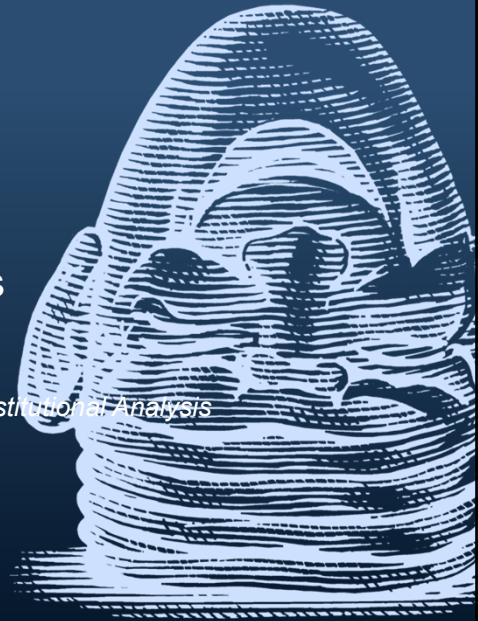


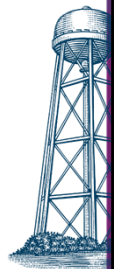
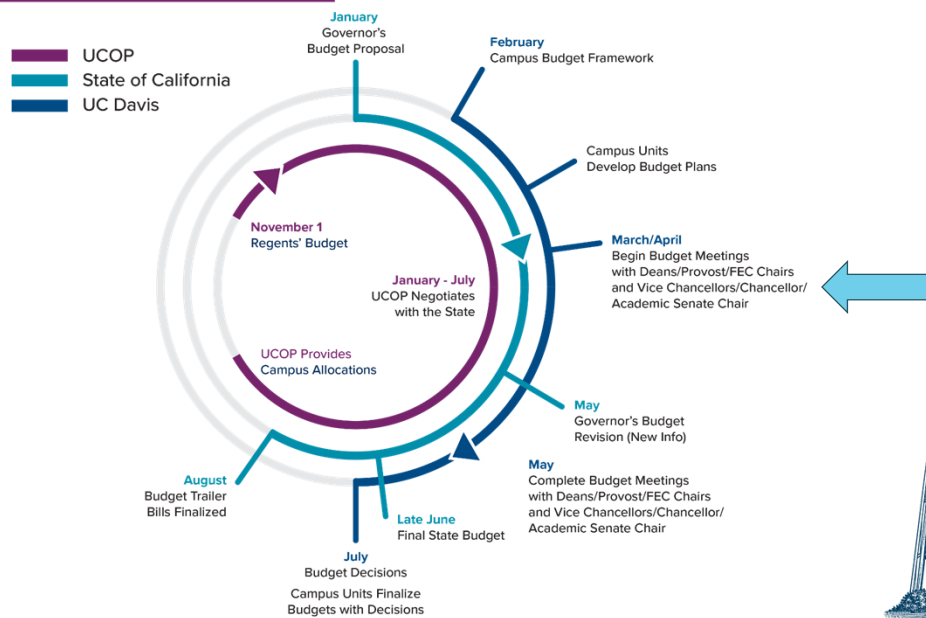
Campus Budget Update: Council on Student Affairs and Fees

April 25, 2025

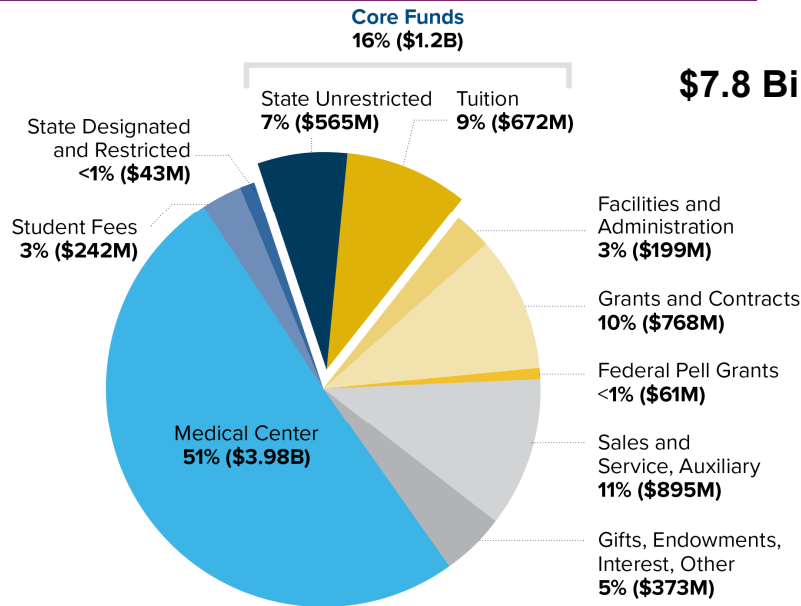
Sarah Mangum, Associate Vice Chancellor, Budget & Institutional Analysis



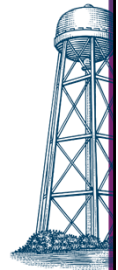
Budget Planning Cycle



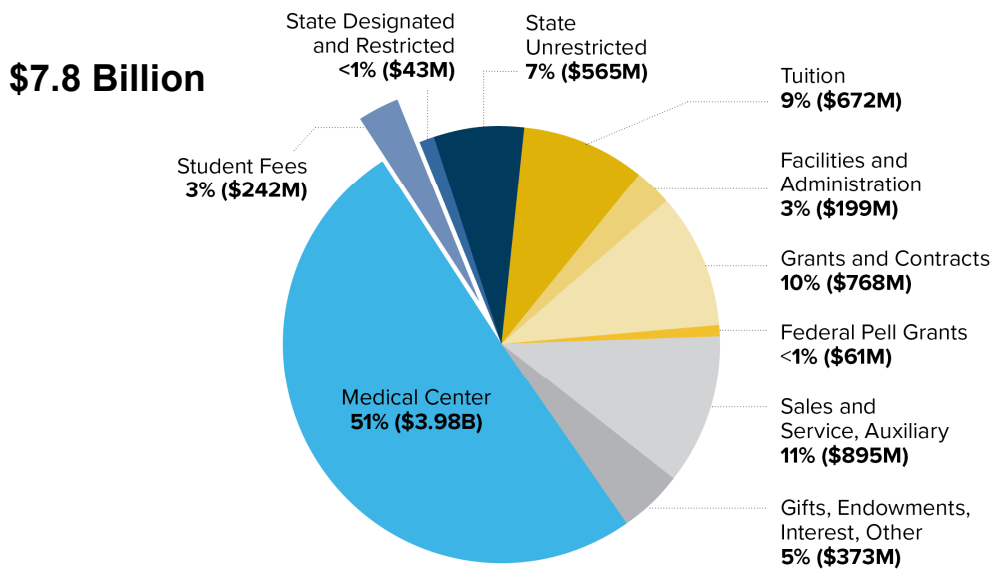
Revenue: Core Funds, 2024-25 Budgeted



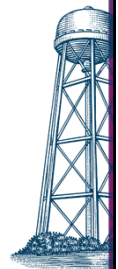
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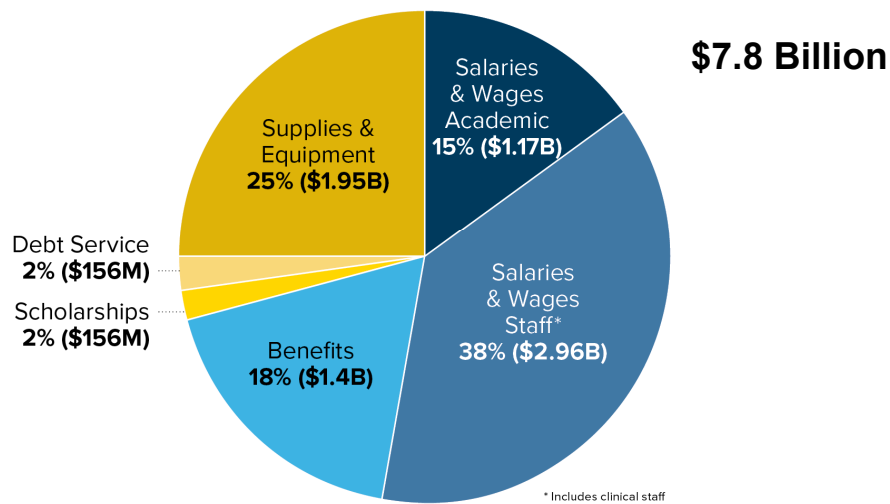
Revenue: Student Fees, 2024-25 Budgeted



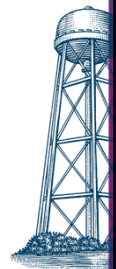
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UC Davis Expenditures: 2023-24 Actuals



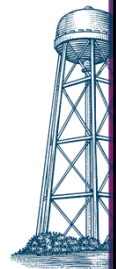
5



Funding Compact Between UC and Governor

- Governor's multi-year [compact](#) was to provide 5% state funding increases to UC for 5 years (through fiscal year 2026-27).
 - Contingent on increasing CA resident undergraduate enrollment systemwide by 8,000. 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
- UC is meeting compact enrollment goals and making progress on other areas.

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Key State and University Budget Process Information

- The State projected a \$47 billion deficit in 2024-25.
- In June 2024 the Legislature and Governor agreed on a two-year budget plan that defers compact commitments and reduces funding to UC by 7.95% in 2025-26.
- In November 2024 the Regents submitted a budget to the state asking them not to defer the compact or reduce UC funding.
- January 2025 Governor's Budget proposal maintains the deferrals and reductions included in the two-year budget plan.

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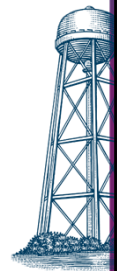


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Key State and University Budget Process Information

- Statements from the Governor in January indicated that state now has a “surplus.” At that time, tax receipts are expected to be higher than projected, but. . .
 - Surplus is calculated after accounting for implementing 2-year plan, which included reductions to higher education.
 - Surplus includes use of some state reserves.
 - There are legal requirements that if revenues are higher, K-12 education must be first to receive some of those funds.
 - *These statements and the Governor's Budget Proposal happened before the fires in Los Angeles and before the federal actions.*
- Expect next update in May.

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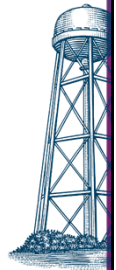


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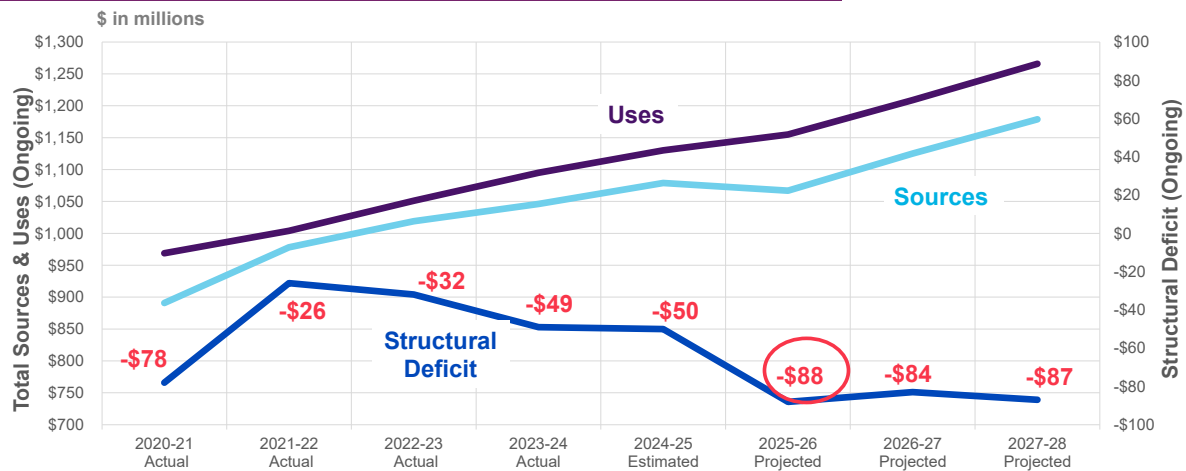
Multi-Year State Budget Plan for UC

Incremental Ongoing State Funding for General Operations, UC System, \$ in millions

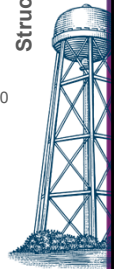
	Actual 2024-25	Per GB 2025-26	Projected 2026-27	Cumulative Total
2024-25 Compact	\$227.8			\$227.8
2025-26 Compact		deferred	\$240.8	\$240.8
2026-27 Compact			deferred	deferred
Base Budget Cut/Restoration	\$(125.0)	\$125.0		\$-
7.95% Cut to Base Budget		\$(396.6)		\$(396.6)
Total Incremental Ongoing Funding	\$102.8	\$(271.6)	\$240.8	\$72.0
Year-Over-Year % Change	2.3%	-5.7%	5.3%	1.6%
Estimated UC Davis Share	\$13.5	\$(37.1)	\$32.9	\$9.3
Year-Over-Year % Change, Davis	2.7%	-7.1%	6.8%	1.8%



Core Fund Multi-Year Projections



	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimated	2025-26 Projected	2026-27 Projected	2027-28 Projected
Year-End Reserves/Debt (One-Time)	-\$31	-\$49	-\$64	-\$47	-\$26	-\$91	-\$175	-\$263



Key Drivers of Projections & Context

- Context: \$90M structural deficit is ~7.3% of FY26 core funds and ~1.2% of all funds/
- Projections Include:
 - \$108M in savings targets allocated between 2020-2026.
 - State funding proposed in Governor's Budget: compact deferral and reduction.
 - Tuition rate increases per Regents cohort-based tuition program.
 - Some undergraduate enrollment growth consistent with the compact and some nonresident enrollment growth to get to 18% cap.
 - Salary and benefit cost increases for faculty, academic employees, and staff. Final decisions expected from UCOP in late Spring.

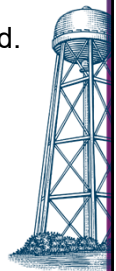
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What We Are Doing

- Also now facing significant uncertainty in our federal funding for Contracts & Grants and Facilities & Administration Funds.
- All units were being [asked to develop plans for strategic program reductions](#), eliminations, consolidations, etc. equal to 10% of COFI and Student Service Fee Funds.
- This is a planning exercise, not a decision to implement 10% reductions across-the-board.
- This effort is *in addition* to prior savings targets that were allocated across-the-board. Those must still be met.
- Plans will be reviewed by BIA, campus leadership, and during campus budget meetings. Final decisions about what reductions are implemented will be made at the end of the process, July timeframe. Some may be multi-year implementations.

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Recent Communications

[Strategic Budget Planning For Fiscal Sustainability](#)

Issued February 20th by the Chancellor and Provost to Deans and Vice Chancellors

[2025-2026 Budget Framework Planning Guidelines](#)

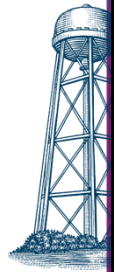
Issued March 3rd by Associate Vice Chancellor Mangum to Assistant Deans and Chief Operating Officers

[Budget Reductions and Planning for 2025-26 Fiscal Year](#)

Issued March 5th by Provost Croughan to the Faculty

[Navigating Current Challenges Together](#)

Issued March 12th by VC Shinnerl and CHRO Kenber to Assistant Deans and Chief Operating Officers, forwarding encouraged



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Questions

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Appendix

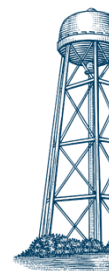
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UC Davis Core Funds Budget Deficit

**UC Davis
Budget
Deficit in
5 Minutes**



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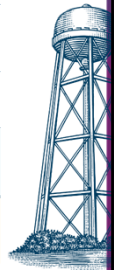
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Incremental Funding vs. Compensation Costs on Core Funds: Primary Driver

\$ in 000's	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Estimate	2025-26 Estimate
Tuition Revenue Net of Aid	\$15,240	\$958	\$6,074	\$23,131	\$24,829
State Appropriations	\$24,281	\$30,584	\$22,418	\$13,145	(\$37,100)
Annual Change in Sources	\$39,521	\$31,542	\$28,492	\$36,276	(\$12,271)
Ladder Rank Faculty	\$18,520	\$29,097	\$28,107	\$28,260	\$25,775
All Other Faculty & Academic Employees	\$2,642	\$2,106	\$11,171	\$11,203	\$5,345
Staff	\$13,035	\$14,456	\$16,316	\$19,726	\$18,535
Annual Change in Salary & Benefits	\$34,197	\$45,659	\$55,594	\$59,189	\$49,655
Funding Surplus/ (Shortfall)	\$5,324	(\$14,117)	(\$27,102)	(\$22,913)	(\$61,926)

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Core Funds Savings Targets: 5 Year Status

Central Campus Savings Target

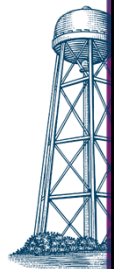


Unit Savings Target



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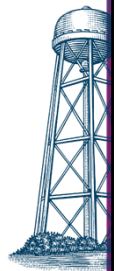
Actions to Date Since 2020

- Early in 2020, we identified a need to reduce ongoing reliance on core funds by **\$80-100 million over five years, this amount is monitored and has changed over time primarily due to state actions, salary programs, and enrollment changes.**
- Established [Budget Framework Advisory Committee](#) to provide feedback and guidance on approach.
- Established Unit & Campus [Savings Targets](#) totaling \$108 million in ongoing savings to be achieved by 2025-26. To date met almost \$84M of this target.
- Did not accept new budget requests during 2023-24 and 2024-25 budget process, saved over \$7 million compared to plan (part of \$84M).
- Did not provide faculty start-up block grants to units in 2024-25, directing funds to mitigating one-time accrued debt. **Units authorized to hire but told to fund start-up with carryforward.**



Actions to Date Since 2020

- Allocated over \$210M of one-time central funds to mitigate accrued debt.
- In 2023-24, redirected \$45.9 million from administrative units with excessive carryforward to central campus to address one-time debt and support critical one-time needs.
- Established Space Release Program, saved over \$2 million in ongoing lease costs so far.
- [Revenue Generation and Institutional Savings Task Force](#) worked to identify \$50 million in ongoing net revenue and/or savings opportunities. Made [initial investments](#) in moving some of these forward.
- Increased focus on unit carryforward use, revenue generation, & efficiencies.



Key Central Investments that Continued in 2024-25

- Central funds for salary and benefit cost increases on core-funded employees: ~\$59 million ongoing.
- Central campus continues to fund the cost of TA fee remission and salary increases, which is increasing due to tuition rate increases and UAW contract provisions.
- Student Success: continuing to invest funds set-aside for this based on task force and START recommendations. Example: \$2.3M for additional advisors in colleges.
- Capital Program and Critical Research Infrastructure: \$3.9M
- Formulaic Budget Model Allocations



[Read: 2024-25 Budget Status and Allocations](#)

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Learn More

- [Budget and Institutional Analysis Website](#)
- [Budget Process](#) (recent communications posted here)
- [Budget Framework](#) (video is here)
- [Budget Model](#) (formulaic revenue allocations)
- [Campus Metrics and Data](#) (AggieData)
- [Unit Deficit Guidelines](#)
- [Carryforward Guidelines](#)
- [Additional Budget Resources](#)

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