

Campus Finance Committee Meeting

September 15, 2022 – 9:00 AM

Attendees:

Stephanie Flores	Eddie Comeaux	Shaun Bowler
Peter Atkinson	Jennifer Farias (for Kathryn Uhrich)	Anil Deolalikar
Yunzeng Wang	Deborah Deas	Ken Baerenklau
Daryle Williams	Gerry Bomotti	Steve Mandeville-Gamble
Agam Patel	Brian Haynes	Sang-Hee Lee
Monique Dozier	Jeanine Nassar (for Mufida Assaf)	Elizabeth Watkins
Erin Schuster (Admin Support)		

Absent:

Chris Lynch	Kevin Vaughn
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Action Items:

- Erin to circulate notes and presentation

Minutes:

Provost Watkins provided charge to the committee. All representatives are conduits to getting information to and from their respective groups. The goal for this committee is to provide greater transparency on campus finances by disseminating information via committee members.

ITS' development of financial dashboards and the implementation of Impact 23 is providing campus with more transparency into the operations of the campus.

UCR Budget and Financial Fundamentals:

Stephanie and Gerry provided an overview on campus financials.

Pg 1 – Overview of financials comparing FY 21 to FY 22. Some revenue cannot be used to support the core operations of the university.

Pg 2 – Broad sense of revenue and expenses. UCR gets majority of funds from the state and tuition. Salaries and benefits are the largest expenses. Second largest expense is financial aid.

Pg 3 – Core budget revenue and expenditures. The state 5% increase to 45% of our budget nets to an overall 2.2% increase in the core budget, but salaries increase 3.5%. Big challenge is how to increase the tuition, but not impact students and their financial aid needs. Cohort tuition – accounts for class coming in and will stay for six years, with 45% of the tuition increase set aside for financial aid. State periodically gives money to residency enrollment – UCR has been underfunded historically. 0.1 drop in UG average credit load generates 150 FTE loss across the campus, which impacts graduation rate. Add up all credit hours and divide by 45 is what UG FTE is. Headcount is going up but FTEs have been going down = less money from the state.

Pg 5 – Inflows from student tuition, state funding, non-resident tuition, F&A. System redistributes the funds they get from the state – through a process they refer to as rebenching (2012). Take money and

set aside to put towards programs, but most comes from number of students (formula). Rebenching changes have been proposed in OP, gathering input and then put to Regents/Chancellors. All of budgeted FTE is weighted – additional discussion to change weighting. Health Sciences programs are weighted at 5; PhD is weighted at 2.5; UG and Masters are weighted at 1 (except health-related master's are weighted at 5).

Review was submitted to federal government for F&A/overhead rate proposals. Stuck in the system due to federal staffing shortages; waiting on approvals. Expect to get 2 points (57%). Included in F&A is restricted rates from fed gov – not a rational process, but only half is realized; most universities do not realize the full amount.

Pg 8 - #5 – UCOP Assessments: Each campus receives a bill every year; assessed every year by OP. Assessment is on all funds and based on expenditures.

UCR has the most funds in set asides at campus (SOM and AES). Fortunately, UCR received \$25M for SOM in FY21 to add to existing \$15M. State money that is put aside before rebenching and legislative amounts preserve programs going forward; this money gets taken off the top before distributing the rest to campuses.

Pg 10 - Periodic state funding for enrollment growth declined related to change in average credit load for undergraduates – dropped .8 of a credit per quarter, which is 1000 FTE. Headcount may be down, including transfer students; community colleges have had a 25% decline over the past three years. This shows how funding growth comes in periodically and is not predictable.

How do we increase domestic non-resident students? Potentially offer scholarships to nonresidents, but this means there is no state support. The university cannot operate at a loss.

Great debt financing capability within the UC – but UCOP wants campuses to stand on their own for revenue.

Pg 16 - Distribution models on how departments get money – mini rebenching within UCR. New budget model was to highly incentivize graduate master's programs to grow. Master's tuition is going to grad student support directly.

Pg 19 - SOM, SPP, Business – students pay resident tuition (\$11,442) plus an increment (PDST: professional degree supplemental tuition) – slide shows where the increment goes. Financial aid is kept at the school.