UC Davis Budget Overview for the Council on Student Affairs and Fees

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Vice Chancellor - Finance, Operations and Administration

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UC Davis revenues come from many sources, but roughly 79% 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.

Note: Budgeted Revenue largely reflects planning that occurred prior to the COVID-19 pandemic. As a result, actual revenue is expected to be lower in a number of categories and higher in some due to federal stimulus funds.
This view is adjusted to reflect the budgeted revenue excluding the Medical Center, which accounts for approximately 45% of the total.

Note: Budgeted Revenue largely reflects planning that occurred prior to the COVID-19 pandemic. As a result, actual revenue is expected to be lower in a number of categories and higher in some due to federal stimulus funds.
Since 2011-12 undergraduate enrollment increased by about 6,000 students.

Proportion of national/international students increased from 4% to ~18%.

In 2018, the UC Regents capped nonresident enrollment at 18% of the total undergraduate population at most campuses.**

2020-21 enrollment was lower than our planning target and nonresident students were about 17% of the total.

We expect that the cohort of new students in 2021-22 will exceed initial targets by 600-900 and we will be below the 18% nonresident cap.

Enrollment is significant driver of revenue.

*estimated
**Campuses that had nonresident enrollment above 18% in 2018 were allowed to maintain their higher nonresident enrollment.
Graduate Enrollment Growth & Revenue

Since 2011-12 graduate enrollment increased by over 1,350 students.

Largest growth seen in master’s degree students.

Tuition growth from graduate students is primarily reinvested in graduate student support programs.

*estimated
**Professional: DVM, JD, MD Students
Expenditures

Institutions of higher education are people-driven.

At UC Davis, employee-driven costs were 68% of our total operating expenditures.

Excluding the Medical Center, which has higher costs for supplies and equipment, the employee-driven costs exceed 70%.
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.

- **State Budget**
  - Ongoing: Restoration of ~$45 million in prior year reduction; undesignated increase of ~$21 million (~2% of core funds); designated program increases of ~$10 million
  - One-Time: $45 million deferred maintenance; $71 million designated programs
Core Fund Savings Targets: Year 2 Status

Central Campus Savings Target

YEAR 1 GOAL: $5M  \hspace{1cm} YEAR 2 GOAL: $10M  \hspace{1cm} YEAR 3 GOAL: $15M  \hspace{1cm} TO DATE: $20M  \hspace{1cm} YEAR 5 GOAL: $25M

$20M ongoing

Unit Savings Target

YEAR 1 GOAL: $9M  \hspace{1cm} YEAR 2 GOAL: $18M  \hspace{1cm} YEAR 3 GOAL: $27M  \hspace{1cm} YEAR 4 GOAL: $36M  \hspace{1cm} YEAR 5 GOAL: $45M

$21M ongoing  \hspace{1cm} $900K one-time

TO DATE: $21.9M
UC Davis experienced $338M in pandemic-related net revenue losses and increased expenses from March 2020 through June 2021.

- $223M on the Davis Campus & Schools of Health
- $165M at the Medical Center

Additional costs will be incurred to support pandemic-related response activities in Fall quarter.

Depending on the duration and severity of the pandemic, additional revenue losses are possible.

Risk for state budget reductions.
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 Candidacy 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 fees:

- 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)
- California Aggie
- The Green Initiative Fund (TGIF)
### Student Fee Revenue

<table>
<thead>
<tr>
<th>Fees Reviewed by COSAF</th>
<th>2020-21 Revenue in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Services Fee</td>
<td>$36.9</td>
</tr>
<tr>
<td>Campus Expansion Initiative (CEI) Fee</td>
<td>$21.3</td>
</tr>
<tr>
<td>Facilities and Campus Enhancements (FACE) Fee</td>
<td>$17.8</td>
</tr>
<tr>
<td>Student Activities and Services Initiative (SASI) Fee</td>
<td>$12.7</td>
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<tr>
<td>California Aggie Fee</td>
<td>$0.4</td>
</tr>
<tr>
<td>The Green Initiative Fund (TGIF) Fee</td>
<td>$0.3</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>$90</strong></td>
</tr>
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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 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.
### Budgeting for SSF and Campus-Based Student Referenda Fees

**Example: SASI Fee, 2020-21**

<table>
<thead>
<tr>
<th></th>
<th>Athletics</th>
<th>Campus Recreation</th>
<th>Cross Cultural Center</th>
<th>Women’s Resource Center</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Sources</strong></td>
<td>$11,250,000</td>
<td>$1,250,000</td>
<td>$96,000</td>
<td>$96,000</td>
<td>$12,692,000</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>$10,800,000</td>
<td>$840,000</td>
<td>$45,000</td>
<td>$91,000</td>
<td>$11,776,000</td>
</tr>
<tr>
<td><strong>Contribution to Reserve</strong></td>
<td>$450,000</td>
<td>$410,000</td>
<td>$51,000</td>
<td>$5,000</td>
<td>$916,000</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 fees should be adjusted by the CPI rate.
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!