Budget Overview

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Understanding the budget as three components

**The Budget**: How big is the “pie” and what do the colors mean? [All Funds Budget Overview]

2. **The Budget Process**: How is information shared, what are the assumptions and how are decisions made?

3. **The Budget Model**: What internal mechanisms does the university used to allocate specific revenue streams?
Budget trends: General Funds and Tuition

2007-08

*Enrollment*
- 29,572
- 7% U/G NR

*Fee Level*
- CA: $8,124
- NR: $27,744

2017-18

*Enrollment*
- 36,400
- 17% U/G NR

*Fee Level*
- CA: $14,419
- NR: $42,433

*Unrestricted State General Fund vs. Systemwide Student Fees* [Graph]

*Systemwide Student Fees include: tuition, nonresident supplemental tuition, summer sessions tuition, & student service fee*
Budget trends: Growing Research Funding

Extramural Awards by Source ($ Millions)

- Other
- State of California
- Federal Government

ICR Generated

2006-07: $0
2007-08: $0
2008-09: $0
2009-10: $0
2010-11: $0
2011-12: $0
2012-13: $0
2013-14: $0
2014-15: $0
2015-16: $0
2016-17: $0

UCDavis
Budget trends: Growing Philanthropy

Annual Gift Totals

Millions

$- $50.00 $100.00 $150.00 $200.00 $250.00 $300.00 $350.00 $400.00 $450.00


Gift-Cash Value  Gift-Value (includes pledges)
The Budget Process

**Primary Elements managed by Provost/EVC and Central Budget Office:**

(1) Operating Budget – income and expense for a particular year
(2) Faculty recruitment authorization
(3) Enrollment plans

**Campus Budget process at level of dean and vice chancellor**

Budget offices works closely with assistant deans and chief operating officers.

Annual academic meetings include: Provost/EVC, Dean, Faculty Executive Committee Chair (FEC), Assistant Dean, VC—FOA, BIA

Annual vice chancellor meetings include above plus Chancellor and Senate Chair instead of FEC Chair
The Budget Process
Calendar

*Timing is closely tied to State budget process*
November = Regents action on State budget request and tuition (though has been lagging);
January = Governor’s budget proposal
February = Campus planning letter with preliminary allocations and call for faculty hiring
March = Campus budget meeting with President
May = Governor’s May Revise
mid-to-late June = State budget adopted
August = Campus final letter with budget decisions
September to November = OP budget decisions communicated
The Budget Process
Authority

**Substantial budget authority is outside of the campus**

Tuition, student service fees, non-resident supplement, professional supplement = Regents

Benefits, UC Retirement System funding ratio = Regents

Benefits, health and other fringe benefits = President

Salary, represented staff = Collective bargaining process = President

Salary, ladder faculty = President for annual cost of living/equity; Campus vis-à-vis Senate process for merit and promotions; Provost for parity; Dean (with Vice Provost – Academic Affairs) for individual salaries at hire and retention

Salary, non-represented staff and other academics = President

New student enrollments, resident undergraduate = President (annual negotiation with State)

New student enrollments, national and international undergraduates = Regents
The Budget Process
Key Policy decisions

_Campus budget process reflects hybrid model and distributed resources_

Budget model is formulaic

Annual framework plan considers set-aside for line-item investments (capital and operating); treatment of fixed salary cost increases for core funded staff (full, partial or no central funding); faculty resource investments; adjustments to budget model.

Faculty hiring: Separate annual process sets hiring authority for deans and start-up fund allocations.

Enrollment: Separate annual process sets new student targets for total (freshmen, transfers and percent national/international) and new student targets for deans (freshmen, transfer)
UC Davis Budget Model

**Key Principles**

- Create incentives to advance campus goals
- Transparency and Simplicity
- Balance local autonomy with campus vision
- Transition and bridging strategies

**Modules**

- Primary = Undergraduate tuition, research Facilities & Administration funds, Faculty resources, Provost allocation
- Smaller and specialized = Graduate and Masters tuition, summer tuition, patent revenue, investment income
- Internal axes and assessments

**How it Works (Briefly)**

- Revenue allocations
- Hybrid: mix of formulas & incremental decisions
- Allocations to deans: departmental allocations determined within unit
- Allocation methodology differs by revenue source
  - percent allocated to deans/provost;
  - factors used to allocate
- Ability to adjust
Budget Model Source, Authority, and Use

**Revenue Sources**
- State Appropriation

**Spending Authority**
- Provost
  - Tuition: undergraduate, graduate, summer
    - Indirect Cost Recovery
- School/College/Division

**Spending Uses**
- Administrative & Academic Support Units
  - Fixed Costs
    - Salary
    - Benefits
    - OP Tax
  - Other Priorities
    - Start-ups
    - Capital
    - Graduate Student Support
    - Student success investments
    - Research infrastructure

- Faculty Positions
  - Faculty
    - Faculty merits
    - HIP
    - CAMPOS

- Faculty Positions
  - Instruction
    - TAs
    - Lecturers
    - Readers
    - Advisors
    - Student success investments
  - Fixed Costs
    - Staff salaries
    - Faculty salaries
    - Benefits
    - OP Tax
  - Other Priorities
    - Infrastructure
    - Staff
    - Initiatives
    - Research Support
Sample Unit Budget Allocations, Core Funds

NOTE: Chart Title is not correct. These are not Extramural Awards!