

**UCDAVIS**

Finance and Business

# Budget Overview: Council on Student Affairs and Fees

September 19, 2022

**Clare Shinnerl**

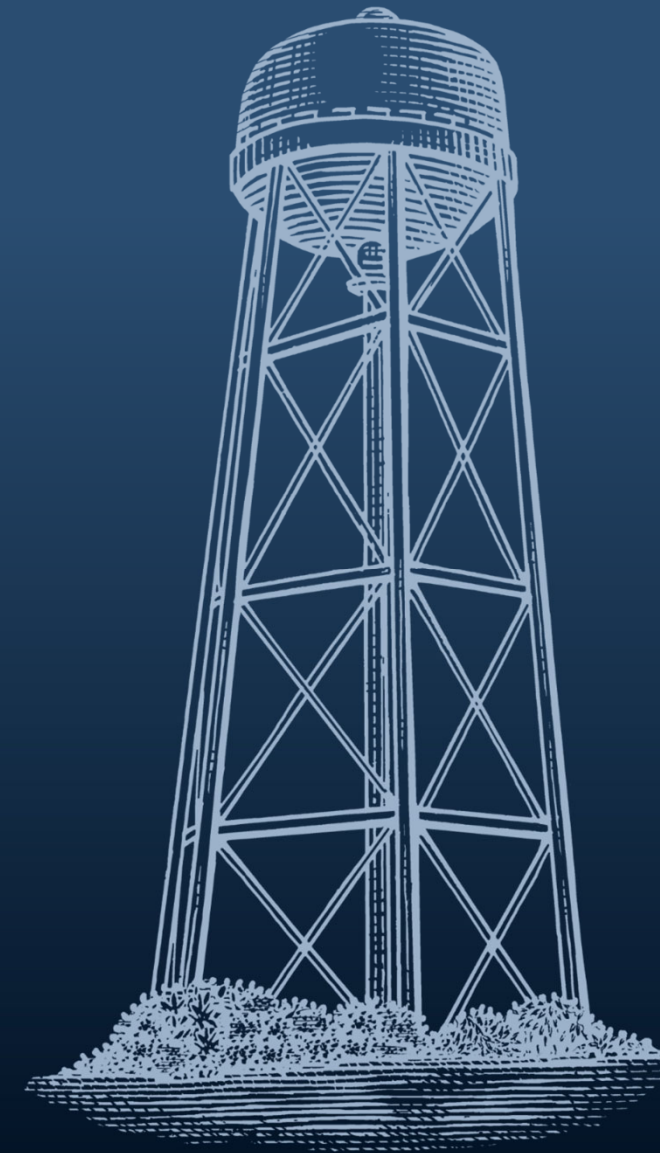
*Vice Chancellor – Finance, Operations and Administration*

**Sarah Mangum**

*Associate Vice Chancellor – Budget & Institutional Analysis*

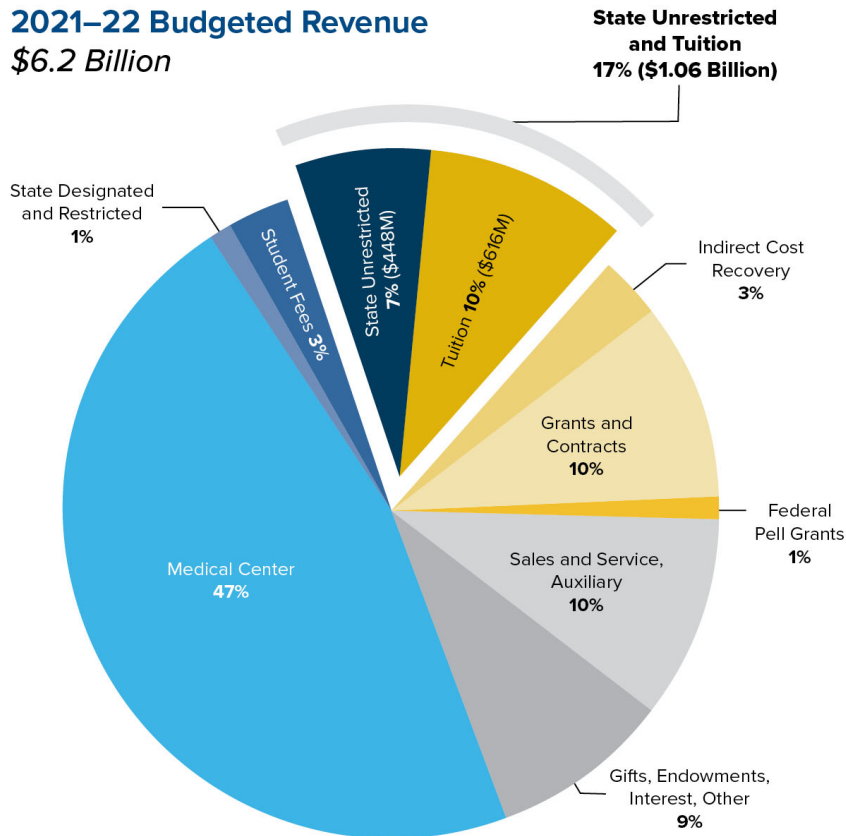
**Jessica Lewis**

*Principal Budget Analyst – Budget & Institutional Analysis*

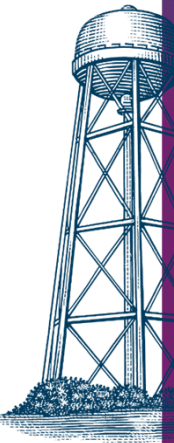


# Revenue

## 2021–22 Budgeted Revenue \$6.2 Billion

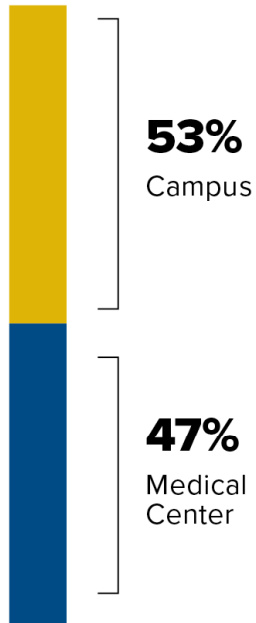


- This slide shows the all-funds view of campus revenue, including the Medical Center.
- UC Davis revenues come from many sources, but roughly 80% are designated or restricted.
- The primary source for the campus's teaching mission comes from unrestricted state funds and student tuition, as represented in the highlighted slices of the pie chart.
- Over the last 10 years, the state share has decreased. Gifts and endowments has increased. The largest increases have been the medical center.

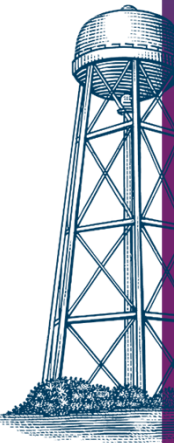
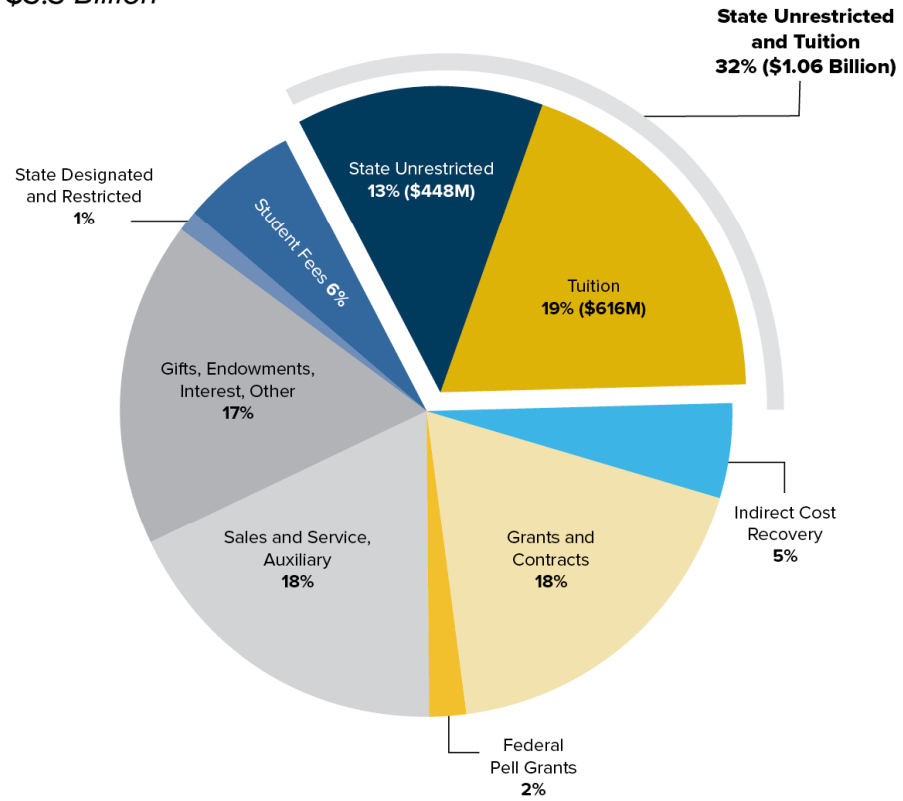


# Revenue

**2021–22 Budgeted Revenue**  
\$6.2 Billion

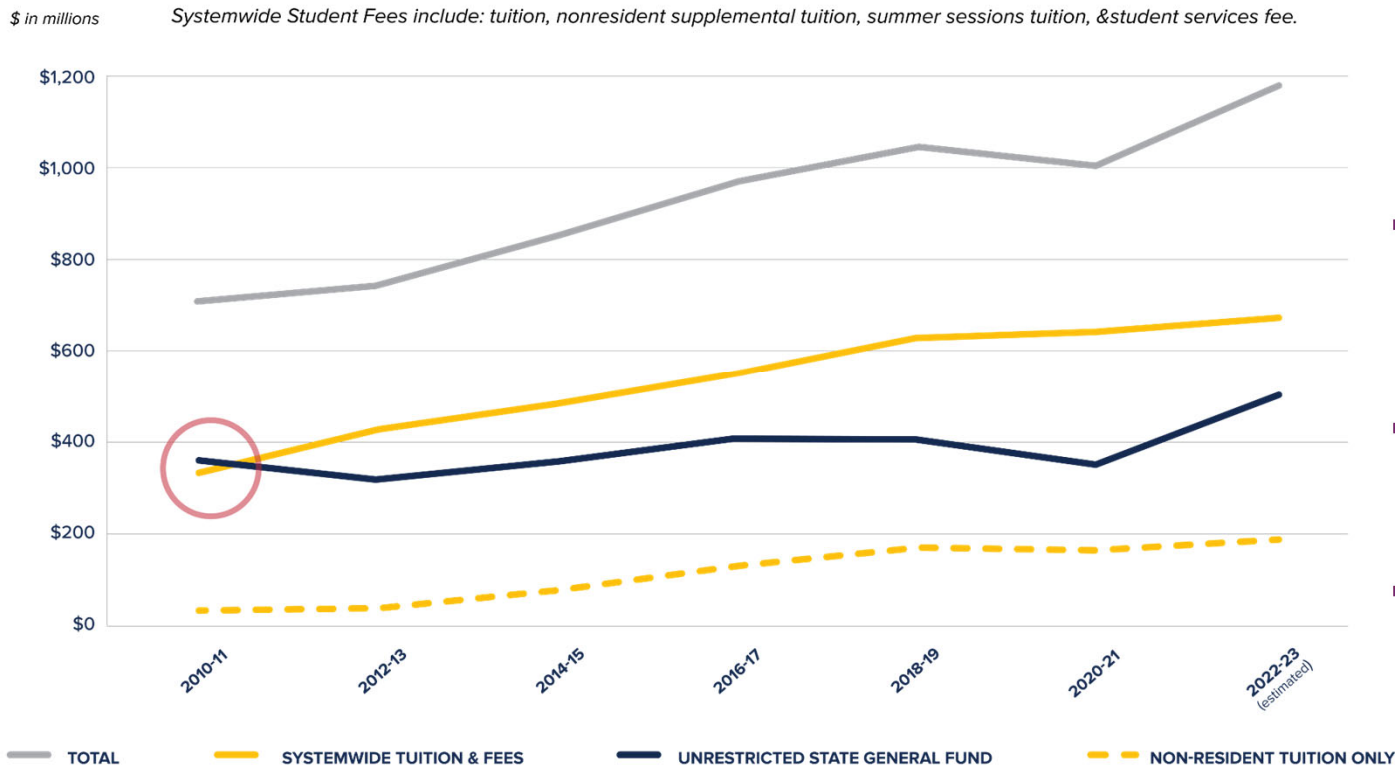


**2021–22 Budgeted Revenue Excluding Medical Center**  
\$3.3 Billion



# State Divestment

Unrestricted State General Funds vs. Systemwide Student Fees\*

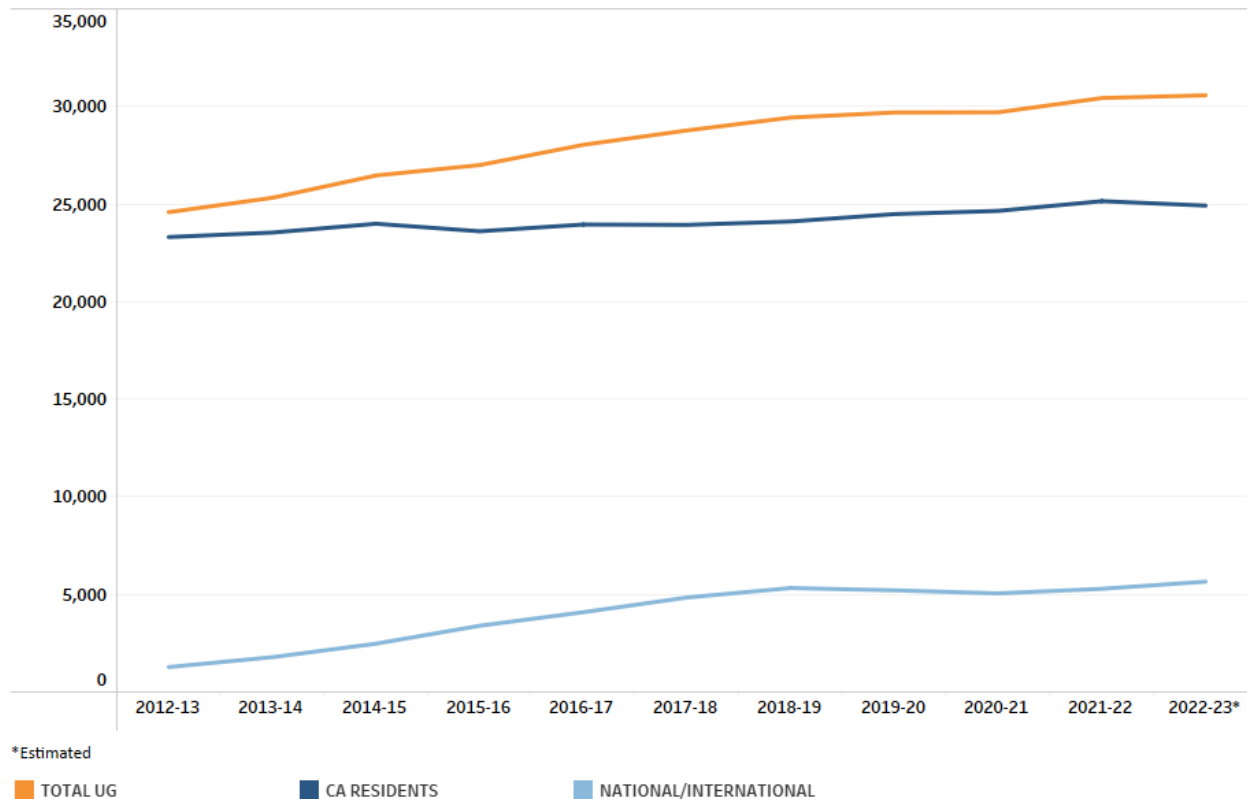


- Since 2010, tuition and fees paid by students and their families have exceeded funding UC Davis received from the State of California.
- Nonresident supplemental tuition revenue has addressed most of this gap over the past 10 years.
- 2020-21 reflects a \$45 million state budget reduction which was restored in 2021-22.
- Tuition rate remained relatively flat in these years. Revenue increases were driven primarily by enrollment growth.



# Undergraduate Enrollment Growth & Revenue

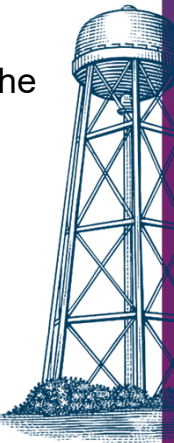
Undergraduate Enrollment  
Three-quarter average enrollment



\*Estimated

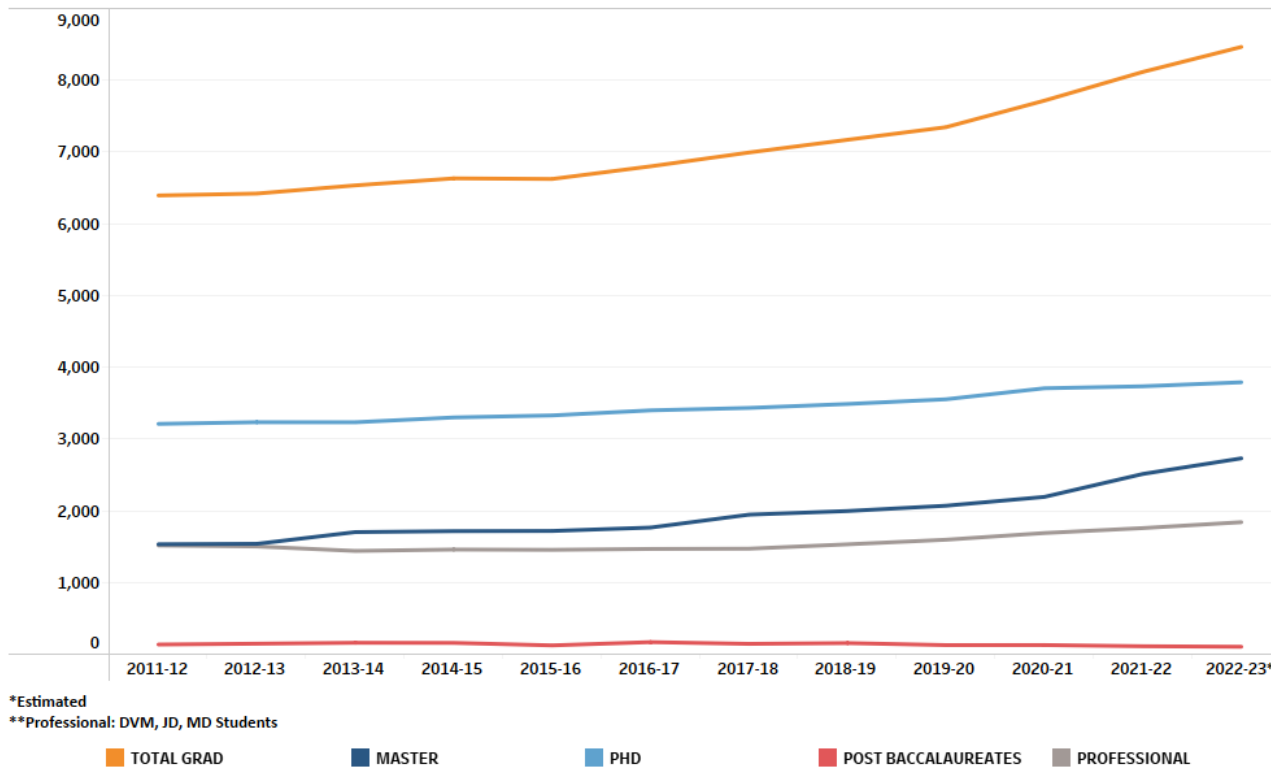
■ TOTAL UG      ■ CA RESIDENTS      ■ NATIONAL/INTERNATIONAL

- Enrollment is significant driver of revenue.
- Since 2012-13 undergraduate enrollment **increased by about 6,000** students.
- Proportion of nonresident students **increased from 5% to ~18%**.
- In 2018, the UC Regents capped nonresident enrollment at 18% of the total undergraduate population at most campuses.



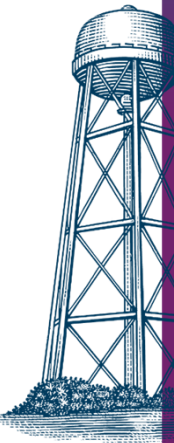
# Graduate Enrollment Growth & Revenue

**Graduate Enrollment**  
Three-quarter average enrollment



\*Estimated  
\*\*Professional: DVM, JD, MD Students

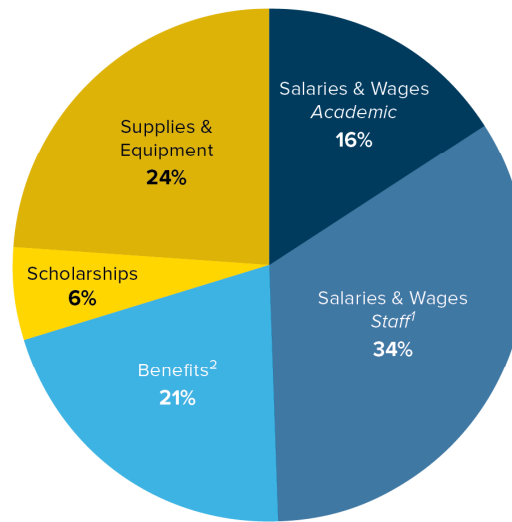
- Since 2012-13 graduate enrollment **increased by over 1,650** students.
- Largest growth seen in master's degree students.
- Tuition growth from graduate students is primarily reinvested in graduate student support programs.



# Expenditures

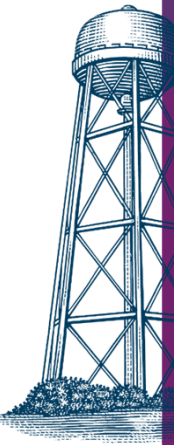
## UC Davis Operating Expenditures FY 2020-21 \$5.8 Billion

Function	Amount (Millions)	% of Total
Instruction and Academic Support	\$ 1,276	22%
Research	\$ 606	10%
Student Services and Financial Aid	\$ 475	8%
Operation and Maintenance	\$ 109	2%
Auxiliary	\$ 89	2%
Institutional Support	\$ 215	4%
Public Service	\$ 101	2%
Medical Center	\$ 2,654	46%
Depreciation/Interest Expense/Other	\$ 254	4%
<b>Total Expenses</b>	<b>\$ 5,779</b>	<b>100%</b>



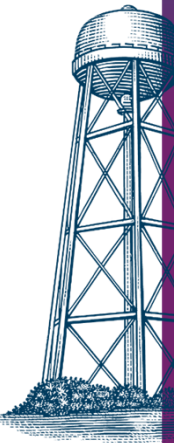
1. Includes clinical staff
2. Reduction from prior year due to changes in pension costs.

- Institutions of higher education are people-driven.
- At UC Davis, employee-driven costs were 71% of our total operating expenditures.
- Excluding the Medical Center, which has higher costs for supplies and equipment, the employee-driven costs exceed 75%.



# Funding Compact and 2030 Plan

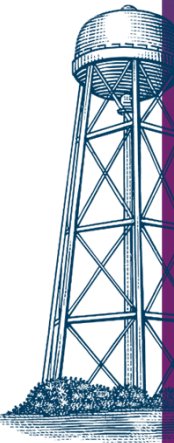
- Governor's multi-year compact to provide 5% funding increases to UC for 5 years.
  - Contingent on increasing enrollment systemwide, UC Davis does not expect additional, significant enrollment increases. Enrollment funding is *included* in the 5%.
- UC must meet goals in the following areas:
  - Student success and equitable outcomes
  - Affordability
  - Collaboration with CSU and CCC
  - Workforce preparedness
  - Increased access to online course offerings





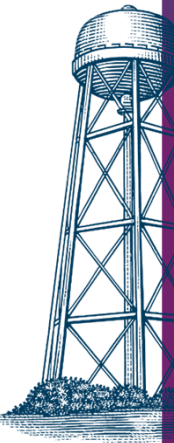
# The Challenges

- The State is an inconsistent partner and provides a shrinking share of our core funds.
- The state budget does not provide full-funding for the faculty and staff salary programs approved by the regents.
- We need to make progress on Compact goals with the funding provided.
- State capital and deferred maintenance funding is insufficient, we are increasingly using our operating budget to meet these needs.
- We have critical priorities and needs that require investment and very limited new funds to do so.
- Our *structural* core fund (state appropriations and tuition) budget remains out of balance. Ongoing, permanent actions must continue.



# Campus Budget Status

- Early in 2020, we identified a need to reduce ongoing reliance on core funds by **\$80-100 million over the next five years.**
- Established [Key Principles](#) to Guide Multi-Year Plan, Including:
  - Our commitment to students' success and experience will not be compromised.
  - The good of the university as a whole drives the discussion of resource allocation adjustments.
  - Administration and faculty have shared responsibility and accountability to support responsible financial management.
- Established Budget Framework [Advisory Committee](#) to provide feedback and guidance on approach.
- Established Unit & Campus [Savings Targets](#) totaling \$70 million and launched [Revenue Generation and Institutional Savings Task Force](#) to identify \$50 million in ongoing net revenue and/or savings.

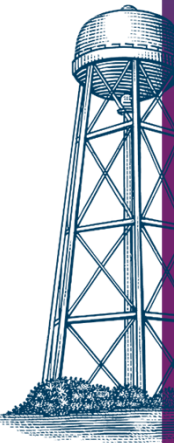


# Core Funds Savings Targets: Year 3 Status

## Central Campus Savings Target



## Unit Savings Target



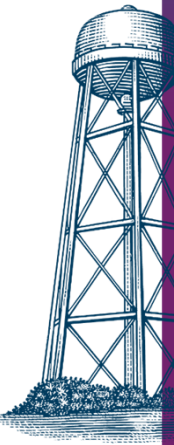


**Student Fees:  
Authority, Budgeting and CPI**

# Authority Over Student Fees: Overview

## UC Regents approve:

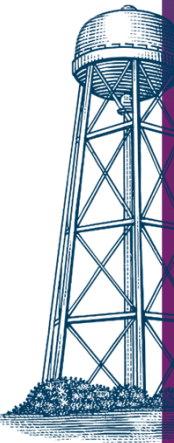
- Tuition
- Nonresident Supplemental Tuition
- Professional Degree Supplemental Tuition
- Student Services Fee
- Compulsory Campus-Based Life Safety Fees
- Summer Session Per-Unit Rates for UC Students (based on approved Tuition and SSF)



# Authority Over Student Fees: Overview

## The UC President Approves:

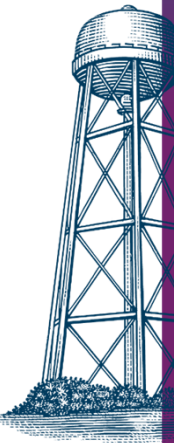
- Self-Supporting Graduate Professional Degree Program Fees
- Compulsory Campus-Based Student Referenda Fees
- Other fees, fines and deposits charged to students that are not approved by the Regents or the campuses, such as Application Fee, Filing Fee, Intent to Register Fee, etc.



# Authority Over Student Fees: Overview

## Campuses (Chancellors) Approve:

- Course Materials and Services Fees
- Voluntary Campus-Based Fees
- Summer Session Per-Unit Rates for Non-UC Students
- University Extension Fees
- Miscellaneous Student Fees, such as New Student Orientation Fee, Document Fee, etc.
- Administrative service charges and penalties, such as Late Payment of Fees, Overdue Book Fines, etc.



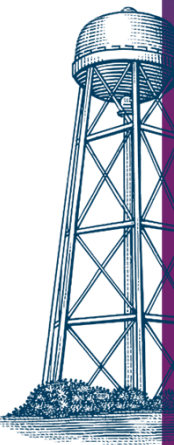
# COSAF's Role

Advise the Provost and Chancellor via the Vice Chancellor of Student Affairs and the Vice Chancellor of Finance, Operations, and Administration regarding the **use of the Student Services Fee (SSF)**.

Provide input to referendum sponsors on draft ballot language to create a **new compulsory campus-based fee**.

Advise the Provost and Chancellor via the Vice Chancellor of Student Affairs and the Vice Chancellor of Finance, Operations, and Administration regarding the **use of and, where applicable, annual CPI adjustments to, the following campus-based fees:**

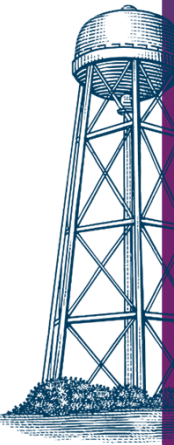
- Associated Students of UC Davis (ASUCD)
- Facilities and Campus Enhancements (FACE)
- Student Activities and Services Initiative (SASI)
- Graduate Student Association (GSA)
- Legal Education Enhancement and Access Program (LEEAP)
- Campus Expansion Initiative (CEI)
- The Green Initiative Fund (TGIF)





# Student Fee Revenue

Fees Reviewed by COSAF	2021-22 Revenue <i>in millions</i>
Student Services Fee	\$37.9
Campus Expansion Initiative (CEI) Fee	\$21.8
Facilities and Campus Enhancements (FACE) Fee	\$18.1
Student Activities and Services Initiative (SASI) Fee	\$13.0
Associated Students of UC Davis (ASUCD) Fee	\$6.8
Legal Education Enhancement and Access Program (LEEAP) Fee	\$0.3
Graduate Student Association (GSA) Fee	\$0.2
<b>Total Revenue</b>	<b>\$98.1</b>



# Budgeting for SSF and Campus-Based Student Referenda Fees

## Sources (Revenue)

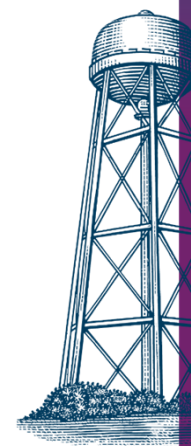
*amount of the fee x number of students who pay the fee*

- Campus-based student referenda fee revenue is allocated on a formulaic basis to specific programs, mostly within Student Affairs and Intercollegiate Athletics.
- Student Services Fee revenue is not allocated on a formulaic basis and is allocated to a variety of units across campus.

## Uses (Expenses)

*costs to provide services and maintain facilities*

- Expenses are primarily for labor – student and staff positions. Costs increase every year as hourly wages, salaries, and benefit costs rise.
- Demand for services increases as student enrollment grows and new priorities emerge.

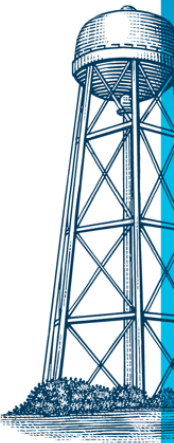


# Budgeting for SSF and Campus-Based Student Referenda Fees

**If sources are greater than uses**, then decisions can be made about growing/enhancing programs or making strategic investments such as expanding or renovating facilities.

**If uses are greater than sources**, then decisions need to be made to bring expenditures in line with revenues while maintaining core services.

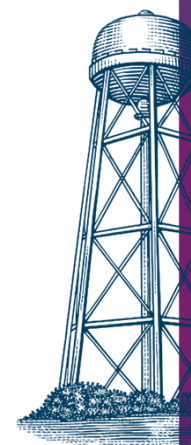
The scenarios above can be either **structural** (ongoing) or **one-time**. For example, money you receive as a gift on your birthday is **one-time**, while your monthly paycheck is **structural** (ongoing). If you routinely cannot pay your rent/bills with your monthly paycheck, that is a **structural** deficit. If your monthly expenses are greater than your paycheck one month because you bought a new TV, that is a **one-time** deficit.



# Budgeting for SSF and Campus-Based Student Referenda Fees

## *Example Fee*

	Unit A	Unit B	Unit C	Total
Total Sources	\$12,000,000	\$1,000,000	\$100,000	<b>\$13,100,000</b>
Total Uses	\$11,500,000	\$1,000,000	\$110,000	<b>\$12,610,000</b>
<b>Contribution to Reserve</b>	<b>\$500,000</b>	<b>\$0</b>	<b>-\$10,000</b>	<b>\$490,000</b>



# Why Are CPI Adjustments Important?

- **Consumer Price Index (CPI)**

CPI is a rate that measures change in prices for consumer goods and services.

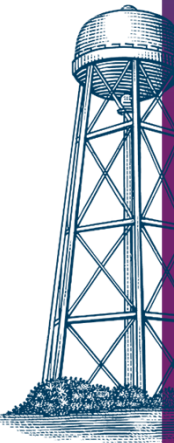
- **CPI and Student Referenda Fees**

Some student referenda fees can be increased on an annual basis by the CPI. These adjustments are intended to help sources keep up with increasing uses, with the ultimate goal of maintaining the programs that fees support.

COSAF advises the Provost and Chancellor via the Vice Chancellor of Student Affairs and the Vice Chancellor of Finance, Operations, and Administration on whether eligible fees should be adjusted by the CPI rate.

- **What does a decision NOT to adjust by the CPI rate mean?**

This would essentially be a budget cut to the program. Other funding sources would need to be identified and/or reductions to the program would be required.



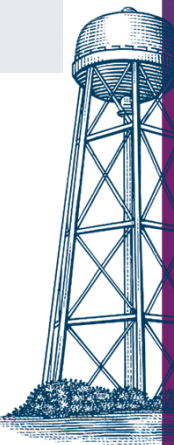
# Resources

The screenshot shows the UC Davis Finance & Business website. The header includes the UC Davis logo and navigation links for Student Resources, BIA, Finance, OBT, Supply Chain, UP3, and Systems. A search bar is also present. Below the header, there is a purple navigation bar with links for Staff Directory, Forms, Org Chart, and About Us. The main content area features a large image of students sitting on steps in front of a building. A blue banner with the word "Budget" is overlaid on the image. Below the image, the breadcrumb trail reads "Home > BIA > Budget". The text below the image states: "The UC Davis Budget team is committed to efficient and effective management of the university's operating budget resources. By providing financial analysis, planning frameworks and tools, decision support for campus leadership, and guidance to campus units, we enable our partners to be effective stewards of university resources."

The screenshot shows the UC Davis Finance & Business website. The header includes the UC Davis logo and navigation links for Student Resources, BIA, Finance, OBT, Supply Chain, UP3, and Systems. A search bar is also present. Below the header, there is a blue banner with the text "Tuition & Fees". The breadcrumb trail reads "Finance & Business > Student Resources > Tuition & Fees". The main content area features a section titled "2020-21 Tuition and Fees" with a sub-header. The text below the sub-header states: "The tuition, fees, and charges posted here are estimates based on currently approved amounts. These figures may not be final: **actual tuition, fees, and charges are subject to change by the Regents of the University of California or, as authorized, by the President of the University of California.** Accordingly, final approved levels and charges may differ from the amounts shown." Below this text, there is a paragraph: "Some or all instruction for all or part of Academic Year 2020-21 may be delivered remotely. Tuition and mandatory fees have been set regardless of the method of instruction and will not be refunded in the event instruction occurs remotely for any part of the Academic Year." At the bottom of the page, there are four small images: a cartoon character, a building, a group of students, and a group of people.

[financeandbusiness.ucdavis.edu/bia/budget](https://financeandbusiness.ucdavis.edu/bia/budget)

[financeandbusiness.ucdavis.edu/student-resources/tuition-fees](https://financeandbusiness.ucdavis.edu/student-resources/tuition-fees)





THANK YOU  
THANK YOU  
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**THANK YOU**

for all you are doing  
for UC Davis!

