



# **2010-11 Budget Planning**

**December 2009**

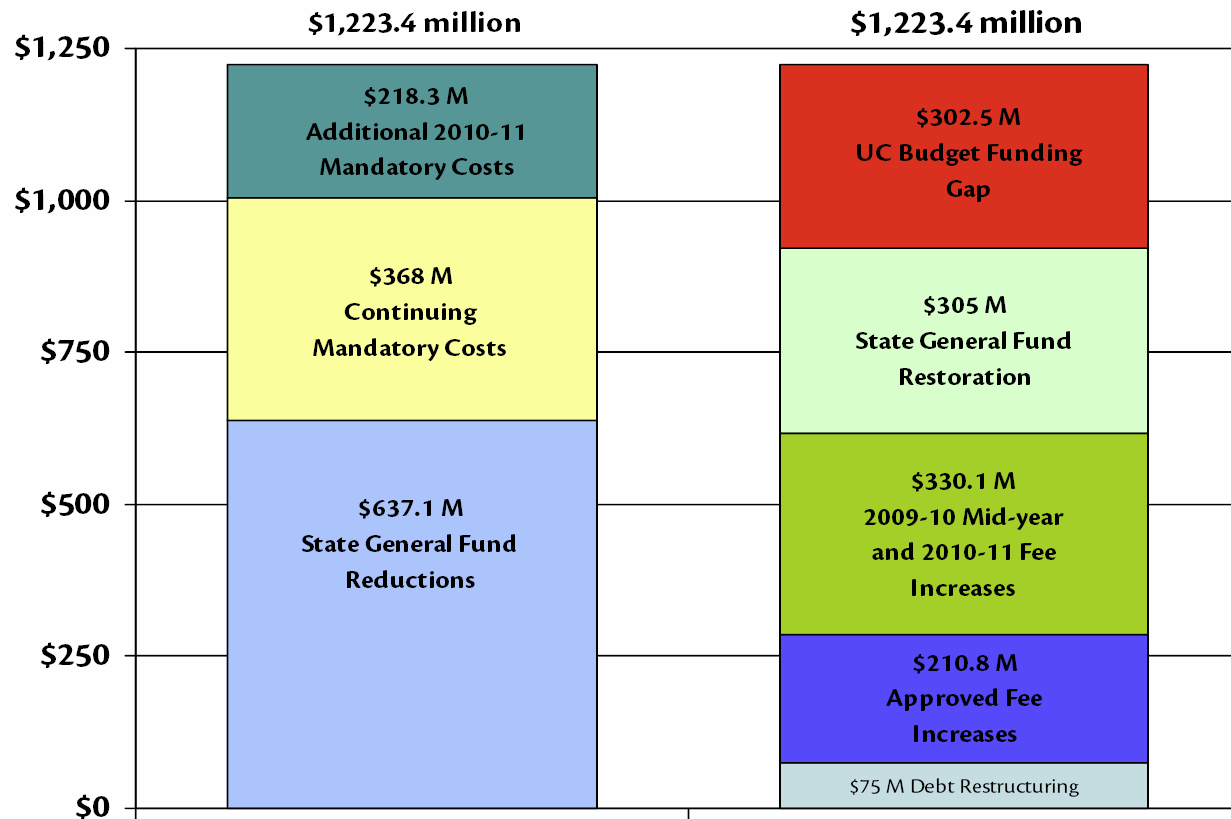
# UC faces 2010-11 funding gap

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... even

## 2010-11 UC Potential Budget Reductions and Funding Issues

- **with** fee increases
- **if State restores** \$305M cut in 2009-10



# State Budget Gap = \$20.7B

Figure 1

## LAO Projection of General Fund Condition If No Corrective Actions Are Taken

*(In Millions)*

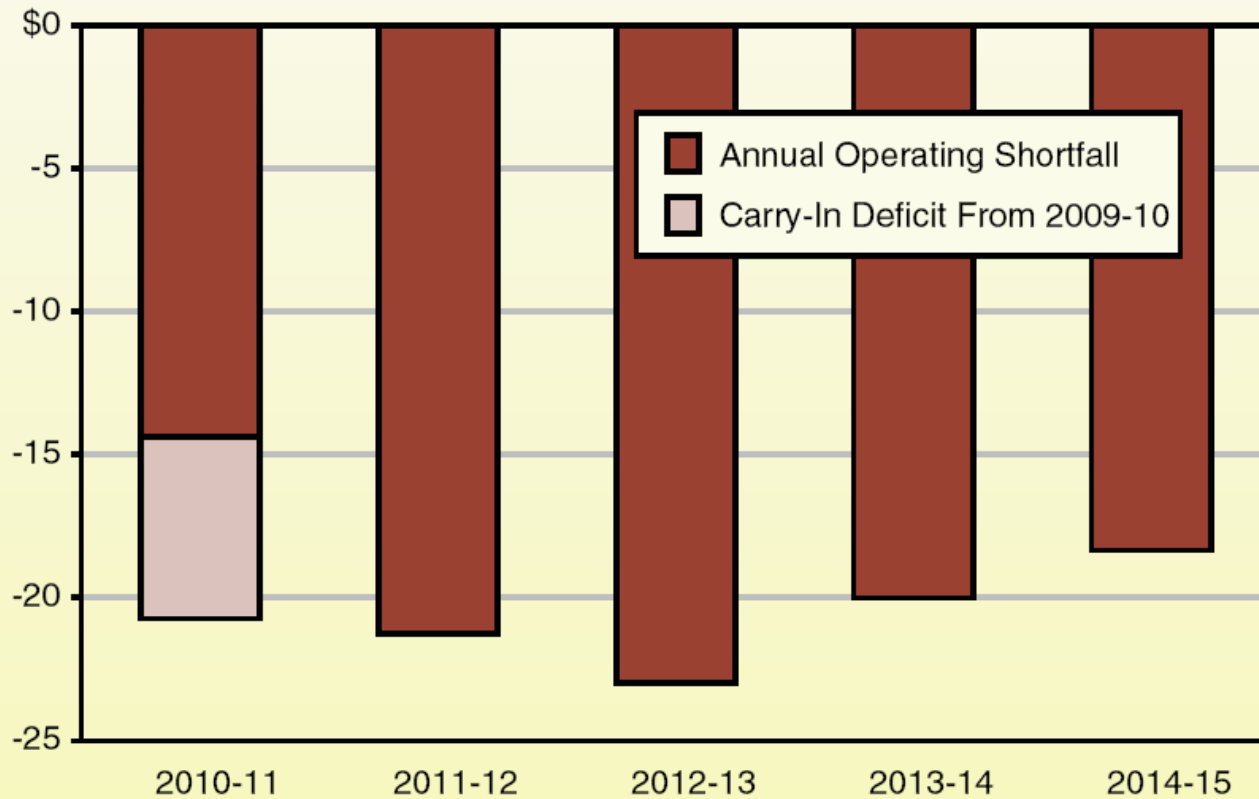
	2008-09	2009-10	2010-11
Prior-year fund balance	\$4,071	-\$4,086	-\$5,246
Revenues and transfers	83,601	88,090	87,793
Total resources available	\$87,672	\$84,004	\$82,547
Expenditures	91,758	89,251	102,196
Ending fund balance	-\$4,086	-\$5,246	-\$19,649
Encumbrances	1,079	1,079	1,079
<b>Reserve<sup>a</sup></b>	<b>-\$5,165</b>	<b>-\$6,325</b>	<b>-\$20,728</b>

<sup>a</sup> Special Fund for Economic Uncertainties. Assumes no transfers to the state's Budget Stabilization Account.

# A Sobering View After 2010-11

## Huge Operating Shortfalls Projected Throughout Forecast Period

*General Fund (In Billions)*



# UCSC budget impact

## 2008-09

- \$4.5 million cut in permanent funds
- \$6 million one-time cuts

## 2009-10

- \$19.7 million permanent reduction
- \$22.1 million one-time cut

**Cumulative 2-year impact is over \$50 million!**

# 2 Year View Of Perm Cuts

	<b>2 Year Total</b>	<b>% of Core</b>
<b>Academic Divisions</b>	<b>\$7,199,000</b>	<b>7.2%</b>
<b>Academic Senate</b>	\$113,000	9.5%
<b>Business &amp; Administrative Svcs</b>	\$3,438,000	12.0%
<b>Campus Provost/EVC Units</b>	\$735,000	13.6%
<b>Chancellor's Office</b>	\$134,000	8.5%
<b>Division of Graduate Studies</b>	\$114,000	13.2%
<b>Information Technology Services</b>	\$2,668,000	11.3%
<b>Library</b>	\$1,913,000	16.8%
<b>Student Affairs</b>	\$2,337,000	10.3%
<b>UCO Lick Observatory</b>	\$115,000	16.9%
<b>University Relations</b>	\$544,000	9.0%
<b>UG Education, SS, and Colleges</b>	\$444,000	8.8%
<b>Vice Chancellor Research</b>	\$237,000	10.1%
<b>Auxiliary Enterprises (CUHS)</b>	\$2,017,000	3.2%

# Assumptions 2010-11

## Revenue:

- Fee Increase and Summer Enrollments

## Obligations:

- Mandatory Costs – collective bargaining agreements, academic merits, employee benefits
- 4% Employer contribution to UCRS
- Budget Cuts

# Factors that will affect assumptions

- Changes in how OP allocates funds
- Increases or decreases in State funding
- Enrollment – resident *and* nonresident
- Salary Reduction/Furlough Program



# Planning Scenarios

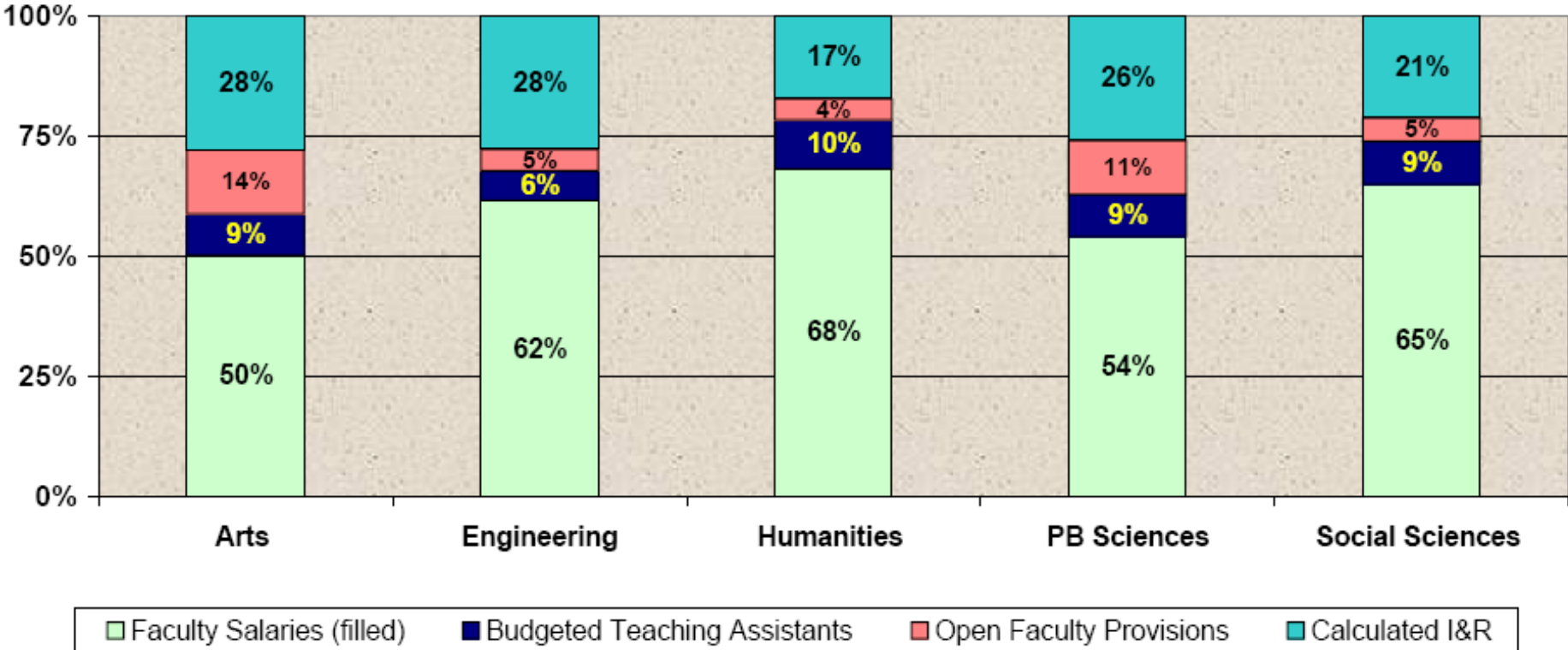
	<b>A</b>	<b>B</b>
	Current Estimate (\$10M)	Estimate If More Cuts (\$20M)
<b>Targets Based on Core Budget*</b>	<b>5.5%</b>	<b>11.0%</b>
Academic Divisions	5,224,900	10,450,000
Academic Support	4,774,300	9,548,900
	<b>\$9,999,200</b>	<b>\$19,998,900</b>
<b>Targets Based on Adjusted Base**</b>	<b>7.5%</b>	<b>15%</b>
Academic Divisions	2,880,000	5,759,900
Academic Support	6,471,400	12,942,700
	<b>\$9,351,400</b>	<b>\$18,702,600</b>

\* Excludes purchased utilities.

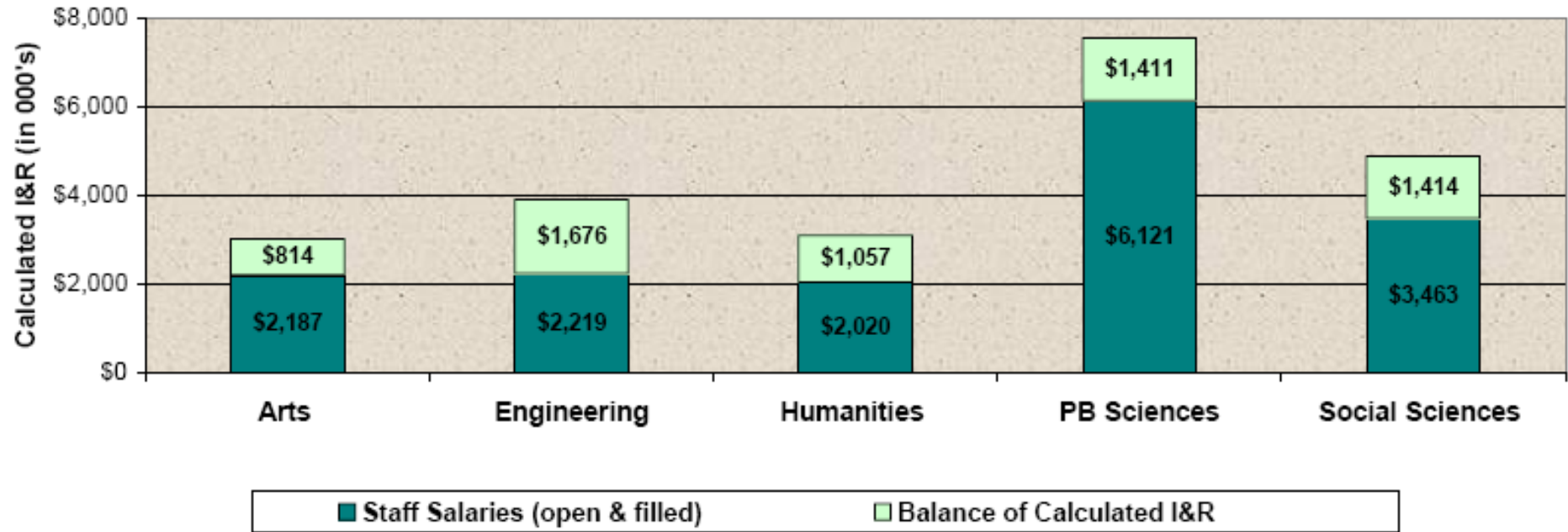
\*\* Excludes faculty salaries (filled) and purchased utilities

# Academic Salary Budget as Function of Division Base Budget 2009-10

Faculty Salaries (filled) incl SOE Lecturers and Lecturer FTE in Languages & Writing



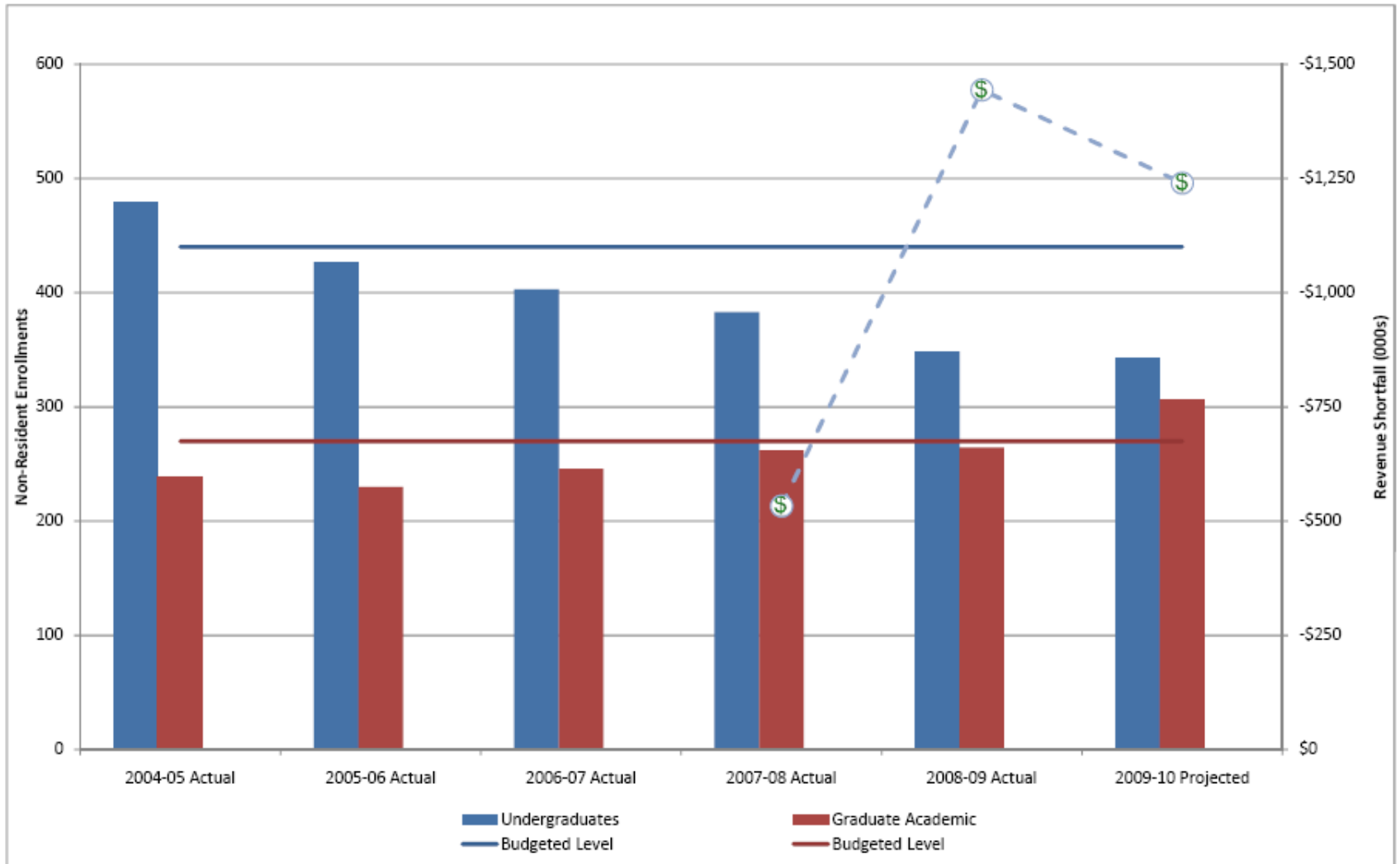
### Staff Salaries as Function of Division I&R (Calculated) 2009-10



# Adjusting To A Smaller Base

- **One-Time Transition Funds**
  - campus resources (limited)
  - ARRA (maybe)
- **New Ongoing Funds**
  - Nonresident tuition (50 UG stu = \$1.1 million)

# Nonresident Shortfall



**EACH ADDITIONAL NON-RESIDENT GENERATES:**

Undergraduate	\$22,021
Graduate	\$14,694

**REVENUE FROM 25 STUDENTS:**

\$550,525
\$367,350