

UCDAVIS

Finance, Operations
and Administration

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

Kelly Ratliff

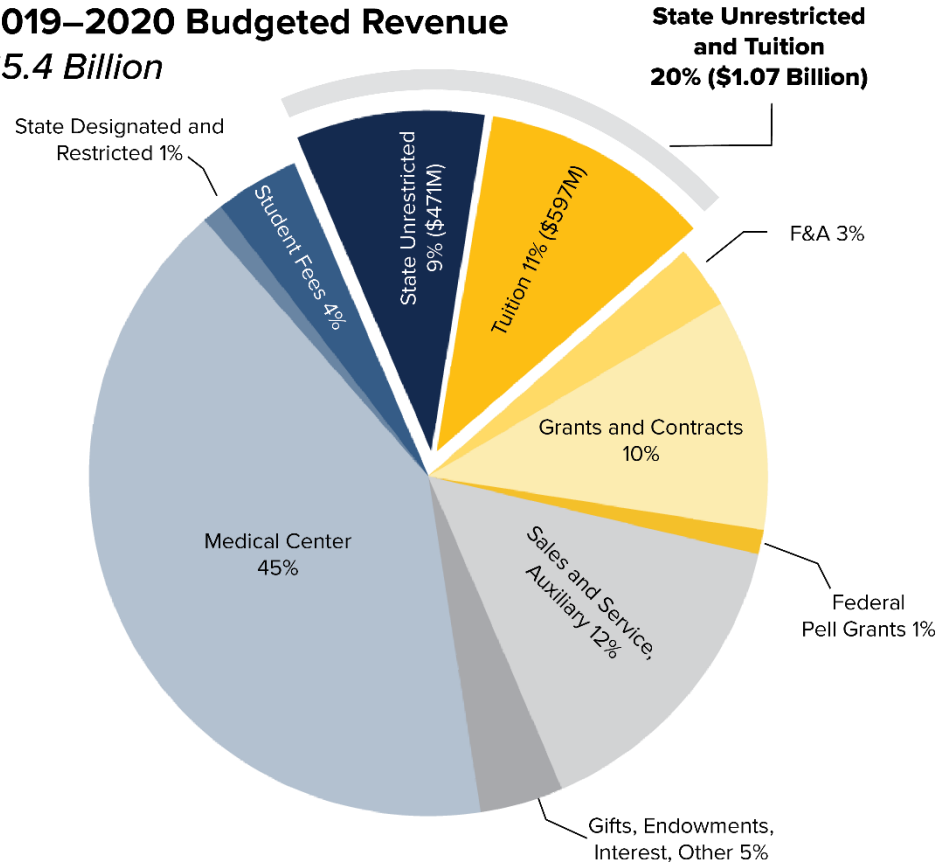
Vice Chancellor - Finance, Operations and Administration

September 29, 2020

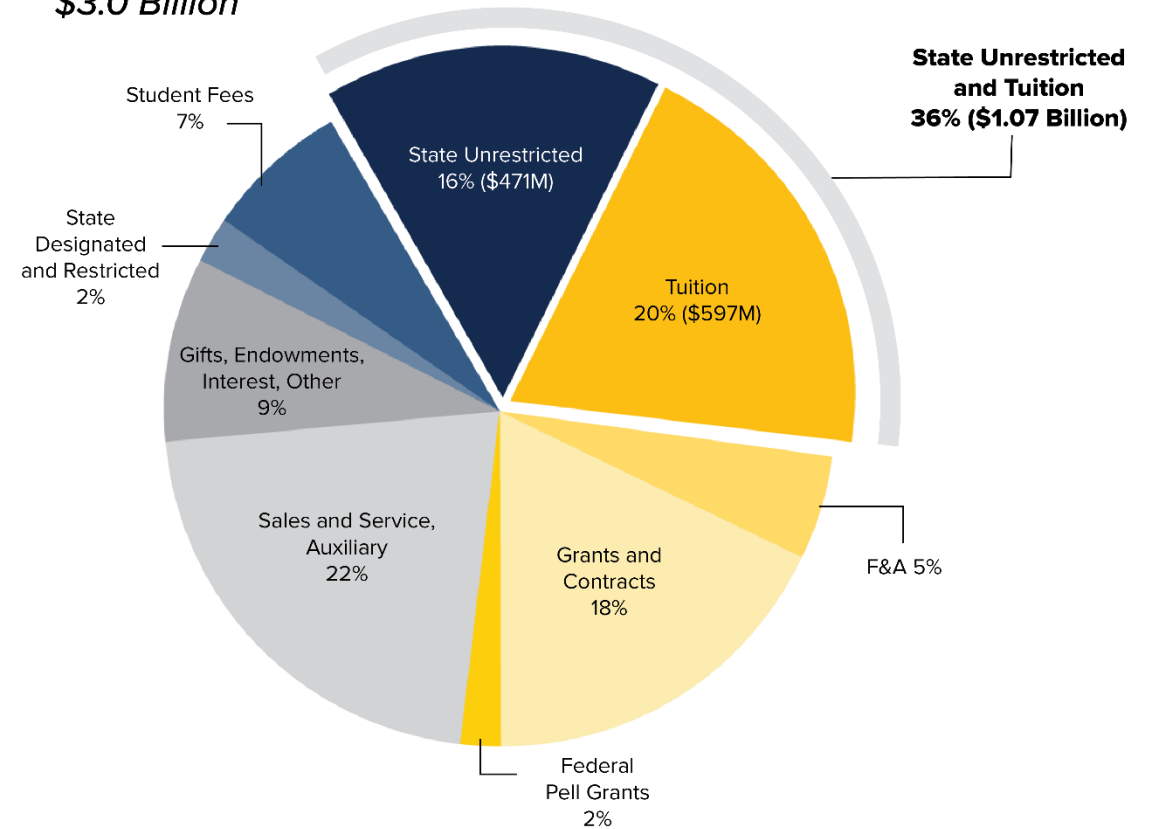


Revenue

2019–2020 Budgeted Revenue
\$5.4 Billion



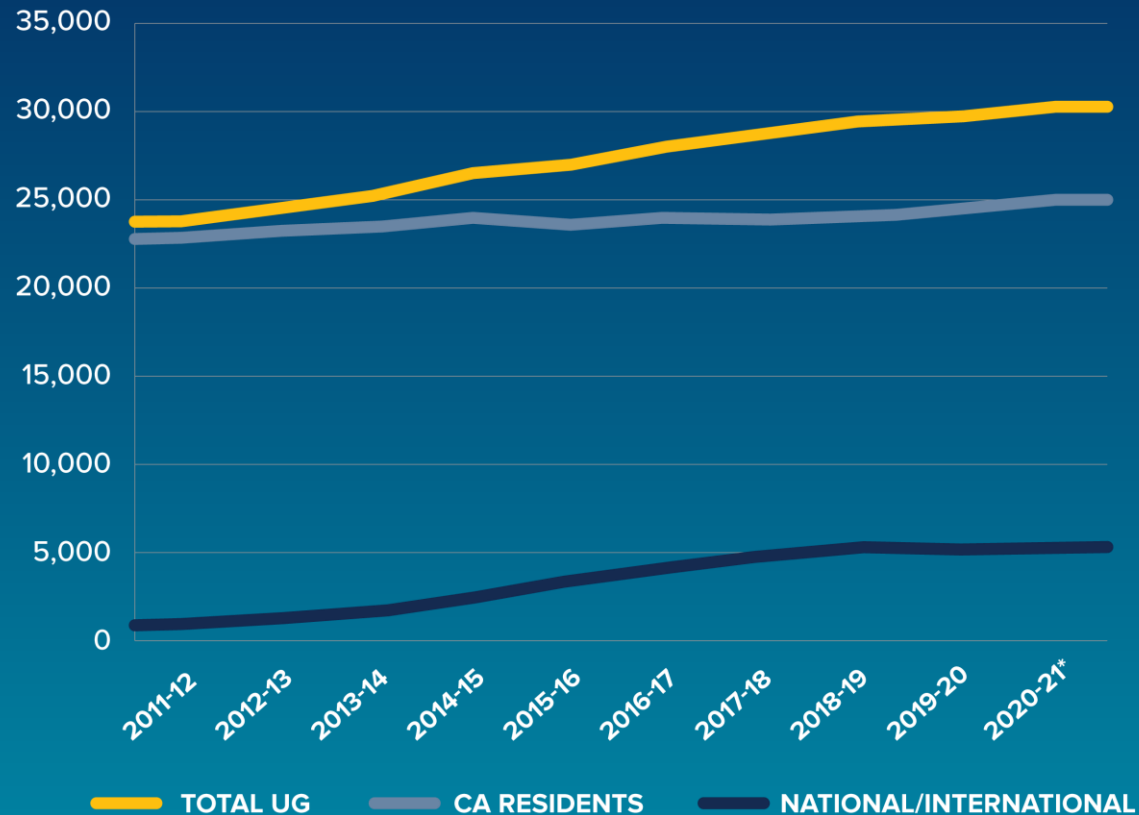
2019–2020 Budgeted Revenue Excluding Medical Center
\$3.0 Billion



Enrollment Growth & Revenue

Undergraduate Enrollment

Three-quarter average enrollment



*estimated

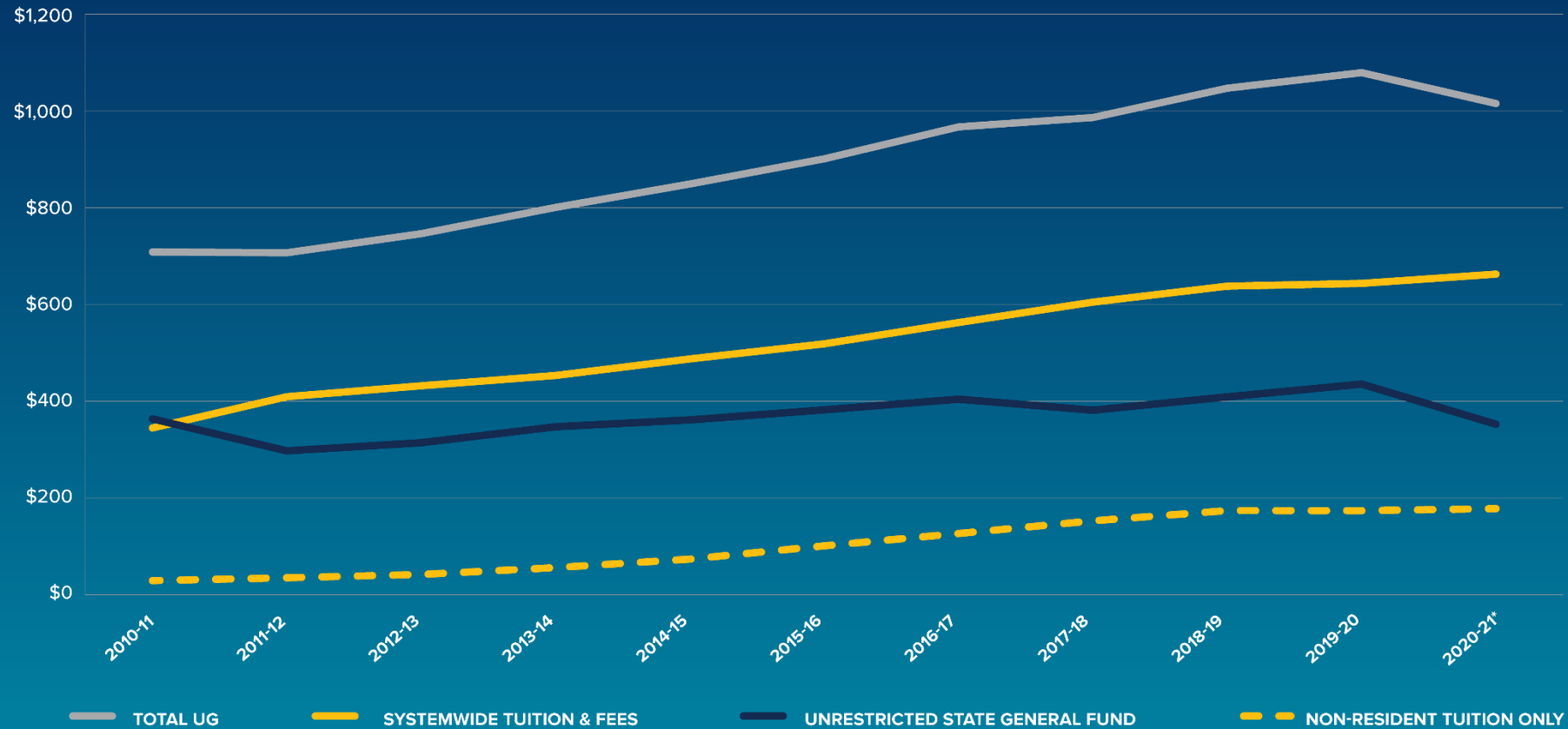
- 2020 Initiative is complete.
- Undergraduate enrollment **increased by almost 5,700** students since 2011-12.
- Proportion of national/international students **increased from 4% to 18%**.
- Campus enrollment plan is to stabilize undergraduate enrollment and limit growth in Davis. Focus on degrees and student success.
- Fall 2020 enrollment is at risk due to COVID.
- Enrollment is significant driver of revenue.



State Divestment

Unrestricted State General Funds vs. Systemwide Student Fees*

Systemwide Student Fees include: tuition, nonresident supplemental tuition, summer sessions tuition, & student services fee.



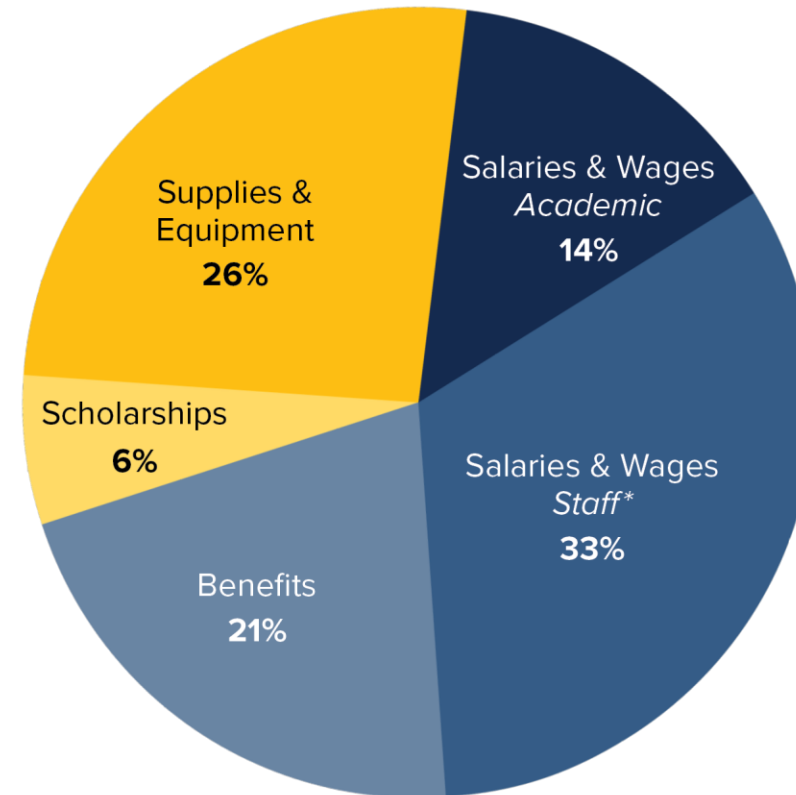
*estimated



Expenditures

UC Davis Operating Expenditures \$5.4 Billion

Function	Amount (Millions)	% of Total
Instruction and Academic Support	\$ 1,253	23%
Research	\$ 604	11%
Student Services and Financial Aid	\$ 459	9%
Operation and Maintenance	\$ 111	2%
Auxiliary	\$ 128	2%
Institutional Support	\$ 190	3%
Public Service	\$ 97	2%
Medical Center	\$ 2,257	39%
Depreciation/Interest Expense/Other	\$ 285	5%
Total Expenses	\$ 5,385	100%



* Includes clinical staff



2020-21 Facing a New Fiscal Reality

Budget Framework (pre-pandemic)

Funds that the university receives from state appropriations and tuition routinely fall short of expenses traditionally supported by these "core funds."

We need to reduce ongoing reliance on core funds by **\$80-100 million over the next five years** to:

- Sustain a balanced budget
- Maintain a responsible central reserve
- Allow UC Davis to invest in strategic priorities to meet future challenges

The COVID-19 pandemic has created additional stresses on the university's financials, making this effort even more critical than ever.



2020-21 Facing a New Fiscal Reality



Established Budget Framework **Advisory Committee** to provide feedback and guidance on approach.

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 will drive decisions.
- Administration and faculty have a shared responsibility and accountability to support responsible fiscal management.
- We will continue to make progress on the **strategic plan** goals identified in "To Boldly Go."



New Risks & Uncertainty

- UC Davis has experienced \$155M in pandemic-related losses and increased expense March-August 2020.
 - \$60M on the Davis Campus & Schools of Health
 - \$95M at the Medical Center
- Additional costs will be incurred to support new pandemic-related response activities in Fall quarter.
- Continued revenue losses expected, especially in housing
- Risk to enrollment of both new and continuing students resulting in lost tuition revenue.
- Risk to research funding and activities.
- Risk for additional 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 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

Fees Reviewed by COSAF	2019 – 20 Revenue <i>in millions</i>
Student Services Fee	\$36.8
Campus Expansion Initiative (CEI) Fee	\$20.8
Facilities and Campus Enhancements (FACE) Fee	\$17.3
Student Activities and Services Initiative (SASI) Fee	\$12.3
California Aggie Fee	\$0.4
The Green Initiative Fund (TGIF) Fee	\$0.3
Legal Education Enhancement and Access Program (LEEAP) Fee	\$0.3
Graduate Student Association (GSA) Fee	\$0.2
Total Revenue	\$88.4



Budgeting for SSF and Campus-Based Student Referenda Fees

Sources (Revenue)

amount of the fee x number of students that 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, 2019-20

	Athletics	Campus Recreation	Cross Cultural Center	Women's Resource Center	Total
Total Sources	\$10,959,000	\$1,211,000	\$93,000	\$93,000	\$12,356,000
Total Uses	\$11,000,000	\$1,172,000	\$68,000	\$92,000	\$12,323,000
Contribution to Reserve	- \$41,000	\$39,000	\$25,000	\$1,000	\$24,000



Why Are CPI Adjustments Important?

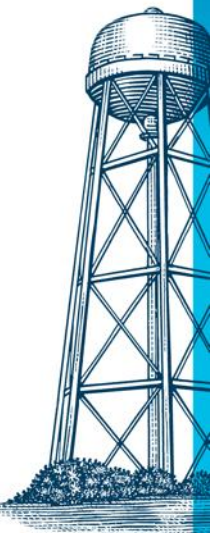
- **Consumer Price Index (CPI)**

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

The screenshot shows the UC Davis Finance & Business website. The header includes the UC Davis logo, the title "Finance & Business", and a "Systems LOGIN" button. A navigation menu contains "STUDENT RESOURCES", "BIA", "FINANCE", "OBT", "SUPPLY CHAIN", "UP3", and "SYSTEMS". A secondary menu has "STAFF DIRECTORY", "FORMS", "ORG CHART", and "ABOUT US". The main content area features a large image of students on a campus staircase, a "Budget" section header, and a breadcrumb trail: "Home > BIA > Budget". The text below reads: "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's Tuition & Fees page. The header is identical to the previous screenshot. The main content area has a "Tuition & Fees" section header and a breadcrumb trail: "Finance & Business > Student Resources > Tuition & Fees". The text includes: "2020-21 Tuition and Fees", "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.", and "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." Below the text are four small images: a mascot character, a "GETTING CAMPUS READY STUDENT FAQ" graphic, a building, and a group of students.

financeandbusiness.ucdavis.edu/bia/budget

financeandbusiness.ucdavis.edu/student-resources/tuition-fees



THANK YOU
THANK YOU
THANK YOU
THANK YOU

**for all you are doing
for UC Davis!**

