Budget Overview:
Council on Student Affairs and Fees

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• 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

53% Campus

47% Medical Center

2021–22 Budgeted Revenue Excluding Medical Center
$3.3 Billion

State Unrestricted 13% ($448M)
Tuition 19% ($615M)
Grants and Contracts 18%
Sales and Service, Auxiliary 18%
Indirect Cost Recovery 5%
Federal Pell Grants 2%
Gifts, Endowments, Interest, Other 17%
State Designated and Restricted 1%
Student Fees 6%
State Unrestricted and Tuition 32% ($1.06 Billion)
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

- 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

- 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

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

- 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%.

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

<table>
<thead>
<tr>
<th>YEAR 1 GOAL</th>
<th>YEAR 2 GOAL</th>
<th>YEAR 3 GOAL</th>
<th>YEAR 5 GOAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5M</td>
<td>$10M</td>
<td>$15M</td>
<td>$25M</td>
</tr>
</tbody>
</table>

$20M ongoing

Unit Savings Target

<table>
<thead>
<tr>
<th>YEAR 1 GOAL</th>
<th>YEAR 2 GOAL</th>
<th>YEAR 3 GOAL</th>
<th>YEAR 4 GOAL</th>
<th>YEAR 5 GOAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9M</td>
<td>$18M</td>
<td>$27M</td>
<td>$36M</td>
<td>$45M</td>
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</tbody>
</table>

$29M ongoing

$1.7M one-time

TO DATE

$20M

$30.7M
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)
<table>
<thead>
<tr>
<th>Fees Reviewed by COSAF</th>
<th>2021-22 Revenue in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Services Fee</td>
<td>$37.9</td>
</tr>
<tr>
<td>Campus Expansion Initiative (CEI) Fee</td>
<td>$21.8</td>
</tr>
<tr>
<td>Facilities and Campus Enhancements (FACE) Fee</td>
<td>$18.1</td>
</tr>
<tr>
<td>Student Activities and Services Initiative (SASI) Fee</td>
<td>$13.0</td>
</tr>
<tr>
<td>Associated Students of UC Davis (ASUCD) Fee</td>
<td>$6.8</td>
</tr>
<tr>
<td>Legal Education Enhancement and Access Program (LEEAP) Fee</td>
<td>$0.3</td>
</tr>
<tr>
<td>Graduate Student Association (GSA) Fee</td>
<td>$0.2</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$98.1</strong></td>
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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.
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**

<table>
<thead>
<tr>
<th></th>
<th>Unit A</th>
<th>Unit B</th>
<th>Unit C</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Sources</strong></td>
<td>$12,000,000</td>
<td>$1,000,000</td>
<td>$100,000</td>
<td><strong>$13,100,000</strong></td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>$11,500,000</td>
<td>$1,000,000</td>
<td>$110,000</td>
<td><strong>$12,610,000</strong></td>
</tr>
<tr>
<td><strong>Contribution to Reserve</strong></td>
<td><strong>$500,000</strong></td>
<td><strong>$0</strong></td>
<td><strong>-$10,000</strong></td>
<td><strong>$490,000</strong></td>
</tr>
</tbody>
</table>
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.
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.

financeandbusiness.ucdavis.edu/bia/budget

financeandbusiness.ucdavis.edu/student-resources/tuition-fees
THANK YOU
THANK YOU
THANK YOU
for all you are doing for UC Davis!