

## FY20-FY22 Budget Impacts

### Permanent/Ongoing Core Funding

- Net increase in Core Funds Revenue from FY20 to FY22 was 2.2%
  - Core Funds Revenue was approximately \$570 million in FY19
    - 56% of Core Funds Revenue comes from tuition
      - Tuition has not risen since 2017
    - 44% of Core Funds Revenue comes from California General Funds
      - In FY21, General Fund revenue was cut by 10.4% due to pandemic reduction in state allocation to UC
      - In FY22, Legislature restored \$31.4 million of permanent funding that was previously cut from the FY20 base.
      - In FY22, Legislature provided *additional* ongoing revenue of 5% of state base funding
  - With no tuition increase, the only adjustment to Core Funds was 5% General Fund increase on 44% of total Core Funding Revenue = 2.2%
- Expenses have risen by 8.4% (\$50.5 million) since FY20 due to fixed cost increases
  - What are fixed-cost increases?
    - Negotiated union employee pay raises (varies)
    - 3% across-the-board raise for non-represented employees
    - Faculty merit increases
    - Increased employer contribution to employee healthcare premiums
    - Increased employer contribution to UC Retirement Plan
    - Increased operating costs for new facilities (Student Success Center and Plant Research 1)
    - Other inflationary cost increases
- Increase of 2.2% in Core Funds applied against an 8.4% increase in expenses (FY21 and FY22 combined) yields a **6.2% deficit** in Core Funds
  - Original shortfall of permanent funding in FY21 and FY22 (from Fall 2020), was projected to be 16-20%, or \$77-100 million
    - Central campus administrative organizational level permanent budgets were reduced on average by 15-20%
    - Academic unit budgets were reduced by 11-12%
    - Half of the permanent funding cuts were made in winter 2021
  - With General Funds restoration and augmentation, ongoing deficit projected to be \$40 million
    - Permanent budget cuts reduced to approximately 6.3%-11.4% on average (lower for the schools and colleges than for central administrative units)

### One-Time Funding (Emergency Relief)

- Campus received \$157.3 million in one-time funding in Higher Education Emergency Relief Funds (HEERF), which were distributed as follows:
  - \$70.3 million in direct student grants
  - \$10 million in one-time funds to help organizations adjust to their FY21 budget reductions
  - \$39.8 million to reimburse the campus for lost revenue (mostly to housing and dining)

- \$33 million to directly fund programs and activities that directly support staff, faculty, and students
- \$4.3M held in reserve for future covid-related expenses in FY22

Notes

1. Data above exclude \$25 million permanent allocation to the School of Medicine in FY21.
2. FY21 fixed cost increases of \$21.2M, or 3.54%  
FY22 fixed cost increases of \$29.3M, or 4.85%  
Cumulative two FY fixed cost increases of \$50.5M, which totals 8.4%