

UCR BUDGET AND FINANCIAL FUNDAMENTALS

SEPTEMBER 15, 2022

CAMPUS BUDGET OVERVIEW

Revenue and Expenses in FY21-22

~\$1 billion total budgeted revenues and expenditures

Core revenue (state funds, tuition) plus Student Fees, Contract & Grants, Gifts, Sales & Service, and Auxiliary Services.

~\$630 million core budgeted revenues and expenditures

Core revenue (state funds, tuition, F&A) used to fund the teaching and research operations for the campus

Projected Revenue and Expenses for FY22-23

~\$1.12 billion total budgeted revenues and expenditures

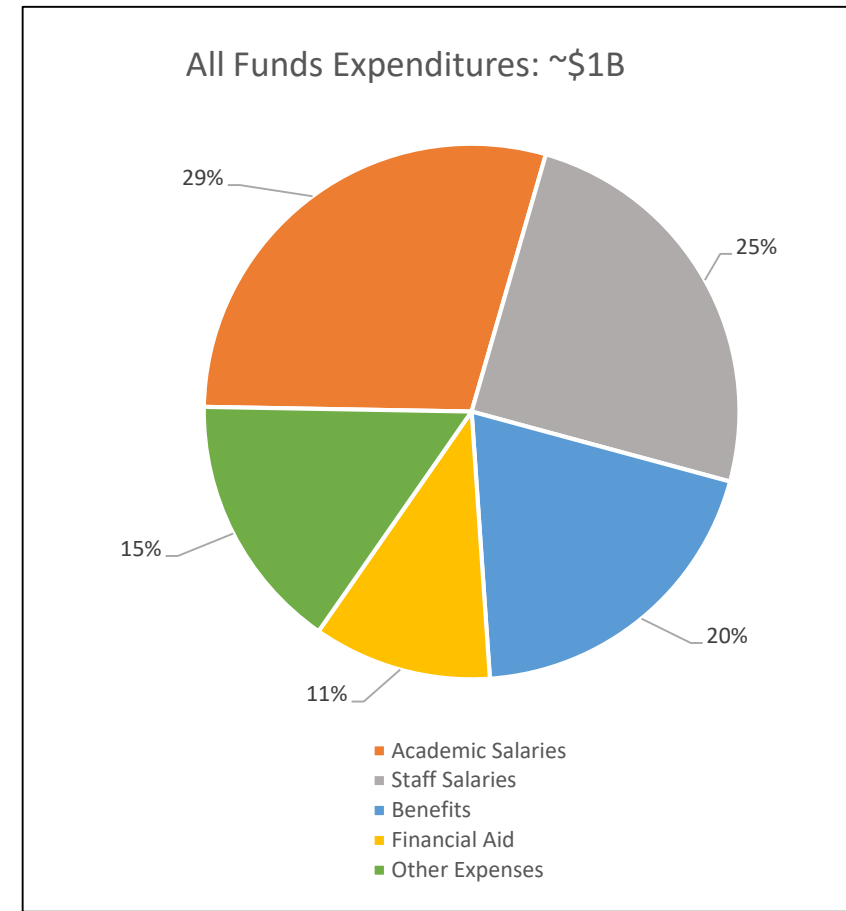
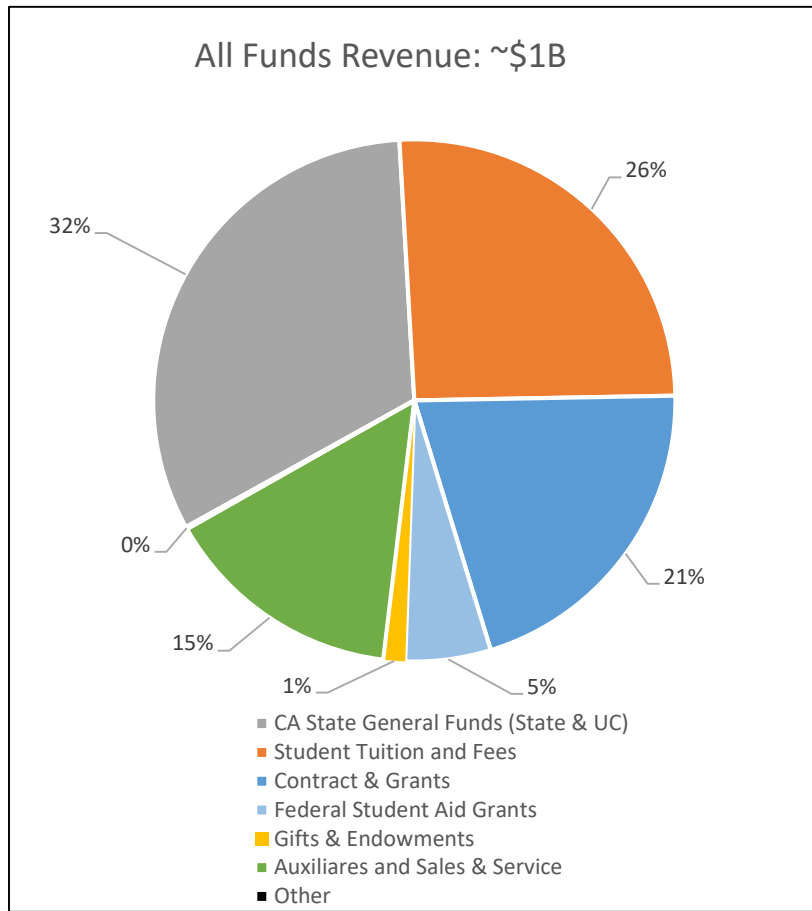
Core Budget plus Student Fees, C&G, Gifts, Sales & Service, and Auxiliaries

~\$670 million core budgeted revenues and expenditures

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

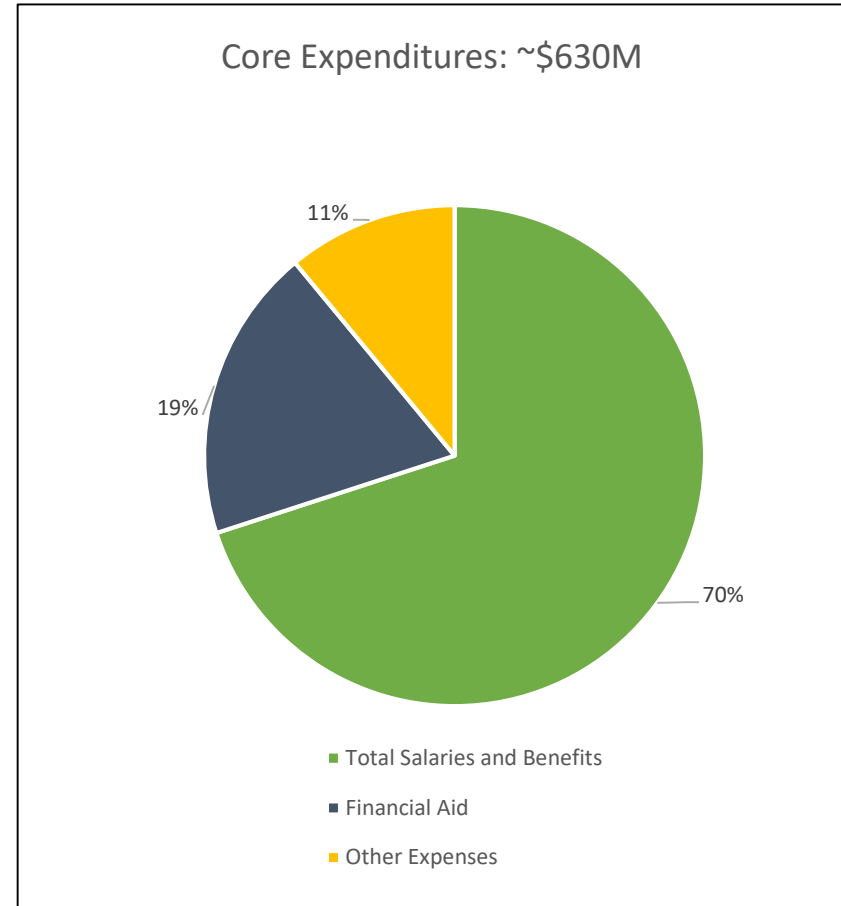
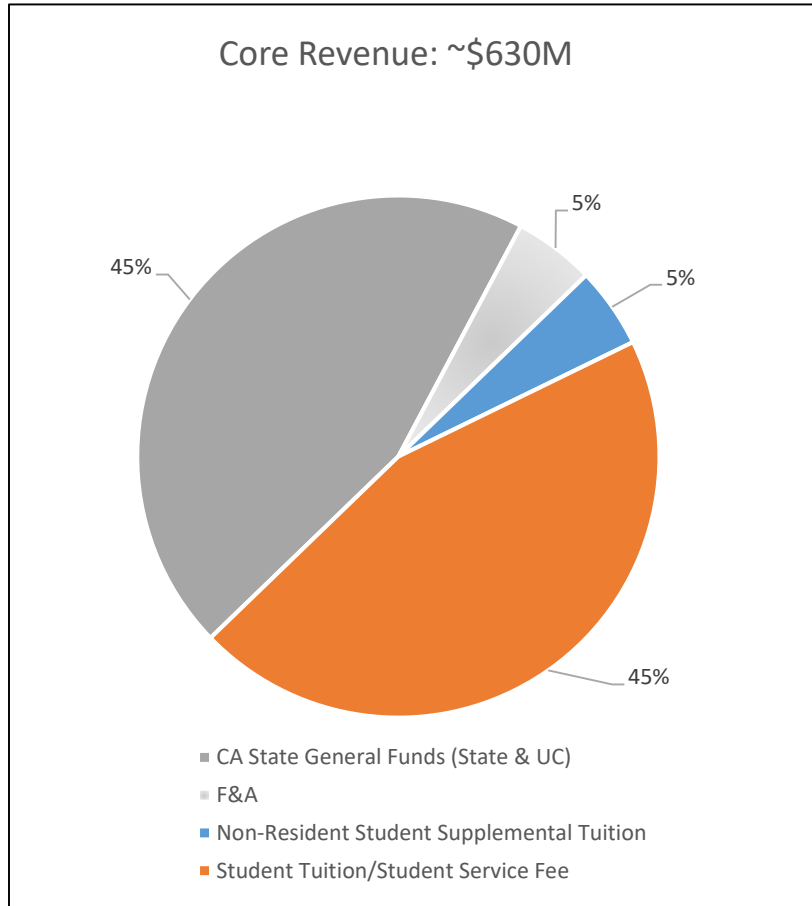
CAMPUS BUDGET OVERVIEW

FY22 All Funds Revenue and Expenditures



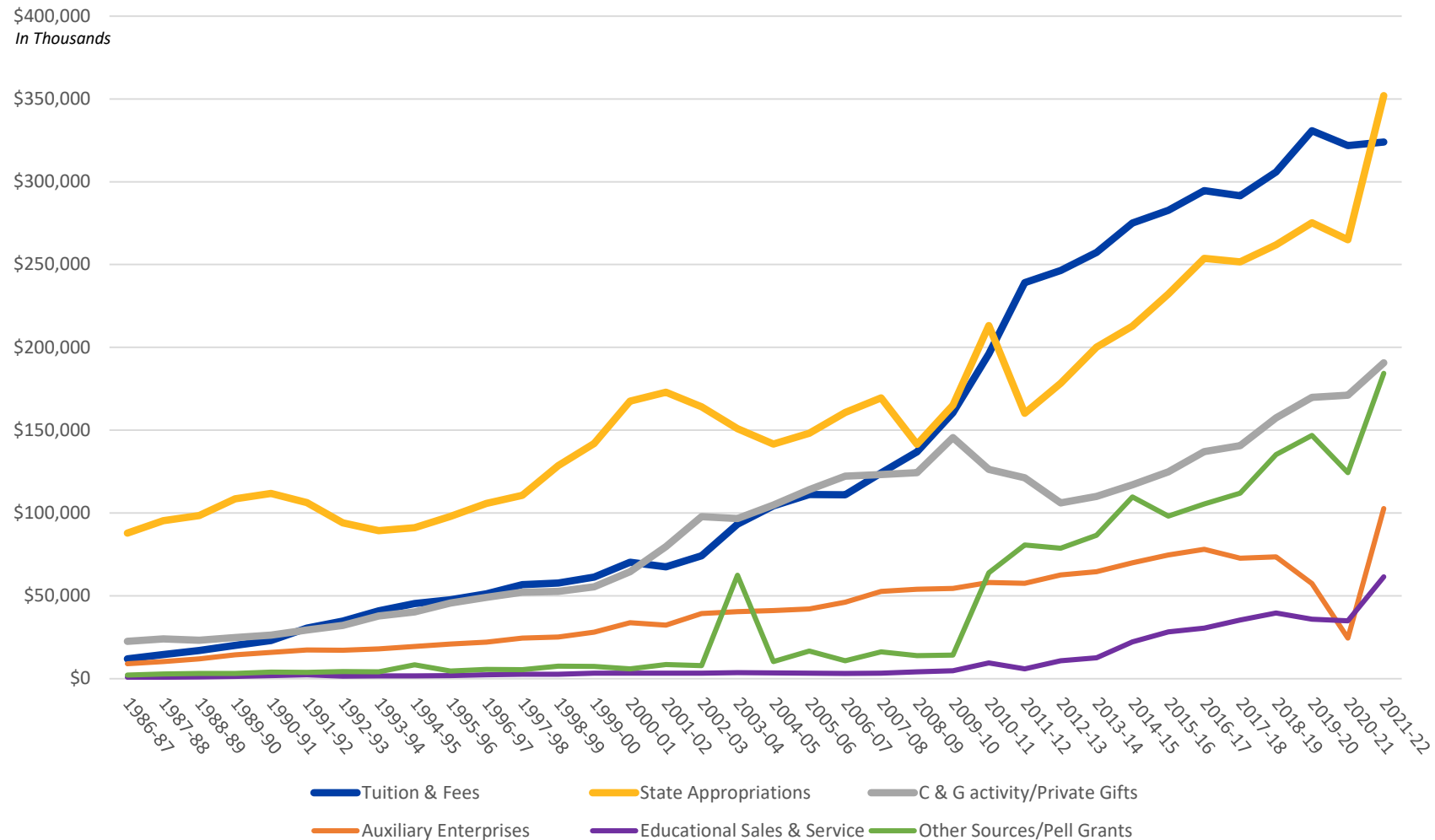
CAMPUS BUDGET OVERVIEW

FY22 Core Revenue and Expenditures



CAMPUS BUDGET OVERVIEW

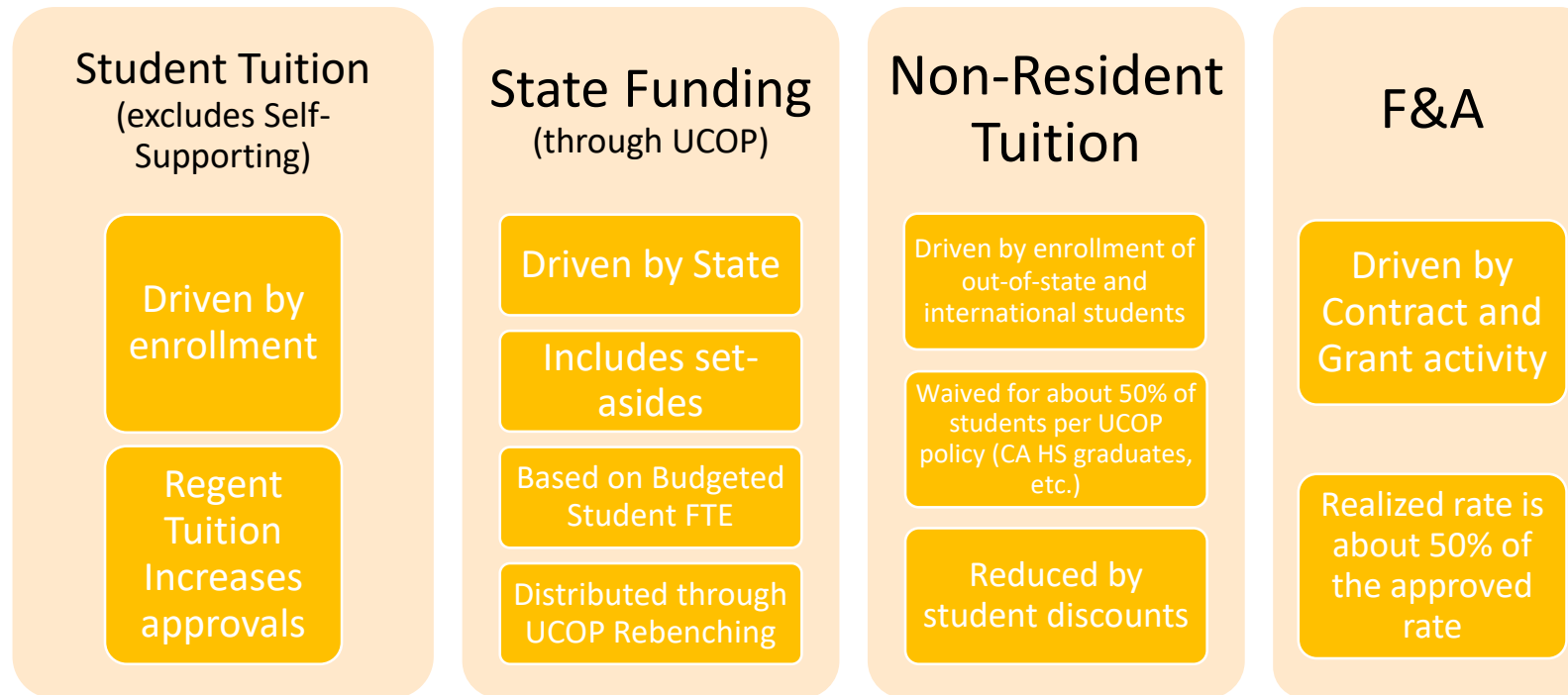
UCR Major Revenue Streams over time



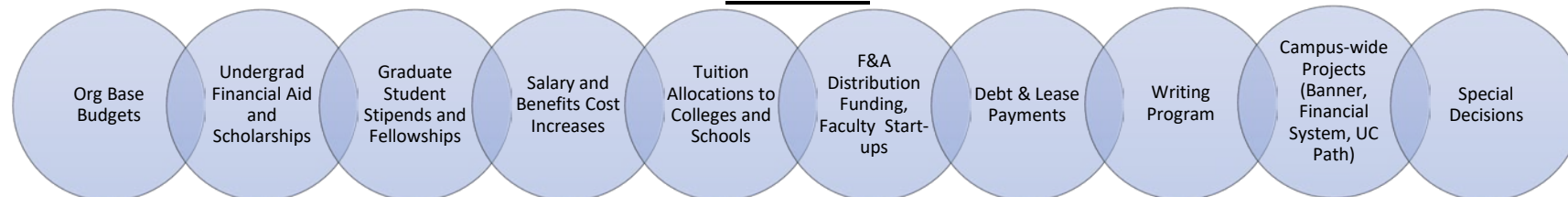
CAMPUS BUDGET OVERVIEW

UCR Major Core Revenue Flows

Inflow



Outflow



CAMPUS BUDGET OVERVIEW

UCR Major Core Revenue Variables

01

Tuition Increases
(excludes Self-Supporting)

- Tuition provides ~50% of our core revenues
- Tuition changes require Regental approval

02

State Funding
Increases

- State funding provides ~45% of our core revenues
- Based on 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 and non-residents provide add'l revenue
- Based on Budgeted FTE, under discussion to change to Actual FTE
- Limited by current human and capital infrastructure

CAMPUS BUDGET OVERVIEW

Major Core Revenue Variables

04

UCOP Rebenching Model

(Model under review for adjustments by UCOP. Potential changes for FY24 cycle)

- The UCOP process to allocate state funds to each of the campuses based on student enrollment.
- UCOP also allocates state funds to “set-asides”
- UCOP determines model and the last rebenching process took multiple years to determine (2008-12) and to implement (2013-2018) We are awaiting an update to the model from UCOP. Goal is to bring each UC campus up to 95% of the UC average for state funding per unweighted student over no more than three years.

CAMPUS BUDGET OVERVIEW

Major Core Revenue Variables

05

UCOP Assessment

- Total assessment in FY21-22 = \$20M
- UCOP “charges” each campus an assessment fee to fund their central operations
- UCOP determines model

06

Fixed Cost Increases

- Salary and Benefits for faculty and staff are the main drivers.

CAMPUS BUDGET OVERVIEW

UCR's FY22 State Permanent Budget with Set-Asides Noted

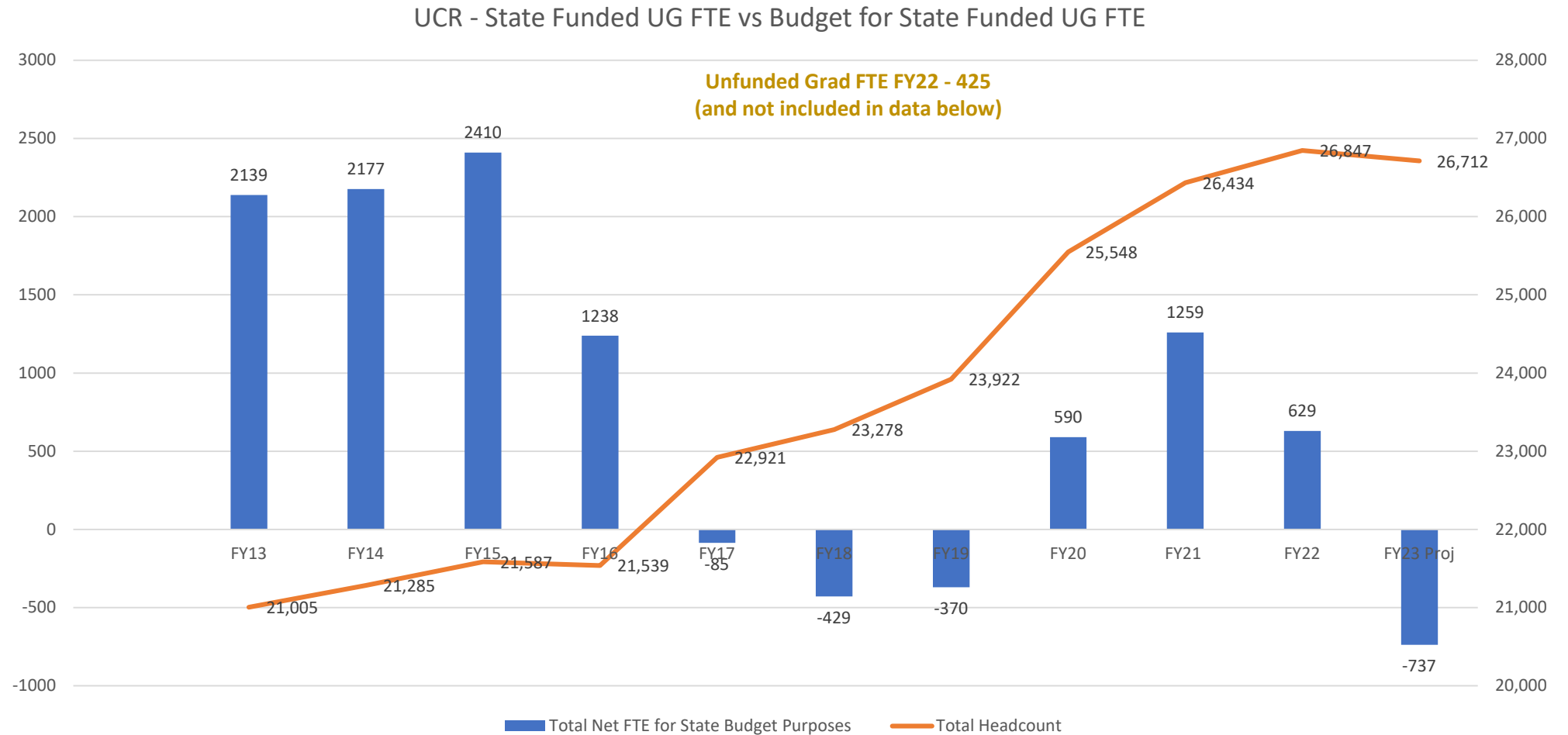
Description	UCR Amount	Location
AgOps – Agricultural Exp Stations	\$33,976,012	UCB, UCD, UCR (only set-aside currently adjusted for inflation)
SAPEP	\$723,000	All campuses
Fixed Cost Set-Aside	\$15,000,000	Rebenching Campuses (all campuses except UCM and UCSF)
SOM	\$40,000,000	UCR Only
Improve Grad Rates	\$1,600,000	UCM, UCR, UCSC, UCSB
Dream Loan Program	\$344,000	All campuses
Summer Financial Aid	\$595,000	All campuses except UCSF
Student Basic Needs	\$1,240,000	All campuses
Student Rapid Rehousing	\$307,000	All campuses
Student Mental Health	\$2,139,000	All campuses
Faculty Hiring Incentive Program	\$1,105,000	All campuses
USAP Financial Aid Program	\$0	All campuses
UCR State Funding from set-asides	\$97,029,012	
UCR's State Funding based on Enrollment	\$215,932,040	Rebenching Funds which are adjusted for inflation with state funds
UCR's Total FY22 State Perm Budget*	\$312,961,052	

This is perm core funding from the state only 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

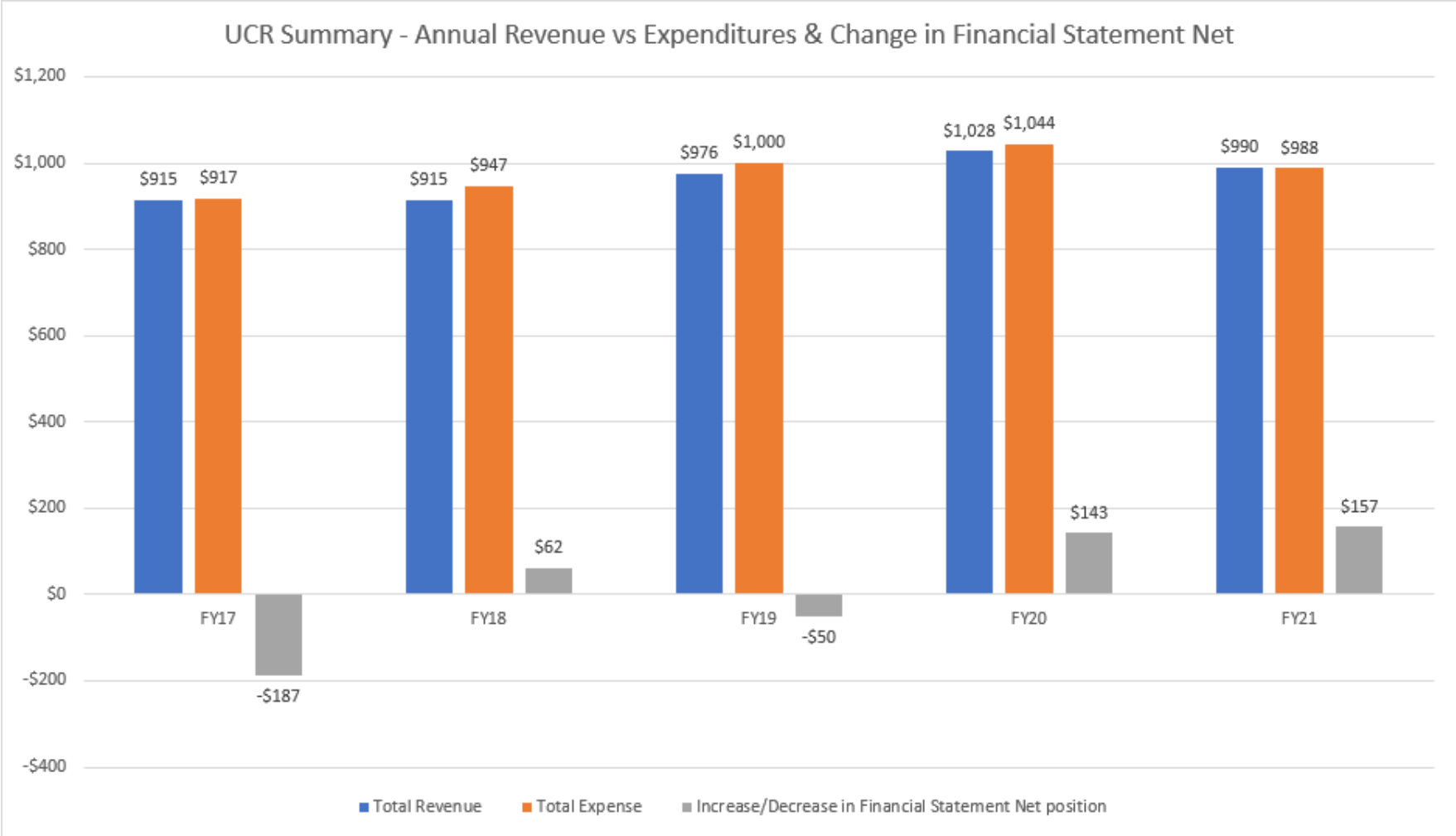




UCR FINANCIAL METRICS

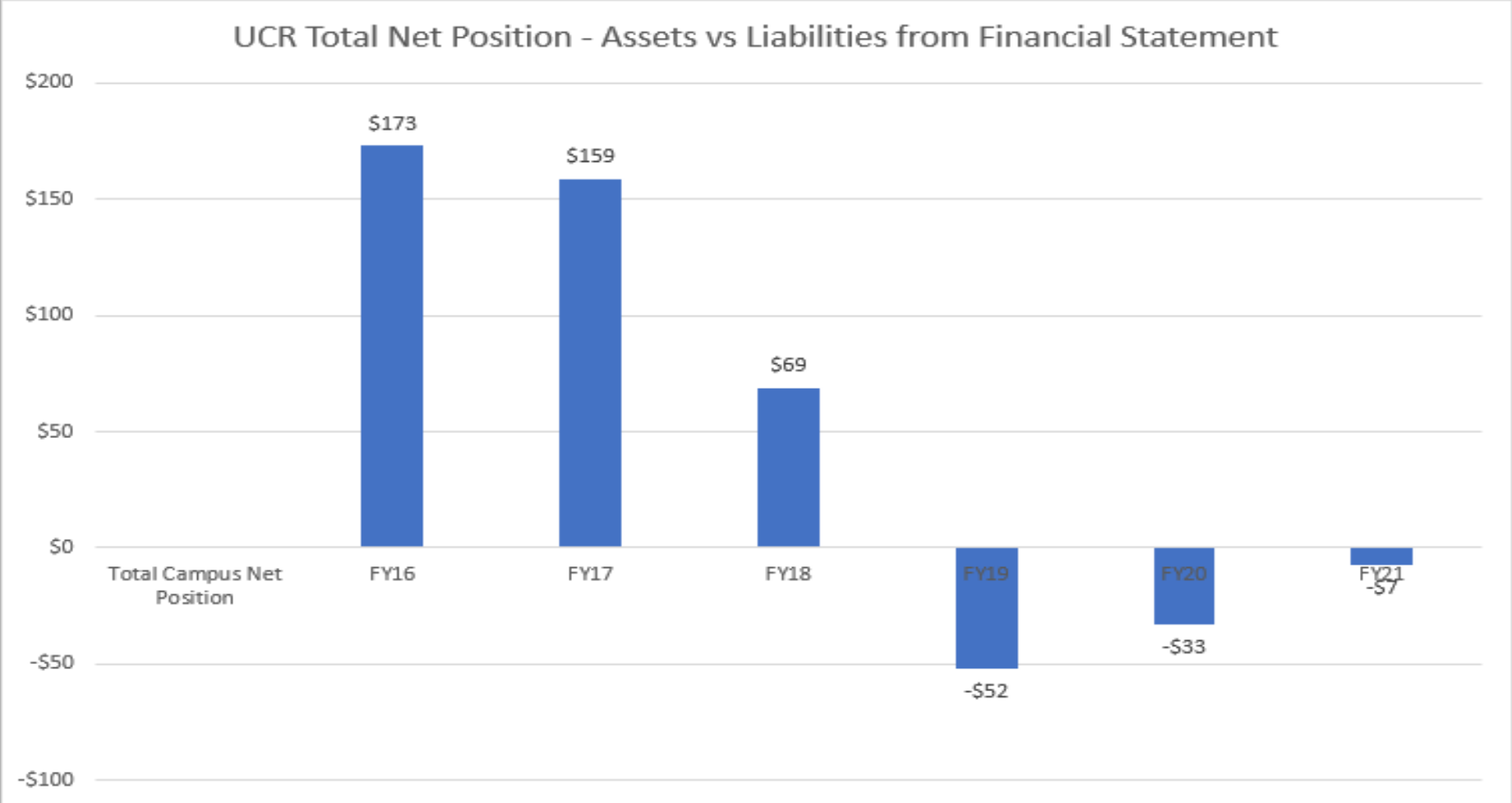
FINANCIAL INFORMATION

UCR Net Position from the annual Financial Statements – UCR and UCR Foundation Combined



FINANCIAL INFORMATION

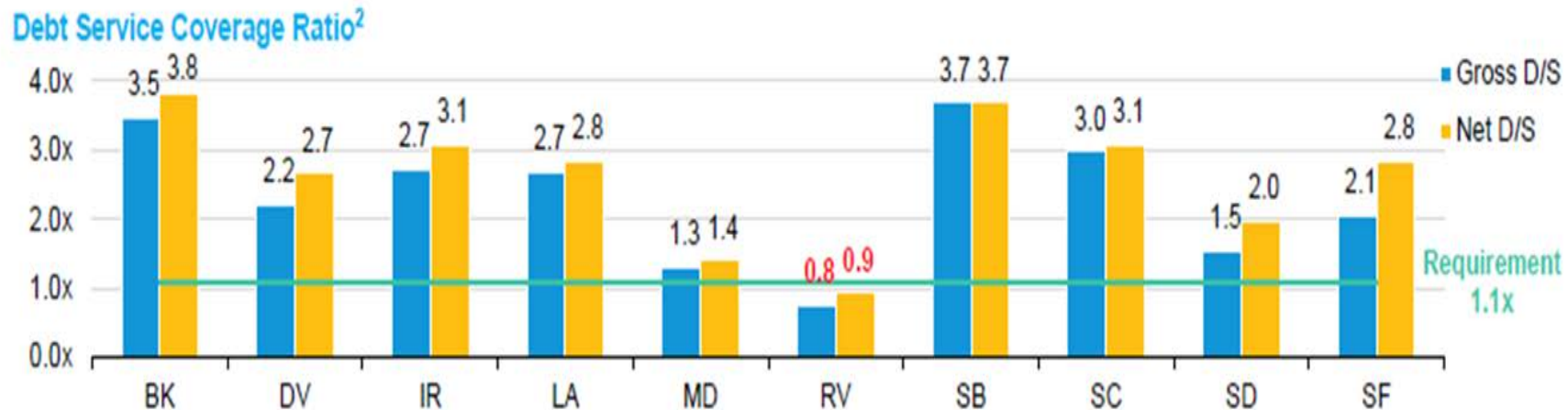
UCR Net Position from the annual Financial Statements



FINANCIAL INFORMATION

UCR's Debt Affordability highlights a symptom of campus resource decline combined with increased debt.

UC uses a "Debt Affordability Model" to track our ability to take on additional debt.



As of spring 2020, UCR is the only UC campus that falls below the requirement

Key Issues for UCR:

- Increased Debt
- Slower Rate of Income Growth

Definitions:

- *Gross D/S = Gross Operating Income / Debt Service*
- *Net D/S = Net Operating Income / Debt Service*



CURRENT BUDGET MODEL – REVENUE DISTRIBUTION AND IMPACTS TO CENTRAL CAMPUS RESOURCES

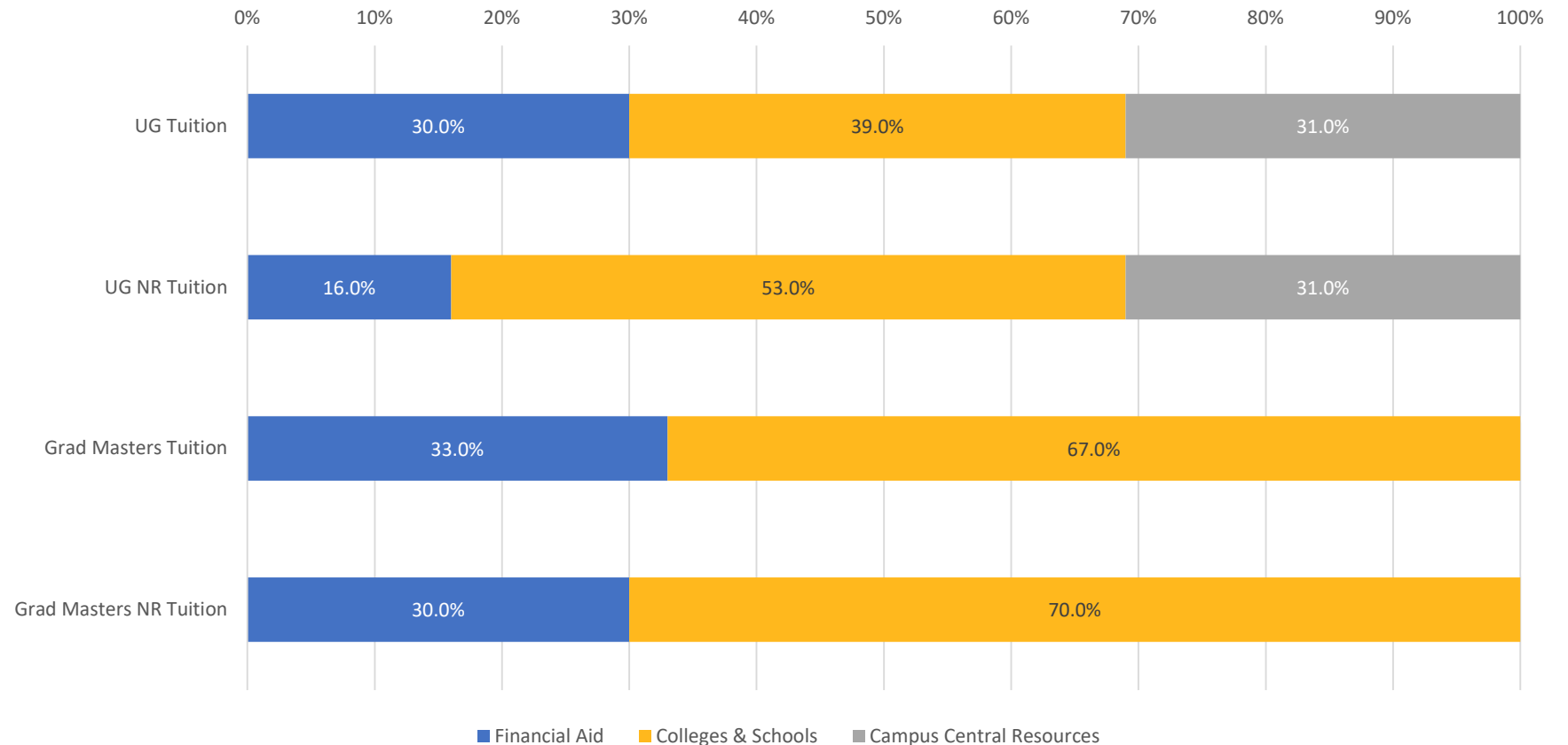
REVENUE DISTRIBUTION

Distribution of Core Tuition & Non-Resident Tuition by Student Type

Approved Modifications

1. *The UG NR Tuition percentages will gradually change over time as the formula adjusted from 70%-to-30% for Colleges & Schools and 30%-to-70% for Campus Central Resources on increases starting in FY19-20. These are the updated percentages as of FY22.*
2. *In order to smooth the budget adjustments to Colleges & Schools, the Workload and Headcount for the current year and prior 2 years (3-year total) will be averaged in order to calculation the allocation amount effective in FY22-23.*

UCR Budget Model - Distribution of Student Tuition

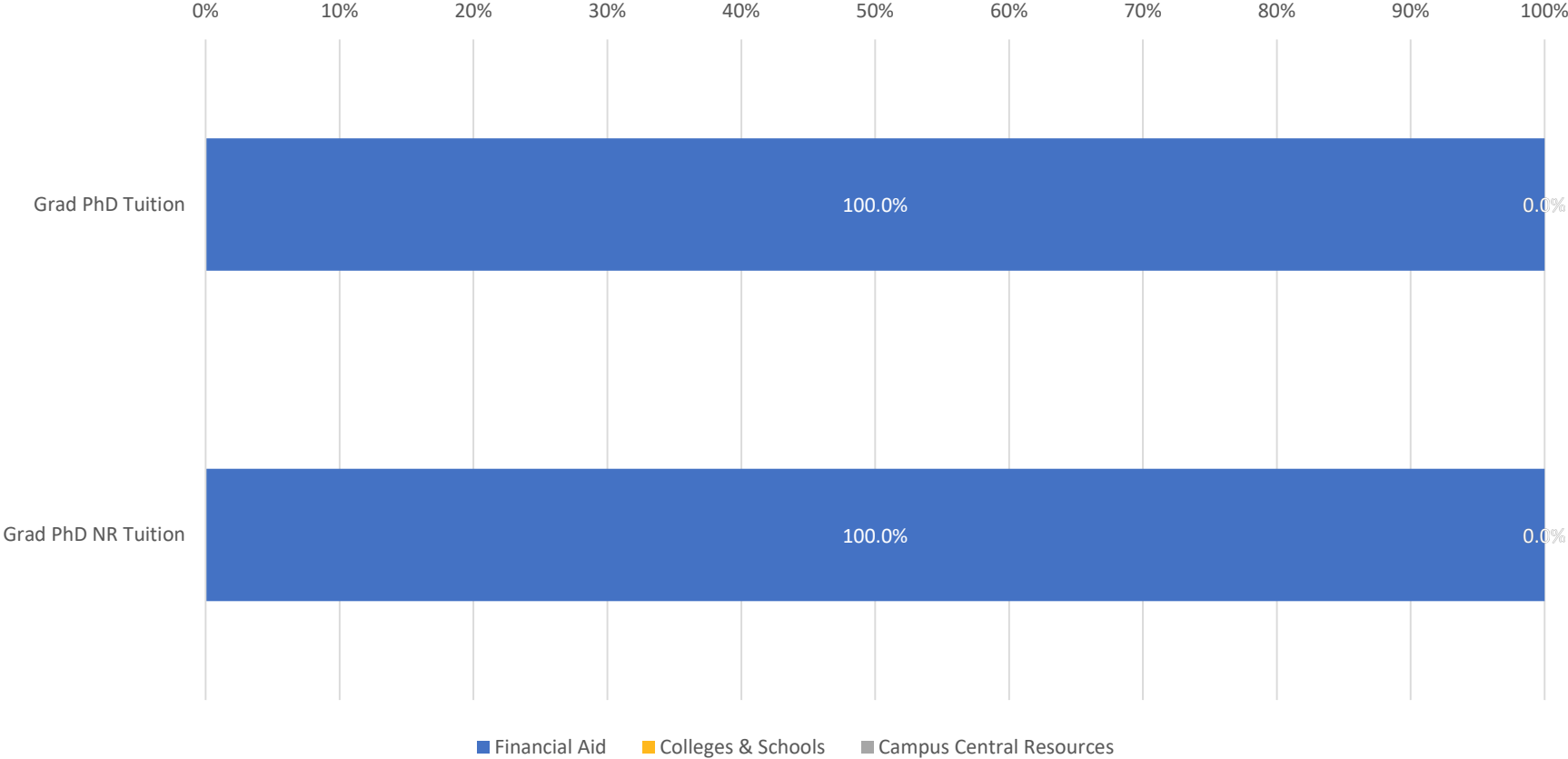


- Prior to the Budget Model, all of the Colleges & Schools went to the Campus Central Resources.
- All Financial Aid from Graduate Master Tuition/NRT goes to Grad Division to support PhD students.

REVENUE DISTRIBUTION

Distribution of Core Tuition & Non-Resident Tuition by Student Type

UCR Budget Model - Distribution of Student Tuition



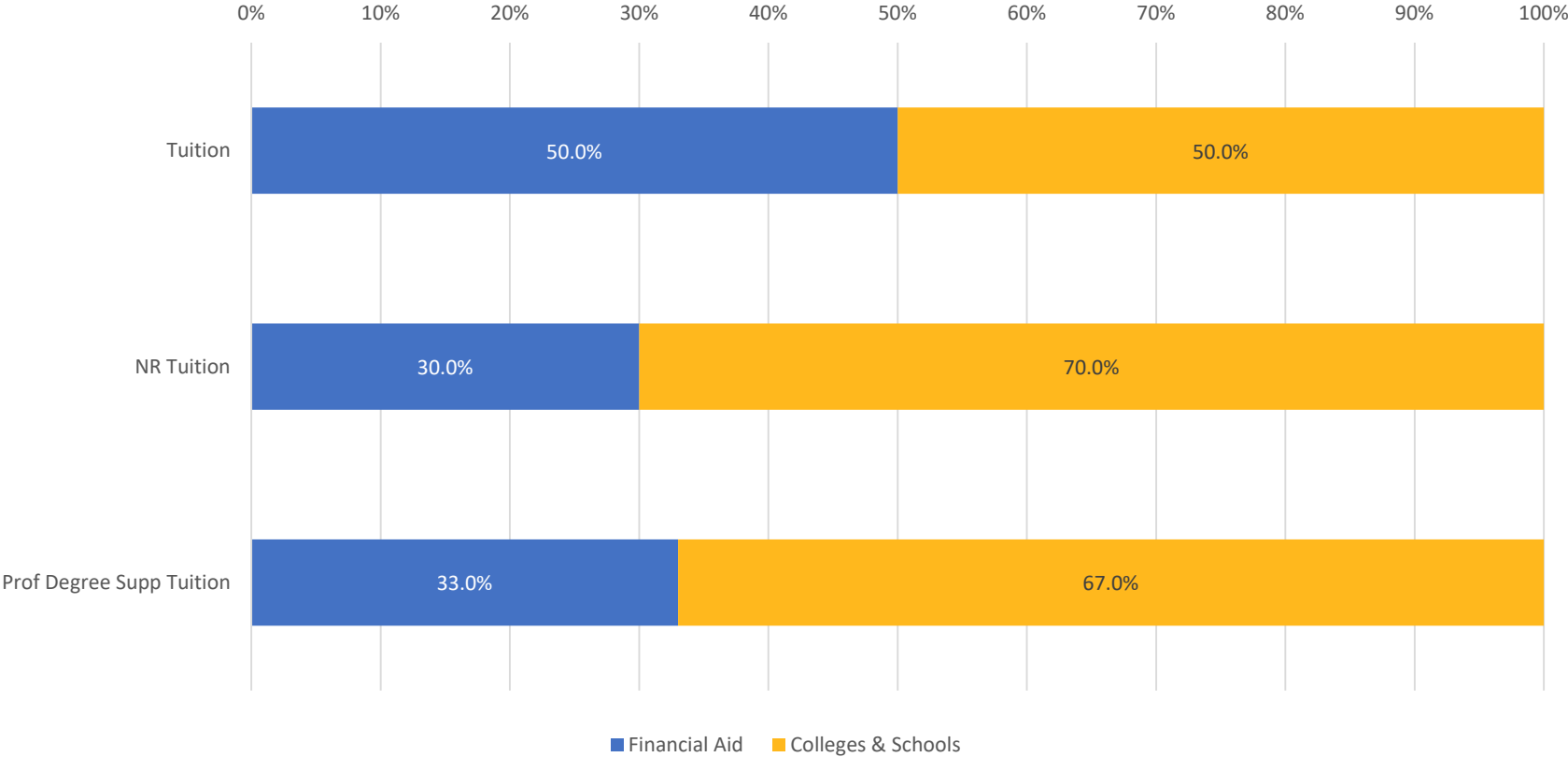
Note: If Grad PhD tuition and NRT is actually paid, the distribution would be 100% to Financial Aid. Most PhD tuition and NRT is “waived.”

- All Financial Aid from any Tuition/NRT paid goes to Grad Division to support PhD students.

REVENUE DISTRIBUTION

Distribution of Tuition & Non-Resident Tuition for Professional Masters

UCR Budget Model - Distribution of Professional Masters Fees



Approved Modifications

1. *In order to smooth the budget adjustments to Colleges & Schools, the Headcount for the current year and prior 2 years (3-year total) will be averaged in order to calculation the allocation amount effective in FY22-23.*

- Prior to the Budget Model, all of the Colleges & Schools funding went to the Campus Central Resources.
- All Financial Aid from Prof. Masters Tuition/NRT goes to the Grad Division to support PhD students.
- PDST Financial Aid must be spent on Professional Masters Students only.

CAMPUS CORE BUDGET

Core Budget Summary as of 7/1/22

Core Budget includes:

- State General Funds
- UC General Funds
- Tuition
- Student Services Fee
- Non-Resident Tuition
- F&A (new as of 7/1/22)

<u>Org</u>	<u>Subvention</u>	<u>Tuition</u>	<u>F&A</u>	<u>Total Core Budget</u>
Academic Senate	1,755,821			1,755,821
Auxiliary Services	2,552,005			2,552,005
Bourns College of Engineering	27,159,439	17,767,442	3,671,186	48,598,067
Chancellor	10,563,688			10,563,688
Coll of Hum, Arts & Social Sci	44,604,789	48,652,957	1,218,907	94,476,653
College of Nat & Agr Sciences	78,142,133	28,486,523	7,214,148	113,842,804
Control Functions	22,328,487			22,328,487
Enrollment Services	9,209,892			9,209,892
Fac- Plng - Design - Const	42,018,202			42,018,202
Graduate Division	2,704,924			2,704,924
Info. Technology Solutions	32,059,615			32,059,615
International Affairs	2,199,638			2,199,638
Palm Desert Graduate Center	1,048,835			1,048,835
Planning, Budget & Admin	16,971,997			16,971,997
Provost/Exec Vice Chancellor	5,370,288			5,370,288
School of Business	5,173,669	9,780,237		14,953,906
School of Education	6,864,586	3,796,424	252,774	10,913,784
School of Medicine	43,049,764	1,838,529	1,051,370	45,939,663
School of Public Policy	4,899,904	1,274,235	187,975	6,362,114
UCR Intercollegiate Athletics	5,584,059			5,584,059
Undergraduate Education	5,070,460			5,070,460
University Library	17,539,735			17,539,735
Vice Chancellor - Research	5,282,541		5,561,736	10,844,277
Vice Chancellor - Univ Adv	21,853,865			21,853,865
Vice Chancellor Student Affairs	25,504,532			25,504,532
Graduate Financial Aid	-	20,717,049		20,717,049
Undergraduate Financial Aid	-	79,372,208		79,372,208
Total	439,512,868	211,685,604	19,158,096	670,356,568

QUESTIONS OR COMMENTS?

