Provost’s Leadership Academy

UC Budget: Process and Challenges

Martha Graciano
Interim Campus Planning and Budget Officer and Assistant Vice Chancellor
UCI Planning and Budget | October 2017
State Appropriation and Tuition Revenues

UCI in Context

GLOBAL
FEDERAL
STATE
UC

October 2017
UCI Planning and Budget 2
How UCI Fits In, as of Fall 2016

- **10** Campuses
- **5** Medical Centers
- **3** National Laboratories
- **270,112** Enrollment Headcount
- **156,009** Employee FTE
- **$30B** Revenues
How UCI Fits In, as of Fall 2016

- **10** Campuses
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- **270,112** Enrollment Headcount
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UCI Revenues by Fund Source | FY2017, $2.94B

- Tuition & Fees: 18%
- Educational Activities: 10%
- State Appropriations: 10%
- Federal Government: 9%
- Auxiliary Enterprises: 7%
- Private Gifts, Grants and Contracts: 4%
- State Contract & Grants: 1%
- Other Sources: 4%
- Teaching Hospitals: 38%
THEN

- Private
- Tuition and Fees
- Research
- State Funding

NOW

- Private
- Tuition and Fees
- Research
- State Funding
Higher Education as a Priority in California?

14% 5% 1970-71 2014-15

October 2017 UCI Planning and Budget
Percent Change in State Support for Public Higher Education

Source: Public Research Universities: Changes in State Funding
(American Academy of Arts & Sciences, 2015)
UC Budget Development Cycle

January

Regents Approve Budget Request

President Meets With Dept. of Finance

UC Drafts Budget Request

Legislative Analyst Recommendations

Subcommittee Hearings

May Revision Budget

Conference Committee

July

Line Item Veto and Governor’s Signature

October 2017

UCI Planning and Budget
### UCOP Distribution of Funds to UCI

<table>
<thead>
<tr>
<th>Distribution of State Resources</th>
<th>Prior to 2011-12</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14 to Today</th>
</tr>
</thead>
<tbody>
<tr>
<td>All state funds flowed through OP and were allocated for enrollment growth, targeted programs, and inflation.</td>
<td>UC transitions to a new model referred to as <strong>funding streams</strong>, based on share of total state general fund and tuition budgets.</td>
<td>UC adopts <strong>re-benching</strong> model, which set aside a portion of new state funds to minimize the difference in state dollars per student at each campus.</td>
<td>Allocations based on each campus’s share of <strong>total weighted enrollment</strong>.</td>
<td></td>
</tr>
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<th>Distribution of Non-State Revenues</th>
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<td>Campuses retain a <strong>portion</strong> of revenues they generate.</td>
<td>Campuses retain <strong>100%</strong> of revenues they generate.</td>
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<th>Funding for OP, OP-Managed Programs, and Select System wide Priorities</th>
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<td>Activities funded through a combination of general fund resources and restricted funds.</td>
<td>Each campus pays an assessment of their total expenditures.</td>
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<td>Each campus pays an assessment based on their share of expenditures, enrollment, and staff FTE.</td>
<td></td>
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</table>
What can be done differently?

- Philanthropy
- Research grant and contract awards
- Operational efficiencies
- Entrepreneurial efforts by campus units
- Reallocation
- Community partnerships
- Increase indirect cost recovery rate
- Timing of implementation
With an awareness of financial capacity and strategic priorities, units can make hard decisions and adapt to a changing culture.
Discussion