance	\$ 96	2%
Auxiliary	\$ 99	2%
Institutional Support	\$ 140	3%
Public Service	\$ 89	2%
Medical Center	\$ 1,810	39%
Depreciation/Interest Expense/Other	\$ 292	6%
Total Expenses	\$ 4,644	100%



* Includes clinical staff

The Budget Process

2017-18 Rebalancing Core Funds & Investments for Growth

Central Campus Core Funds Deficit: ~\$29 Million

- Prior years covered with one-time reserve funds, no longer available.
- Allowed campus units to recover from the impact of prior budget cuts and manage growth
- Central campus continued funding growth in salary & benefit costs in prior years

The Budget Process

2017-18 Rebalancing Core Funds & Investments for Growth

Budget Rebalancing: Actions to Address Deficit

- Recapture one-time funds through one-time 3% tax on general funds & clinical fund balances (with some exclusions), 1% returned to Deans.
- 2% base reduction on general funds for all units, base ICR for admin units. Additional assessment on Medical Center revenue.
- Change ICR Return Rate and Faculty Retirement Return Rate

The Budget Process

2017-18 Rebalancing Core Funds & Investments for Growth

Some Revenue Increases:

- State Funds: ~\$410 million, increase of \$19 million
- Tuition & Supplemental Tuition: ~\$565 million, increase of \$46 million
 - \$109 million of this supports undergraduate need-based financial aid
 - ~\$32 million due to enrollment growth & increased national/international students
 - ~\$14 million due to tuition & supplemental tuition rate increases
- Indirect Cost Recovery: \$130.6 million, increase of \$3.9 million

The Budget Process

2017-18 Rebalancing Core Funds & Investments for Growth

Continued Resource Constraints:

- Fixed Cost Increases for Employee Salaries & Benefits Continue to Grow: \$26.8M increase on core funds
 - \$19.5M for staff & faculty salary & benefit increases
 - \$6.3M for faculty merit process
 - \$1M for TA fee remission due to tuition rate increase
- Continued need for capital investment, basic infrastructure & growth costs
- State funding for undergraduate enrollment growth is at lower level than past, ~\$7K compared to ~\$10K per student

The Budget Process

2017-18 Key Investment Decisions

- Classroom Renovations and Upgrades (\$5M, year 1 of 4)
- Debt Service for Growth-Related Capital (\$2M)
- Instructional Equipment Replacement (\$1M)
- Impact Recruitment Initiative & CAMPOS Expansion (\$1.6M)

The Budget Process

2017-18 Key Investment Decisions

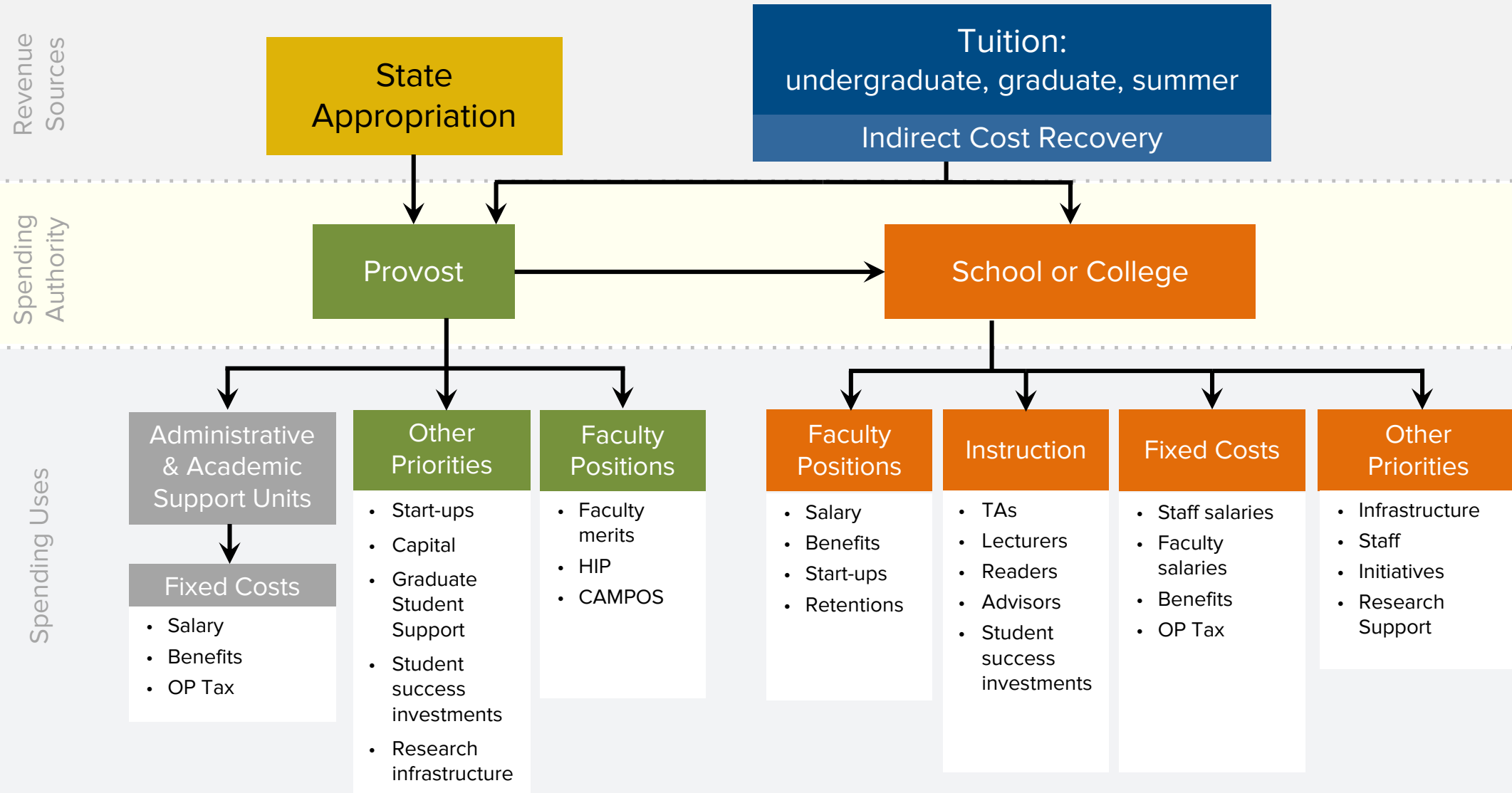
- Partner Opportunity Program (\$1M)
- Animal Program Per Diem Subsidy (\$575K, year 2 of 2)
- Core Research Program (\$1M), PI Bridge Program (\$1.4M)
- Testing Center (\$300K), Graduate Program Recruitment (\$300K), Honors & First Year Seminar Programs (\$412K)

The Budget Process

2017-18 Decisions and Incremental Allocations: \$74 million

- \$27.5 million for increased salary and benefit costs campuswide (included below)
- \$37 million to academic units:
 - \$6.5 million budget model, \$22.1 million salary & benefit increases, \$3 million HIP, \$5.4 million other incremental decisions
- \$20 million to administrative and academic support units:
 - \$5.4 million salary & benefit increases, -\$700K budget model, \$15.3 million other incremental decisions
- \$17 million, central campus managed investments:
 - \$2 million capital debt, \$5 million classroom investments, \$2.6 million POP & CAMPOS, \$4.7 million development \$2.7 million other incremental decisions

Budget Model Source, Authority, and Use



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
- \$245 Million Allocated in 2017-18

UC Davis Budget Model

Professional Tuition

- All Retained by Schools

Graduate Tuition

- Incremental growth since 2013 shared between provost, deans, programs
- New Masters Incentive Program starts this academic year (optional).
- 40% tuition & 80% NRST to Deans for increased Masters enrollment.

UC Davis Budget Model

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
- \$9.5M Allocated in 2016-17

Faculty Resources

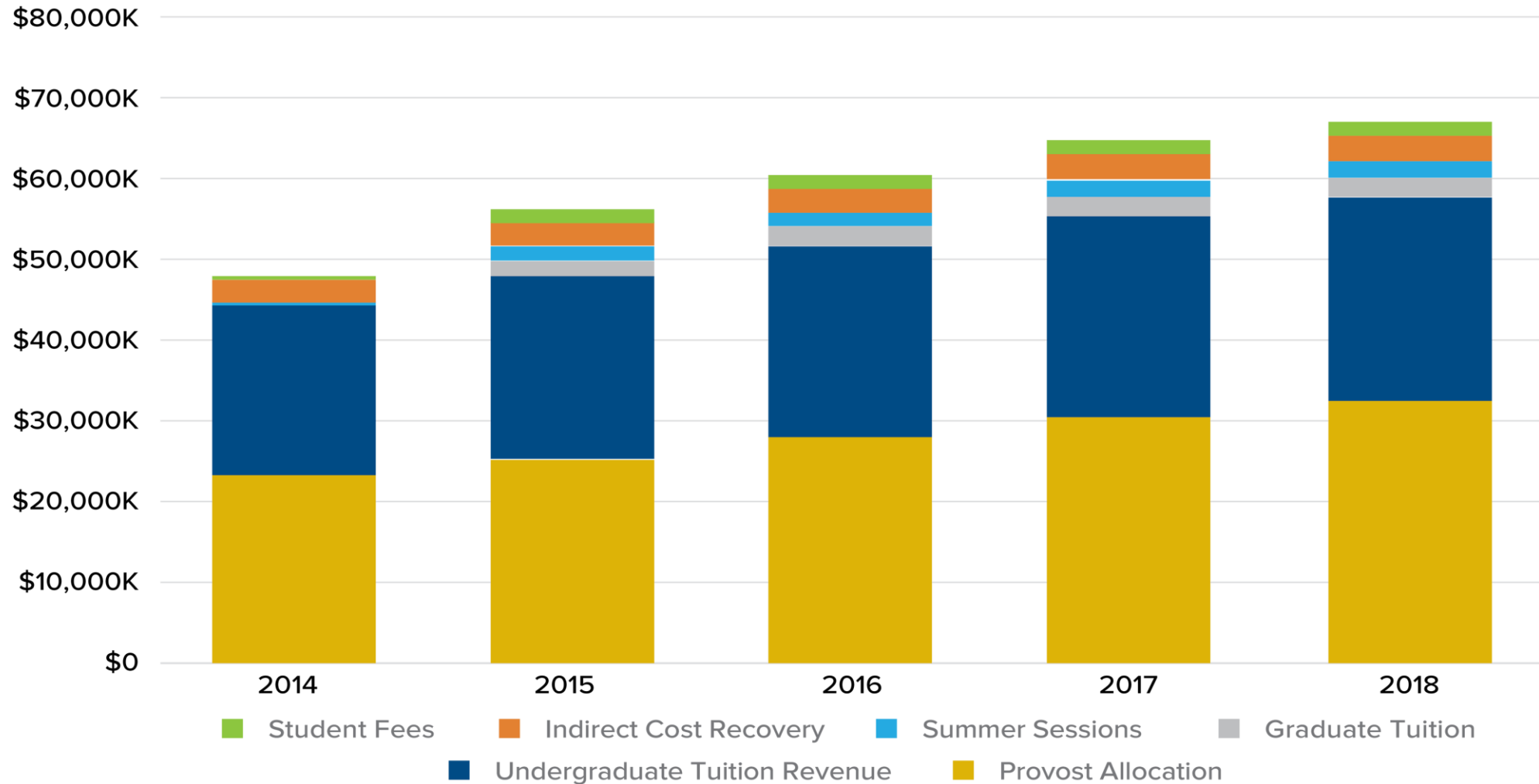
- At retirement or resignation, portion of ladder faculty salary & benefits return to Provost for reallocation.

UC Davis Budget Model

Indirect Cost Return

- Pool Allocated: Net received by campus after categorical set asides
- 66% Retained by Provost to fund campus research infrastructure and investments
- 34% Allocated to Deans based on administrative home of grant
- For 2017-18, total ICR allocated \$130.6M:
 - \$25.1M Categorical Set Asides (debt service, CIRM, CNPRC)
 - \$35.9M Units
 - \$69.6M Provost
- Over next 2 years will adjust % allocation to 70% Campus and 30% Deans.

Sample Unit Budget Allocations, Core Funds



Resources Budget and Institutional Analysis:

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

[2017-18 Budget Allocation Letter](#)

[Budget Planning & Process Info](#)

[Budget Model](#)

[Campus Metrics & Data](#)