

# UCR BUDGET AND FINANCIAL FUNDAMENTALS

Town Hall

December 9, 2024

# CAMPUS BUDGET OVERVIEW

## Revenue and Expenses in FY23-24

**~\$1.3 billion total budgeted revenues and expenditures**

Core Budget plus Student Fees, C&G, Gifts, Sales & Service, and Auxiliaries

**~\$721 million core budgeted revenues and expenditures**

Core used to fund the teaching and research operations for the campus

## Projected Revenue and Expenses for FY24-25

**~\$1.3 billion total budgeted revenues and expenditures**

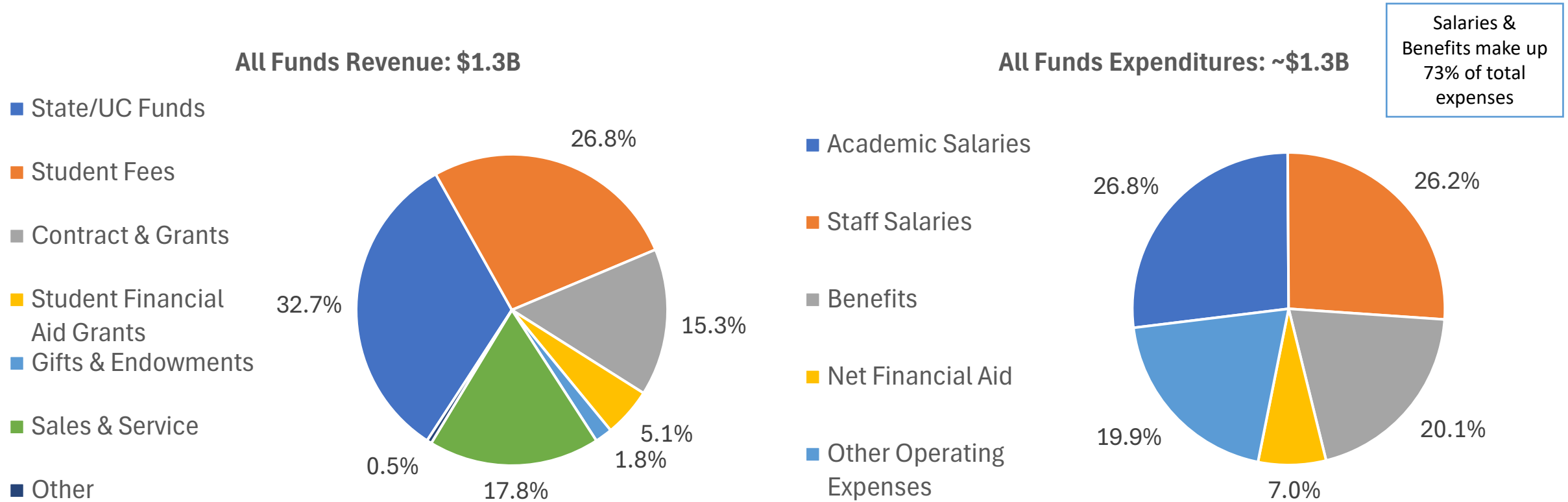
Core Budget plus Student Fees, C&G, Gifts, Sales & Service, and Auxiliaries

**~\$758 million core budgeted revenues and expenditures**

Core used to fund the teaching and research operations for the campus

# CAMPUS BUDGET OVERVIEW

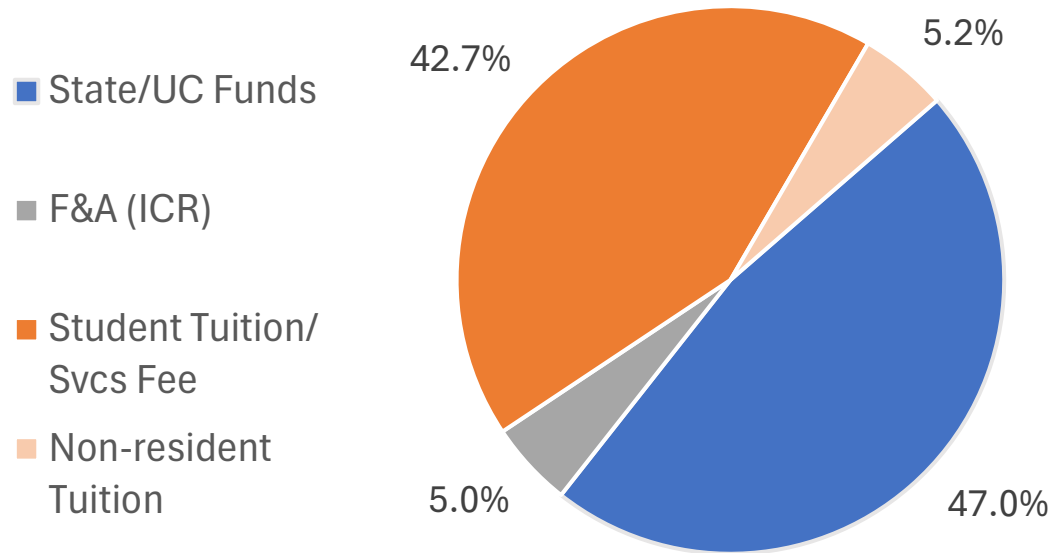
## FY24 All Funds Revenue and Expenditures



# CAMPUS BUDGET OVERVIEW

## FY24 Core Revenue and Expenditures

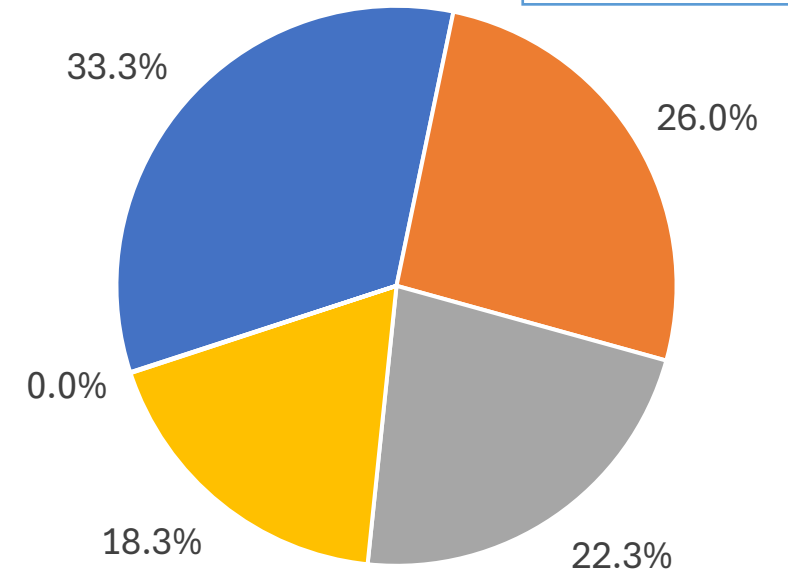
Core Revenues: ~\$721M



- State/UC Funds
- F&A (ICR)
- Student Tuition/Svcs Fee
- Non-resident Tuition

Core Expenditures: ~\$721M

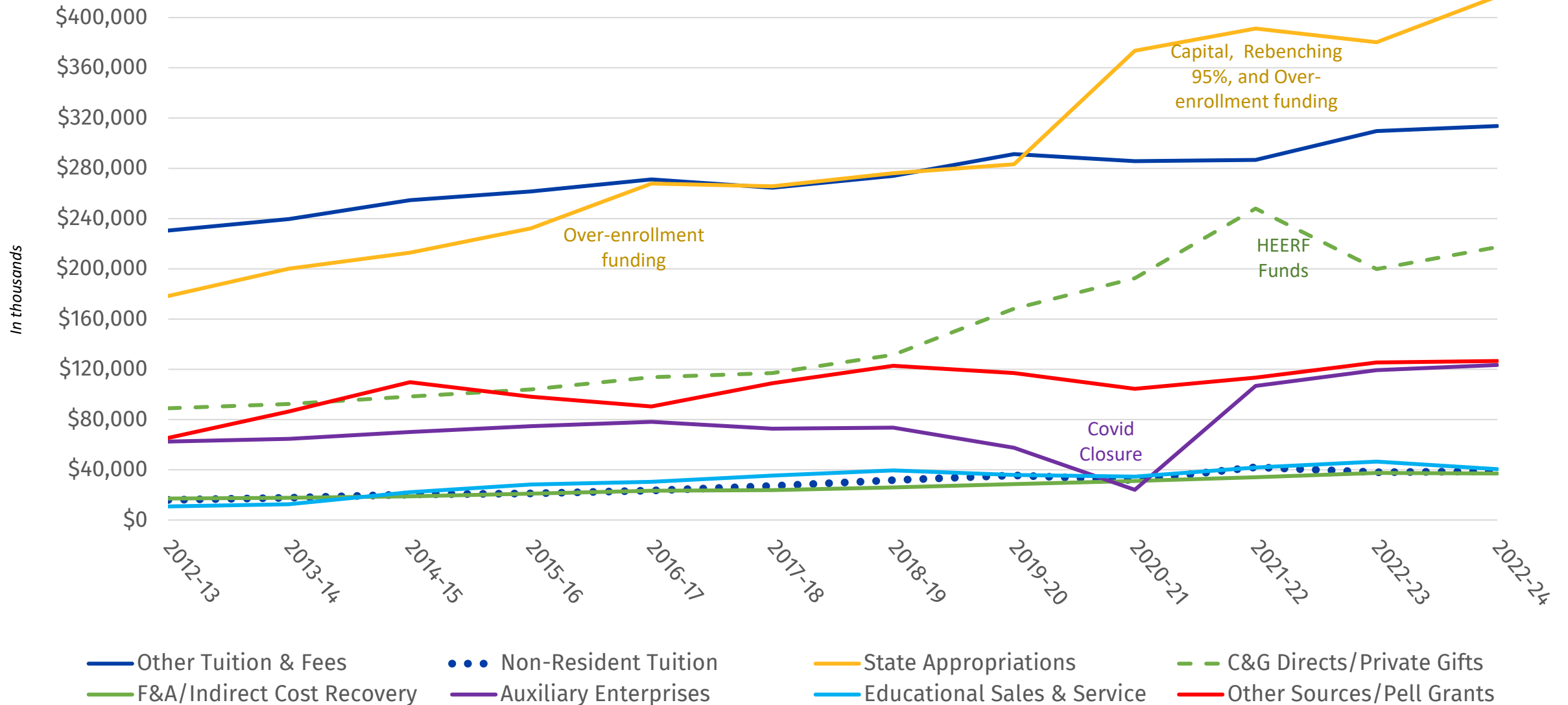
- Academic Salaries
- Staff Salaries
- Benefits
- Financial Aid
- Other Operating Expenses



Salaries & Benefits make up 82% of total expenses

# CAMPUS BUDGET OVERVIEW

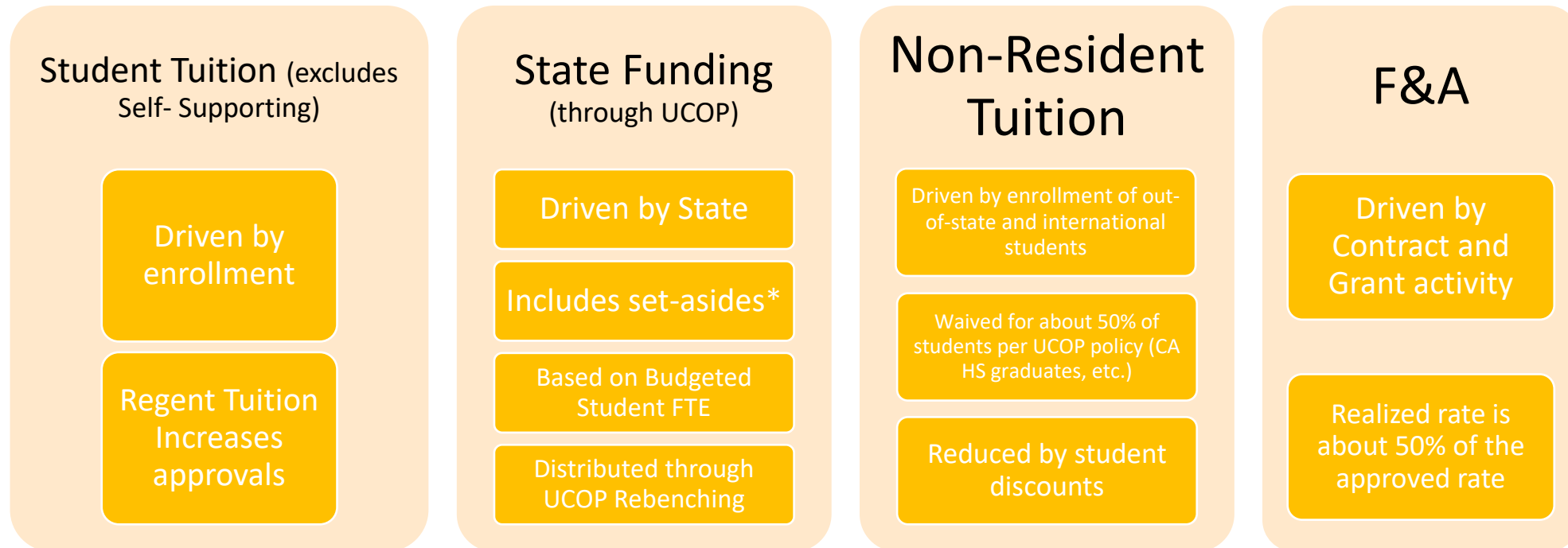
UCR Major Revenue Streams over time



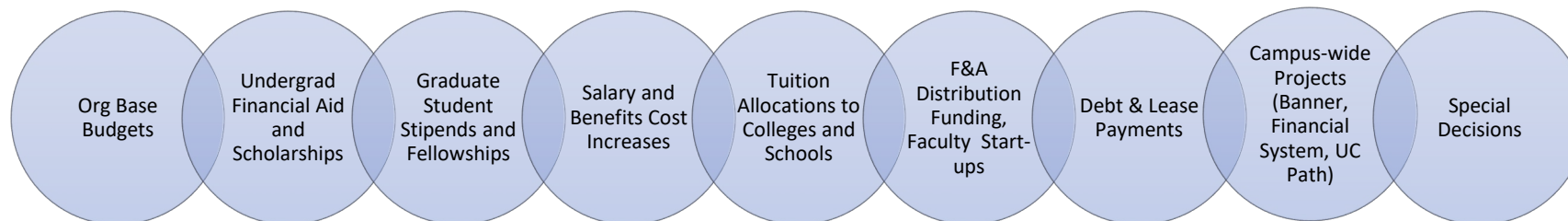
# CAMPUS BUDGET OVERVIEW

## UCR Major Core Revenue Flows

### Inflow



### Outflow



*\*See Slide 11 for set aside details*

# CAMPUS BUDGET OVERVIEW

## UCR Major Core Variables - Revenue

01

### Tuition Increases

(excludes Self-Supporting)

- Tuition and Non-Resident Tuition provide ~49% of our core revenues
- Tuition and Non-Resident Tuition changes require Regental approval

02

### State Funding Increases

- State funding provides ~47% of our core revenues
- Based on STATE FTE enrollment (average unit loads) and defined set-asides
- Negotiated by UCOP and CA Legislature, Governor

03

### Student Enrollment Growth

- Additional tuition & state funds (offset by costs)
- Enrollment of self-supporting Masters & non-residents provide additional revenue
- Based on Budgeted FTE, with occasional true-ups to actuals
- Limited by current human and capital infrastructure

# CAMPUS BUDGET OVERVIEW

## Major Core Variables - Revenue

04

### UCOP Rebenching Model

- The UCOP process to allocate state funds to each of the campuses based on student enrollment (FTE of CA Residents)
- UCOP also allocates state funds to “set-asides” (see slide #11)
- UCOP determines model and is implementing changes such as 1.5x weighting for UG students from LCFF high schools, reducing HS weights outside of medicine and veterinary med down to 2.5, and grad student true-up to remove aspirational growth at some campuses.
- **FY24 was the last year UCR received funding to achieve the 95% level of the UC average for state funding per unweighted student. UCR received a total of \$22.9M**



# CAMPUS BUDGET OVERVIEW

## Major Core Variables - Expenses

05

### UCOP Assessment

- This is how UCOP gets their annual operating budget
- Total assessment to UCR in FY24-25 is ~ \$27M
- UCOP “charges” each campus an assessment fee to fund their central operations and has also transferred expenses previously covered by their budget as separate charges to campuses (UCDC, Library costs, etc.)
- UCOP determines model

06

### Fixed Cost Increases

- Salary and Benefits for faculty and staff are the main drivers as well as other mandates from contract increases (see next slide for cost details)

# CAMPUS BUDGET OVERVIEW

## UCR's FY25 State Permanent Budget with Set-Asides Noted

Description	UCR Amount	Location
Agricultural Exp Stations (Ag Ops)	\$38,368,323	UCB, UCD, UCR (set-aside currently adjusted for inflation)
SAPEP	\$689,323	All campuses (set-aside currently adjusted for inflation)
SAPEP – Rotating	\$1,600,250	All campuses (Perm funding reallocated between campuses every 3 years)
Fixed Cost Set-Aside	\$15,000,000	Rebenching Campuses (all campuses except UCM and UCSF)
Unweighted Bud Enrollment (95% UC avg)	22,945,794	UCR, UCSC, UCSB
SOM	\$42,000,000	UCR Only
Multi-Campus Labor Center Initiative (CHASS)	500,000	UCD, UCI, UCR, UCSC (UCB, UCLA, UCM received \$3M each)
Improve Grad Rates	\$1,600,000	UCM, UCR, UCSC, UCSB
Dream Loan Program	\$491,000	All campuses
Student Basic Needs	\$1,422,000	All campuses
Student Rapid Rehousing	\$325,000	All campuses
Student Mental Health	\$2,221,000	All campuses
Former Foster Youth	734,000	All campuses
Carceral System Impacted	424,000	All campuses
Undocumented Student Services	594,000	All campuses
Support for Students with Disabilities	150,000	All campuses
Common Learning Management System	83,100	All campuses
Faculty Hiring Incentive Program	\$1,360,000	All campuses (3-year Perm funding reallocated between campuses for each award cycle)
USAP Financial Aid Program/Summer FA	\$13,546,000	All campuses (Perm funding reallocated between campuses every year)
<b>UCR State Funding from set-asides</b>	<b>\$144,053,790</b>	
UCR's State Funding based on Enrollment	\$265,999,657	Rebenching Funds which are adjusted for inflation with state funds
<b>UCR's Total FY25 State Perm Budget*</b>	<b>\$410,053,447</b>	<b>95% or \$390M is considered Core</b>

*Set asides targeted for elimination- fund to be redistributed and may create an \$80M Presidential pool for allocation.*

**This is only the perm core funding from the state and does not include any carryforward or temp.**

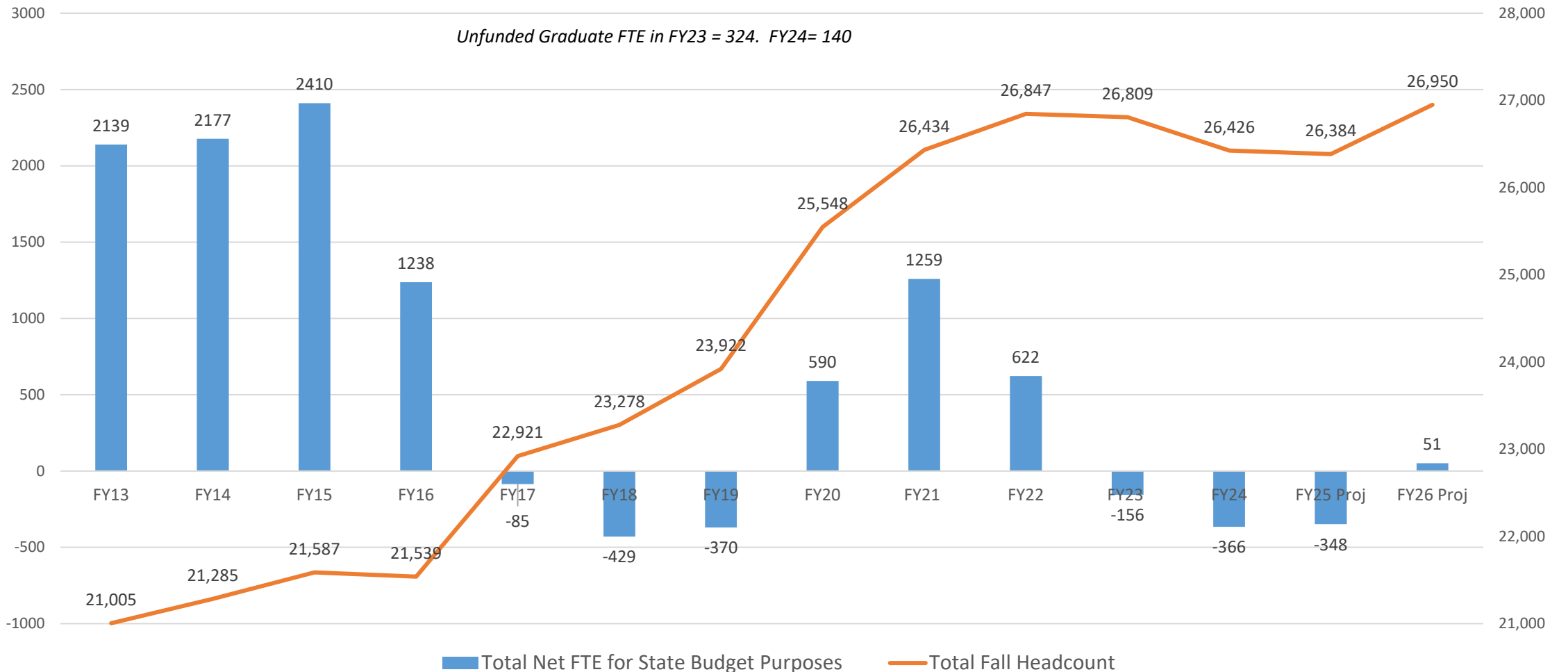
*\*Does not include the \$4.3M Perm Budget for Alianza UCMX*



# CAMPUS BUDGET OVERVIEW

State Funding is dependent on a Campus meeting the UCOP approved budgeted student FTE targets

UCR - State Funded FTE vs Budget for State Funded FTE



# UCR- Core S&B Increases

Annual Increment of Core Salary and Benefit costs

*In millions*





# CURRENT BUDGET MODEL – REVENUE DISTRIBUTION

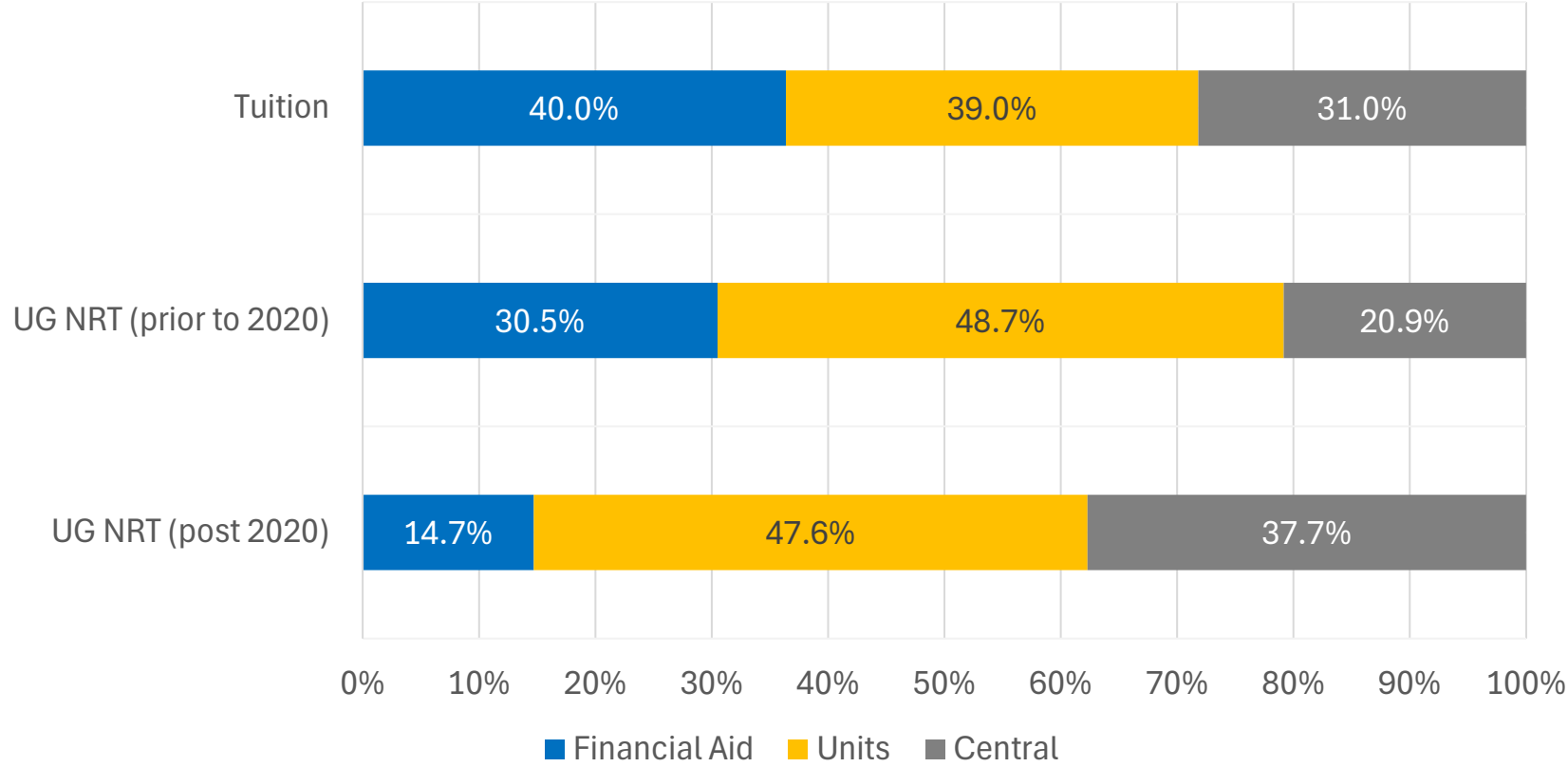
# REVENUE DISTRIBUTION - Undergrads

## Distribution of Tuition & Non-Resident Tuition based on Enrollment Growth

FY24 Fees paid by Undergraduates

Approved Modifications

- FY22-23 – The UG tuition formula implemented weighting on UG workload and UG NRT. The implementation was phased in over three years to smooth budget adjustments to schools and colleges. FY25 will be the first entirely weighted year.***
- FY19-20 - The UG NR Tuition percentages formula adjusted from 70%-to-30% for Colleges & Schools and 30%-to-70% for Campus Central Resources. This change was necessary given the central funding of UG Non-resident recruitment.***



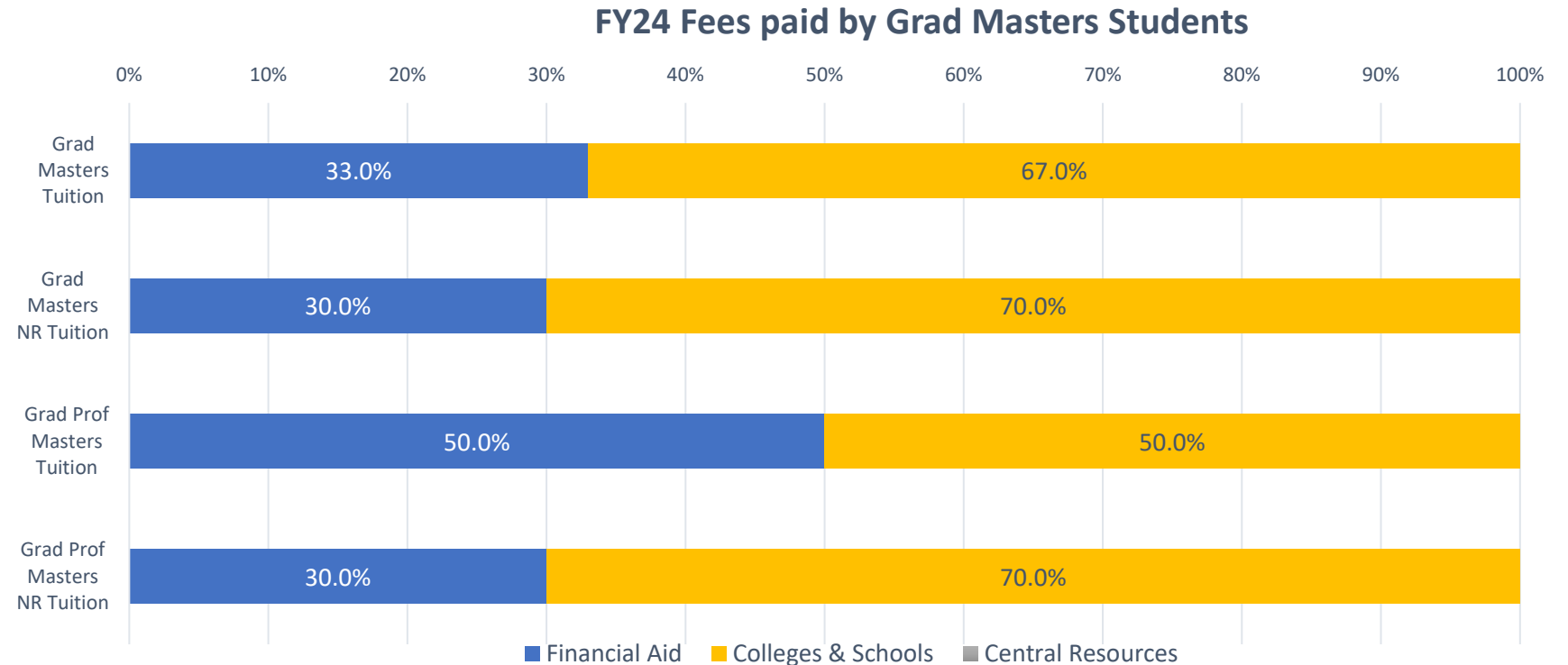
- In the Budget Model, the tuition value is \$11,220 and the NR tuition values is \$29,754. Any tuition increases go to central resource to cover fixed cost increases.

# REVENUE DISTRIBUTION - Masters

## Distribution of Tuition & Non-Resident Tuition based on Enrollment Growth

### Approved Modifications

1. *FY22-23 - Similarly to the UG tuition formula, the Grad tuition formula implemented weighting on Grad tuition and Grad NRT with a phased-in implementation. (SOM is excluded from weighting.)*



*FA from all above Masters is allocated to Grad Division/Colleges & Schools and supports primarily Phd students*

- In Budget Model, the tuition value is \$11,220 and the NR tuition values is \$15,102 (Grad Masters)/\$12,245 (Grad Prof). There have not been or are planned to be tuition increases on Graduate level NR tuition.
- In FY25 the are being updated to reflect the changes made to implement the UAW contract requirements. Grad Division is maintaining a core budget for Graduate Student Support of \$2.5M and the rest is being redirected to Colleges and Schools for TA salary/fellowships expenses.

# REVENUE DISTRIBUTION – PhD/MFA & Self-Supporting Masters

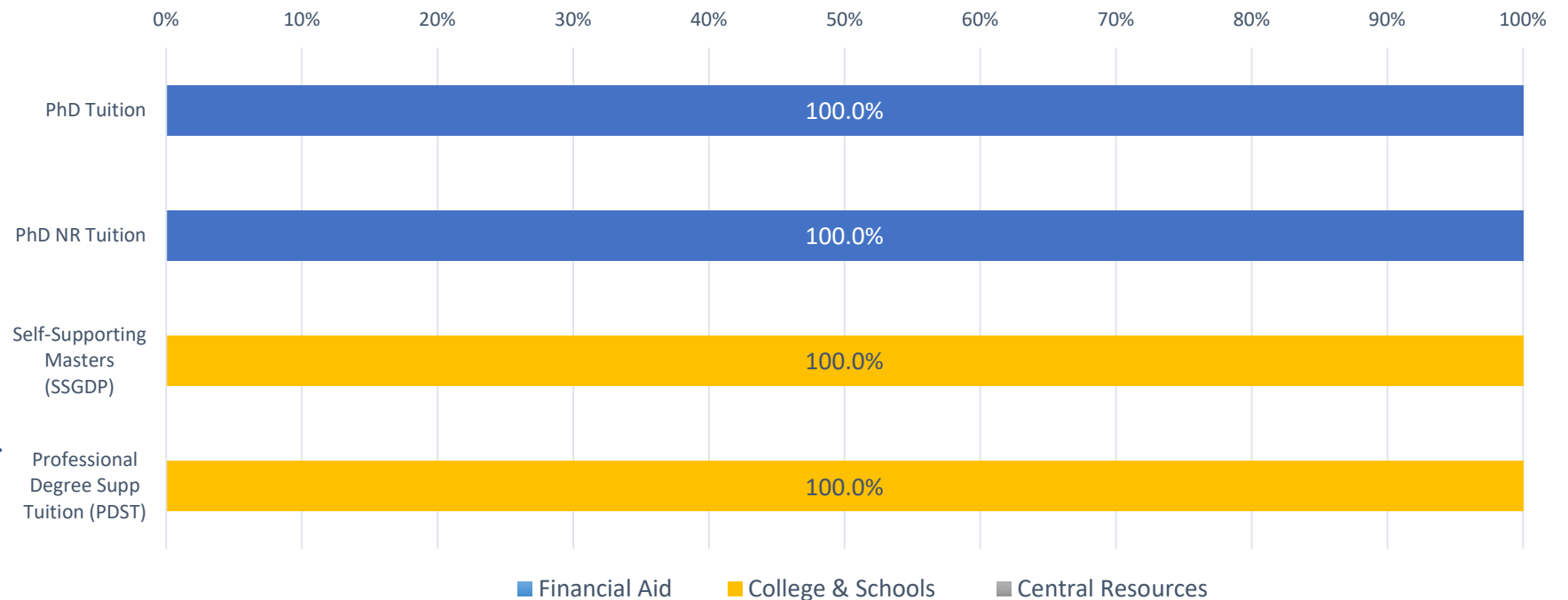
## Distribution of Tuition & Non-Resident Tuition based on Enrollment Growth

FY24 Fees paid by PhD, Self-Supporting Masters, and Prof Masters Students

PDST Programs: School of Medicine, School of Business, & School of Public Policy

SSGDP Programs: School of Business, BCOE, & CHASS

SSGDP and PDST programs are responsible for the Financial Aid set-asides from their revenue and should maintain the terms in the fee proposals submitted to UCOP and approved by the Regents



*Fees from PhD/MFA students is all an accounting “waiver” on TA/Fellowships (or similar appts). Fees charged to PhD students paid on grants & contracts creates actual revenue that is provided as grad student support in Grad Division and College/Schools.*

- In Budget Model, the tuition value is \$11,220 and the NR tuition values is \$15,102 for PhD students.
- PDST Financial Aid must be spent on Professional Masters Students only.
- In FY25 the are being updated to reflect the changes made to implement the UAW contract requirements. Grad Division is maintaining a core budget for Graduate Student Support of \$2.5M and the rest is being redirected to Colleges and Schools for TA salary/fellowships expenses.



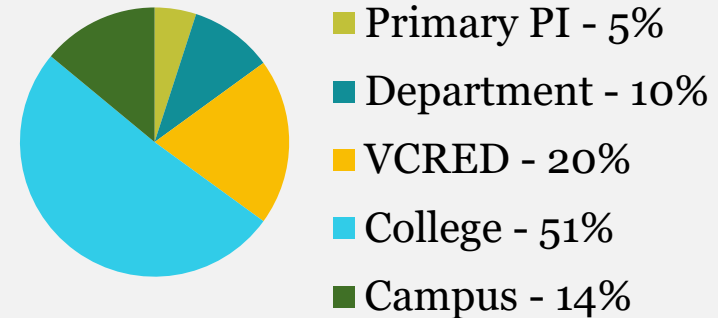
# DISTRIBUTION OF F&A (Facilities & Administration)

F&A is indirect cost recovery from the granting agency to cover overhead costs

- UCR Principle with the distribution is to recognize PI and department efforts to perform research
- Redirection of existing revenue, not new revenue
- This incentive funding is from the available campus F&A pool and not directly related to the amount of F&A generated by a specific award.
- The College/RED portions are core permanent funding (all others in one-time funding).
- The College portion grew from 25% to 51% to permanently allocate the central funding for start-up cost shares to the Colleges

*Note that these are calculations to determine the amount of incentive funding, and funding will be provided in Core Funds.*

## F&A Incentive Dispersal effective FY22



Primary PI in PPM

Campus portion is used for a portion of the debt service on MRB building



# CAMPUS CORE BUDGET DETAILS

# CAMPUS CORE BUDGET IN ORGS

## Core Budget Summary as of FY25

### Core Budget on Fund 19900 includes:

- State General Funds
- UC General Funds
- Tuition
- Student Services Fee
- Non-Resident Tuition
- F&A (Indirect cost recovery from C&G added as Perm FY23)

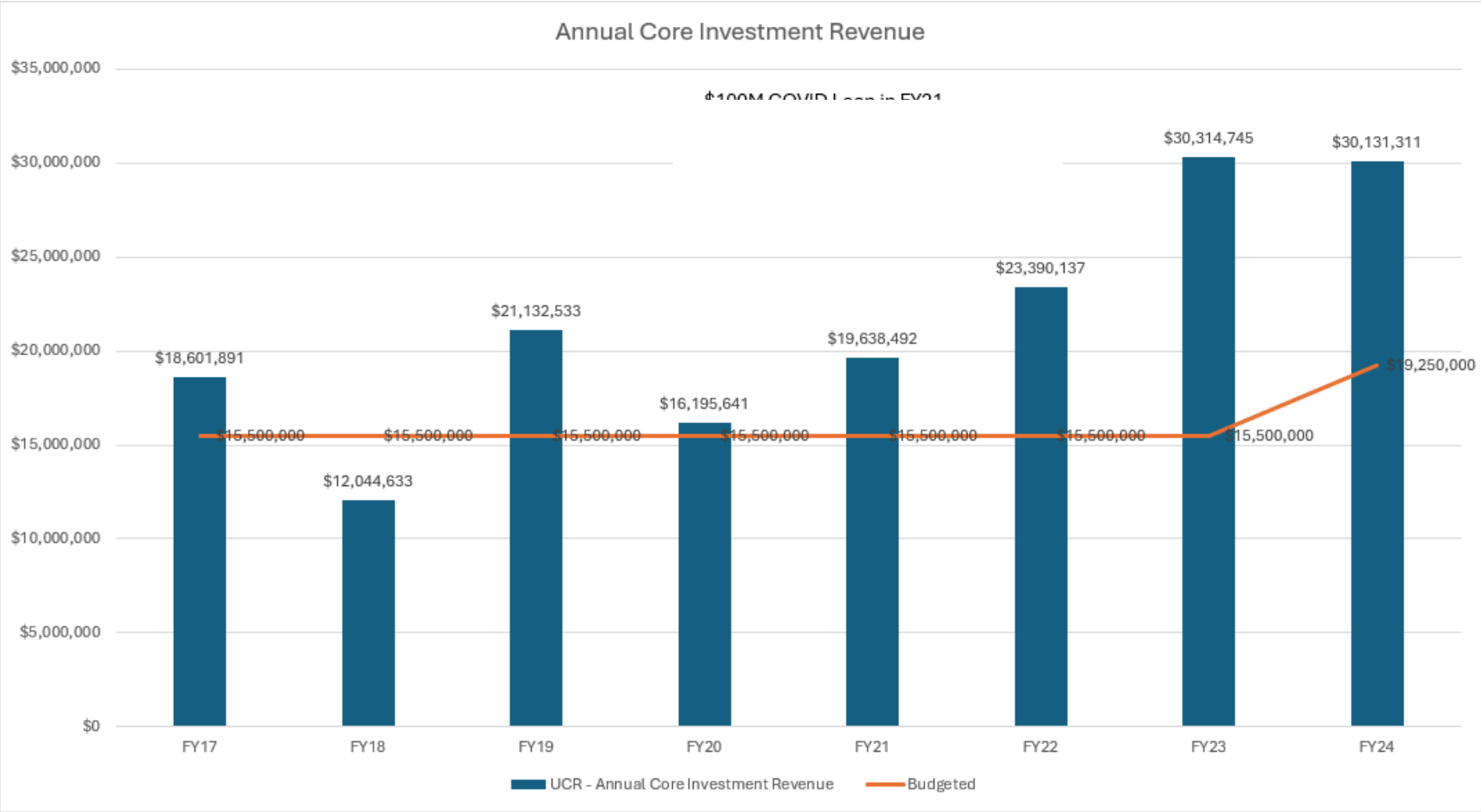
*Note: Funding for the salary/benefit cost increases effective 7/1 and 10/1 are not reflected in Org balances since they are allocated based on actuals.*

*\*The estimated FY25 Fixed Cost increases (\$28M) are still budgeted in Central Resources.*

<u>Org</u>	<u>Subvention</u>	<u>Tuition</u>	<u>F&amp;A</u>	<u>Total Core Budget</u>
Academic Senate	1,922,544			1,922,544
Auxiliary Services	2,820,382			2,820,382
Bourns College of Engineering	32,699,485	19,222,805	4,462,402	56,384,692
Chancellor	13,531,009			13,531,009
Coll of Hum, Arts & Social Sci	54,973,409	49,425,058	1,498,684	105,897,151
College of Nat & Agr Sciences	88,443,618	29,652,407	8,534,381	126,630,406
Central Resources*	32,154,577			32,154,577
Enrollment Services	17,706,802			17,706,802
Fac- Plng - Design - Const	48,934,684			48,934,684
Graduate Division	3,249,423			3,249,423
Health, Well-being, and Safety	14,696,474			14,696,474
Info. Technology Solutions	33,323,379			33,323,379
International Affairs	2,719,762			2,719,762
Palm Desert Graduate Center	1,060,879			1,060,879
Planning, Budget & Admin	17,093,770			17,093,770
Provost/Exec Vice Chancellor	4,256,166			4,256,166
Research & Economic Development	5,692,900		6,640,535	12,333,435
School of Business	6,720,183	9,026,787	132,443	15,879,413
School of Education	7,807,661	3,551,469	291,954	11,651,084
School of Medicine	45,859,031	2,007,582	1,155,313	49,021,926
School of Public Policy	5,186,780	1,139,938	260,855	6,587,573
UCR Intercollegiate Athletics	13,967,766			13,967,766
Undergraduate Education	1,444,175	4,348,694		5,792,869
University Library	15,744,941			15,744,941
Vice Chancellor - Univ Adv	22,357,897			22,357,897
Vice Chancellor Student Affairs	18,148,812			18,148,812
Graduate Financial Aid	9,970,210	15,996,515		25,966,725
Undergraduate Financial Aid	4,477,533	74,158,870		78,636,403
<b>Total</b>	<b>526,964,252</b>	<b>208,530,125</b>	<b>22,976,567</b>	<b>758,470,944</b>

# CAMPUS CORE BUDGET GROWTH

Investment Revenue has allowed recent increases to our Core Budget



An additional \$5.8M was added to FY25 Core Funds bringing our total core budget from investment income to \$25M annually.

# CAMPUS CORE BUDGET PLANNING

## FY26 Budget Planning

- Prepared for a more challenging year relative to state funding
  - The State Legislature has indicated a 7.9% budget reduction for UC
  - We have a perm balance in FY25 that will carry forward into FY26 to help offset reductions
- The Governor will present his FY26 State Budget in January
  - We will have insight into UC's budget
  - Possibly higher state revenues will allow for a lower budget reduction to UC
- Most of our state funding is driven by enrollment
  - Our recent declines in enrollment compared to other UCs will result in a budget reduction to UCR
  - It is **very important** to have Fall 2025 enrollment back at Fall 2021 level

# QUESTIONS OR COMMENTS?

