



ABA Budget Discussion

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April 1, 2014

ABA Meeting, April 1, 2014 - EVC Suresh Subramani

- **What tools, assistance, training and development opportunities do you need personally to enable you to provide the kind of environment in which staff can thrive, maximize their potential, innovate?**
- **If you had the opportunity to hire staff, what skills would you be looking for? Are these different from what you would have emphasized in the past?**
- **What does the organization need to do (staff investments, change in the culture, etc.) to develop the kinds of staff you've said you need?**
- **Are there particular policies or practices that get in the way of being more of a service-oriented culture?**
- **Are there services that you are no longer providing due to budget cuts/consolidations that you feel would be valuable to offer?**
- **What are the barriers to hiring and retaining the right people to meet tomorrow's needs?**
- **What are the specific employee attributes that correlate with long-term success at the university?**
- **What are you doing to groom your junior colleagues?**
- **If competitive pay raises are not possible, what other types of rewards should we offer staff? What prevents us from doing so?**

Five Strategic Goals

Strategic Vision

Student Centered

Research Focused

Service Oriented

Public University

1. Deliver an educational and overall experience that develops students capable of solving problems, and leading and innovating in a diverse and interconnected world
2. Nurture and support a collaborative and interdisciplinary research culture that advances the frontiers of knowledge, shapes new fields, and disseminates discoveries that transform lives
3. Create an agile, sustainable, and supportive campus infrastructure by ensuring a dedication to service, people and financial stewardship
4. Drive economic development, shared prosperity, and social and cultural enrichment regionally and globally
5. Cultivate a diverse and inclusive campus community that encourages respectful open dialogue, and challenges itself to take bold actions that will ensure learning is accessible and affordable for all

Taking Action

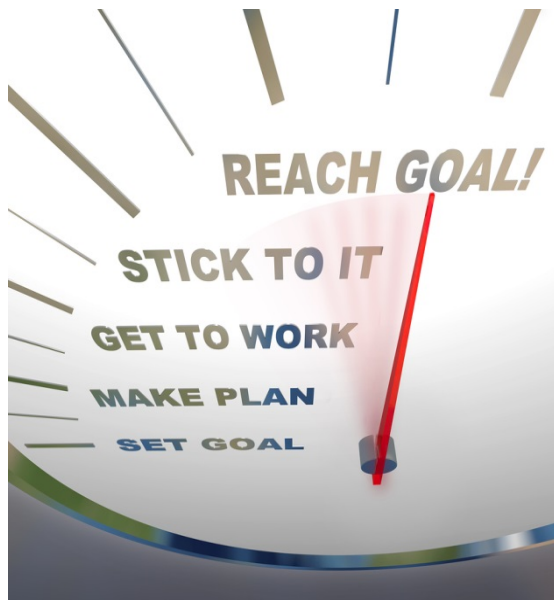
Administrative Organization Restructure

Organizational changes to ensure UC San Diego is positioned to achieve its goals

- Hired VC for Advancement
- Recruiting VC/CFO
- Realigned VC Student Affairs under EVC Academic Affairs
- Aligned Career Services under Alumni and Constituent Engagement
- Aligned Student Health Services under Medical Center
- Established Office of Ethics & Compliance
- Created Office of Operational Strategic Initiatives



Reaching our Goals



- Enhancing financial sustainability
- Evaluating existing revenues, reviewing current budget and resource allocation model
- Focus on attaining resources that will allow us to achieve our goals
- Identifying & implementing initiatives that increase operational efficiencies
 - Bottoms up all-funds budgets

Campus Priorities

Among developing campus priorities are:

- Improving graduation rates
- Faculty growth, recruitment and retention
 - *UCSD currently at a 65% faculty filled ratio, 63% General Campus*
- Recruiting graduate academic doctoral and master's students
- Funding graduate fellowships and undergrad scholarships
- New Research initiatives identified in the strategic plan such as California Brain Institute and others
- Enhancing the campus climate and emphasizing diversity, equity and inclusion
- Explore technology enhanced learning through University Extension
- Capital, facilities renewal and infrastructure investment
- Leveraging tech transfer and expanding Advancement

Governor's Proposed 2014/15 Budget for UC

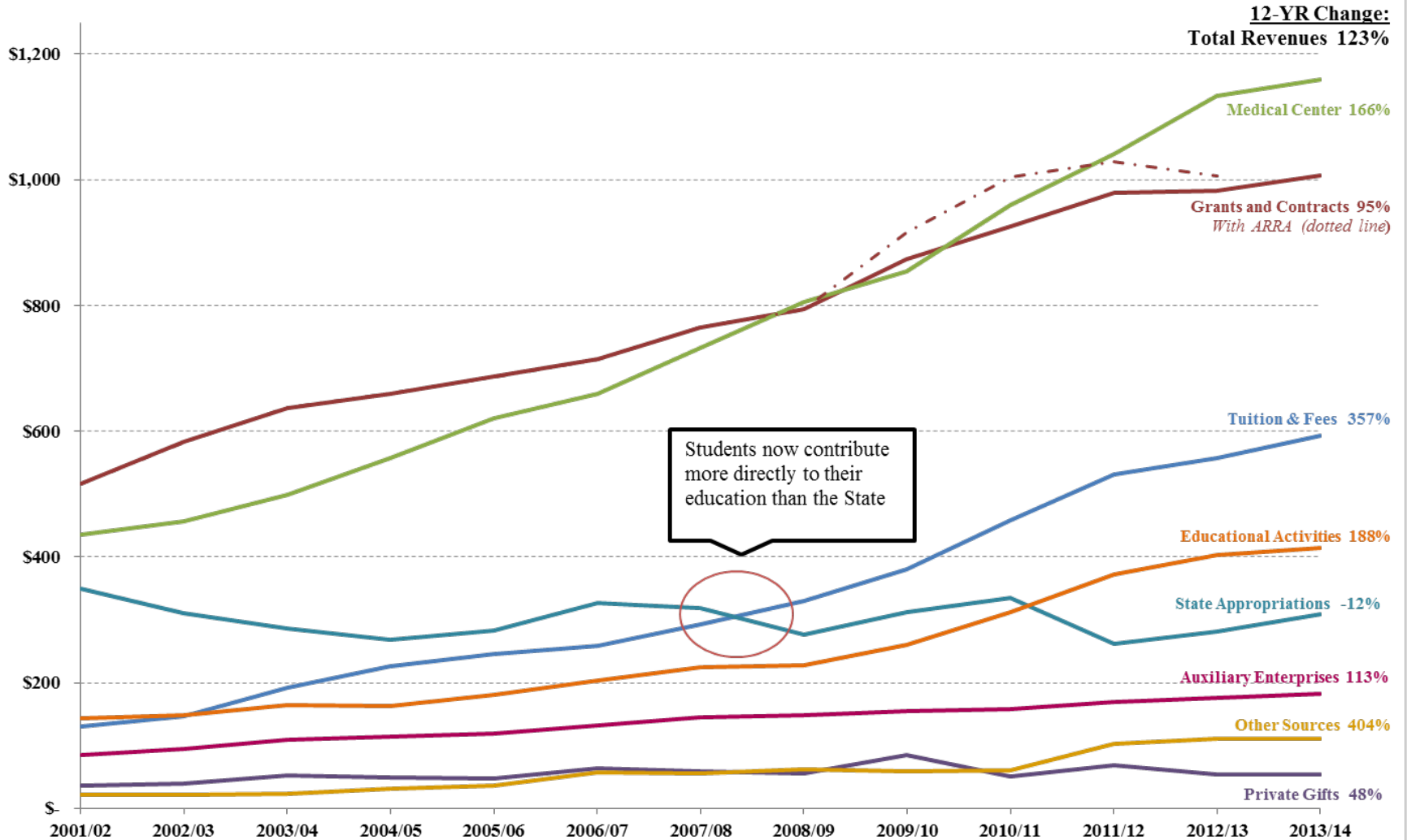


- Governor proposes funding second year of multi-year funding plan; contingent on no general tuition increase
- 5% base increase on State Educational Appropriation or \$142.2 M
- UC San Diego's share = \$15 M
- Not enough to cover basic mandatory cost increases

UCSD Financial Performance: Gross Revenues

2001/02 - 2012/13 & Projections thru 2013/14 (All Funds)

(\$ Millions)



Data Source: 2001/02 - 2012/13 UC Financial Schedules, projected 2013/14 financial activity.
Campus revenues are shown gross, without offset by scholarship allowance.

Long Term Financial Projections

(\$Millions)	2011/12	2012/13	Projected				
			2013/14	2014/15	2015/16	2016/17	2017/18
Revenues & Other Resources							
Tuition and Fees - gross ⁽¹⁾	\$532	\$557	\$592	\$664	\$693	\$720	\$728
State Educational Appropriations	235	250	280	295	308	321	333
Other State Appropriations	27	31	28	28	28	28	28
Federal Grants and Contracts	756	741	726	714	702	690	678
Other Grants and Contracts	272	265	281	293	315	338	364
Medical Center	1,042	1,133	1,159	1,216	1,288	1,390	1,483
Educational Activities	372	402	414	427	440	453	466
Auxiliary Enterprises - gross ⁽¹⁾	170	176	181	187	193	198	204
Private Gifts	68	54	55	57	59	61	62
Investment Income	37	40	40	40	40	40	40
Other Revenues - gross ⁽¹⁾	66	71	71	70	71	74	76
Other Resources: Systemwide Funding ⁽²⁾	35	29	29	29	29	29	29
Revenues supporting core activities	\$3,612	\$3,749	\$3,857	\$4,021	\$4,165	\$4,340	\$4,492
Expenses & Transfers							
Salaries and Wages	\$1,566	\$1,630	\$1,693	\$1,768	\$1,847	\$1,930	\$2,016
Benefits	430	471	515	570	626	683	750
UCOP Tax	42	44	47	52	57	60	62
Scholarships and Fellowships - gross ⁽¹⁾	223	227	231	236	241	245	250
Utilities	45	43	46	47	48	51	53
Supplies and Materials	860	939	1,024	1,045	1,085	1,177	1,213
Debt Service	133	144	156	156	204	215	213
Capital Transfers	245	205	205	205	205	205	205
Spend associated with core activities	\$3,545	\$3,702	\$3,917	\$4,079	\$4,313	\$4,567	\$4,762
Income (loss) from core activities	\$67	\$47	(\$59)	(\$58)	(\$148)	(\$227)	(\$271)

(1) Campus current revenues and financial aid expenditures are shown gross, without offset by scholarship allowance, to reflect total volume of operations.

- 2012/13 scholarship allowance offsets to UCSD revenue in the UC Financial Schedules totaled \$161M: Tuition & Fees \$142M, Auxiliary \$19M, Other \$0.3M.

(2) Systemwide funding represents funding transferred to Campus from UCOP, and net intercampus Contract & Grant funding between UC campuses. UCOP funding includes Endowment payouts, Be Smart About Safety funding, Lab Management Fee allocations, Insurance reimbursements, & other misc. allocations.

Budget Planning Outlook

- Campus outlook requires strategic, multi-year planning:
 - Low growth in revenue streams:
 - State (*Gov's plan is base growth of 5%, 5%, 4%, 4% through 2016/17*)
 - Student fees (*Gov's plan expects no fee level increase through 16/17*)
 - Research sponsors (*federal R&D IDC driving decline*)
 - On-going costs that require significant levels of campus funding:
 - Compensation (*~\$30M per year, includes 3% salary program*)
 - UCPath (*up to \$15M/year without clarity on cost recovery or net savings*)
 - Others: debt service, deferred maintenance, IT infrastructure
- Planning efforts will require Campus to:
 - Develop new and increase existing revenues (*Out-of-state students; Full-time MS Programs; Philanthropy; Technology Transfer*)
 - Implement financial efficiency initiatives in non-instructional spending

BUDGET OVERVIEW ACADEMIC AFFAIRS

ABA Meeting
April 1, 2014



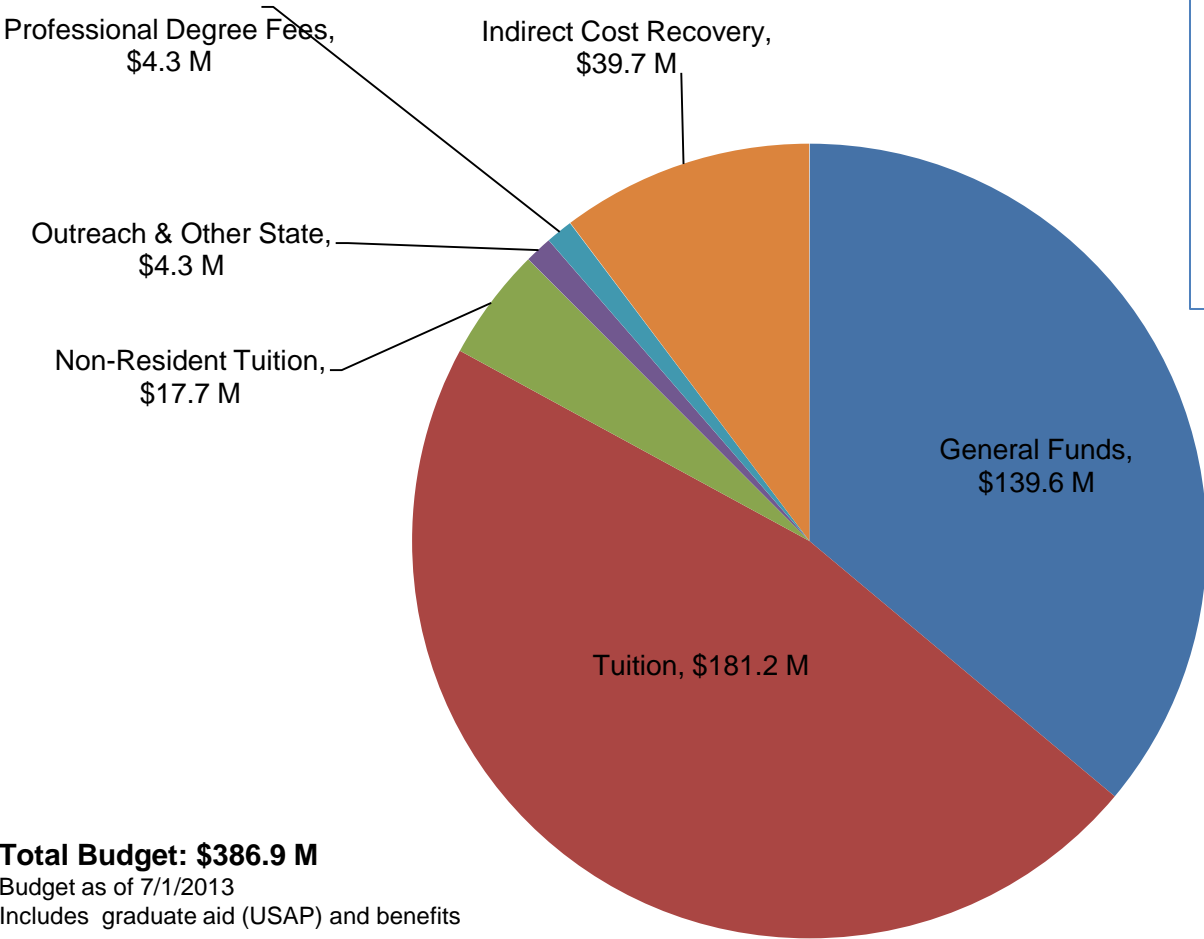
ACADEMIC AFFAIRS BUDGET

Academic Affairs Core Budget 7/1/2013

Sources of Funds *(millions)*

7/1/13 Permanent Budget

General Funds	\$139.6 M	36.1%
Tuition	\$181.2 M	46.8%
NRT	\$17.7 M	4.6%
Prof Degree Fees	\$4.3 M	1.1%
Outreach & Other	\$4.3 M	1.1%
ICR	\$39.7 M	10.3%
TOTAL	\$386.9 M	100.0%



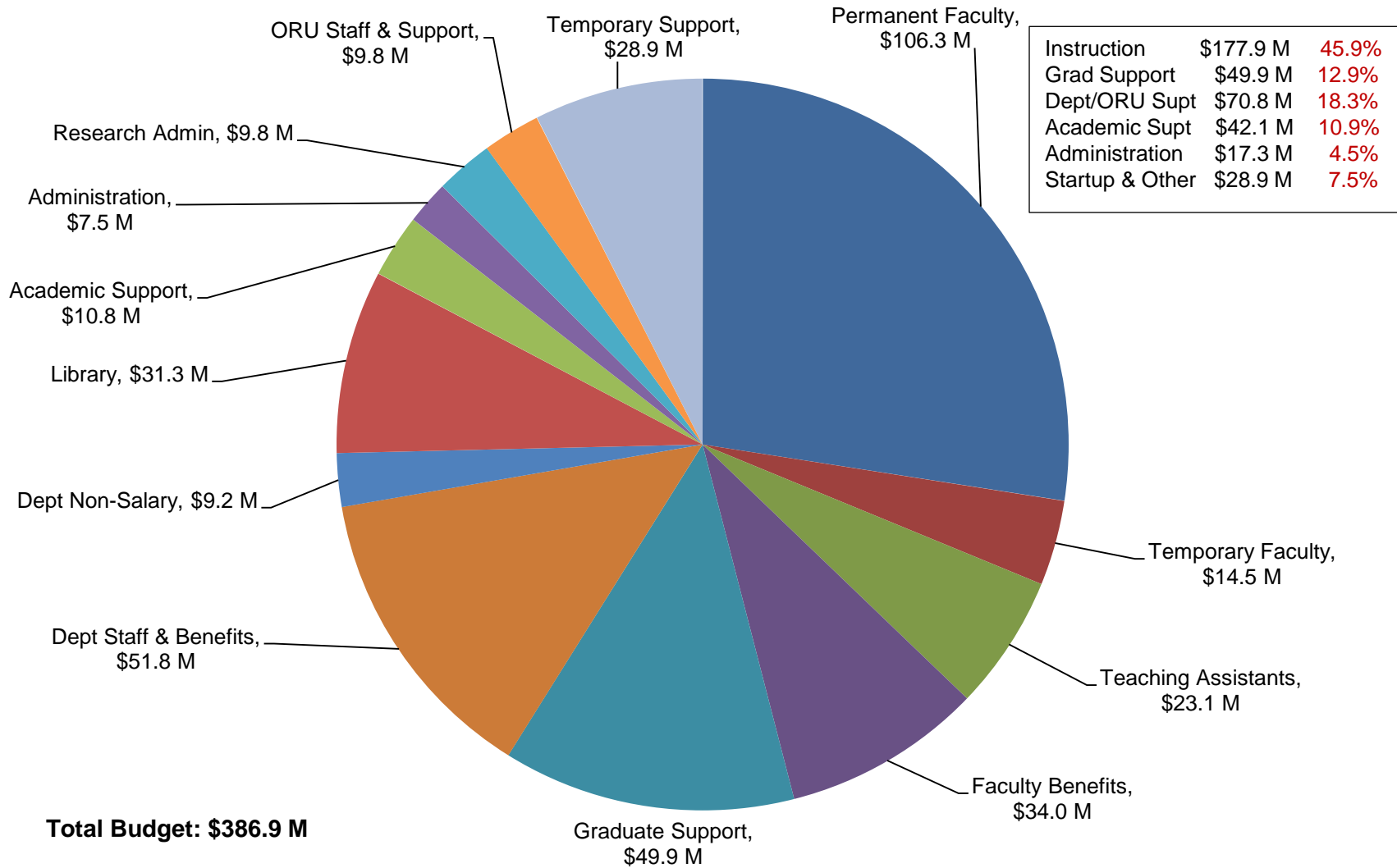
Total Budget: \$386.9 M

Budget as of 7/1/2013
Includes graduate aid (USAP) and benefits

Campus Core Funds Budget = \$814M (12/13)

Academic Affairs Permanent Budget 7/1/2013

Uses of Funds (millions)



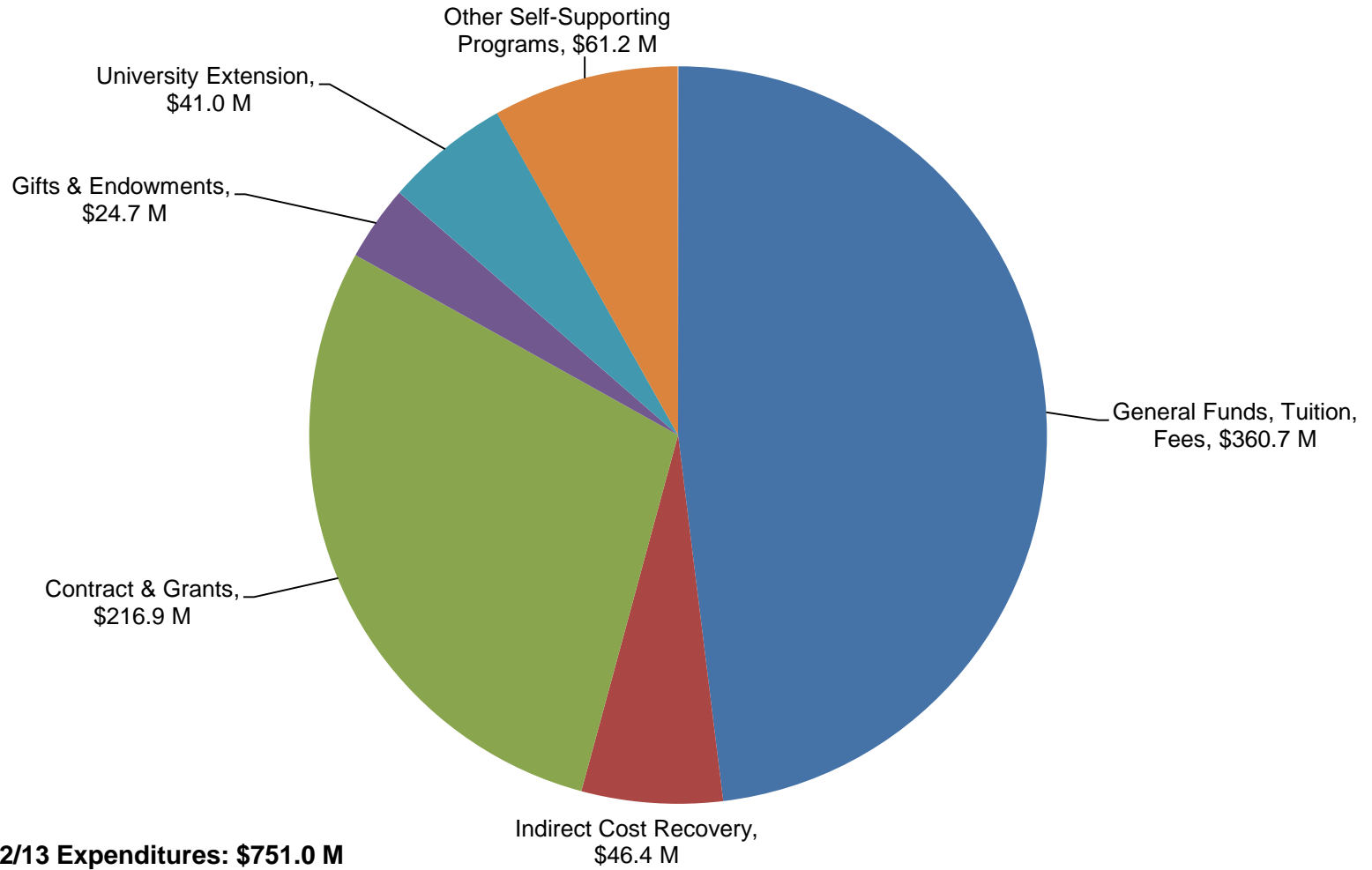
Change in People (all Fund sources)

Headcount	1999	2009	2010	2011	2012	Two year change
Ladder Rank Faculty (LRF)	706	904	907	894	884	-2.54%
Temporary Faculty - Lecturers	396	625	567	568	584	3.00%
Total Teaching Faculty	1,102	1,529	1,483	1,462	1,468	-1.01%
Other Academics: PGRs, Librarians, Academic Coordinators	961	1,144	1,187	1,316	1,258	5.98%
Staff – Career and Non Career	4,228	5,107	5,057	5,248	5,201	2.85%
TAs, Tutors & GSRs	3,341	4,194	4,510	4,669	4,662	3.37%
All Employees	9,632	11,974	12,237	12,695	12,589	2.88%
Actual Student FTE (excl. SIO)	17,179	27,245	28,143	28,435	27,915	-0.81%
Ratios						
Students per LRF	24.3	30.1	31.0	31.8	31.6	
Students per All Teaching Fac	15.6	17.8	19.0	19.4	19.0	
Staff per All Academics	2.0	1.9	1.9	1.9	1.9	

ACADEMIC AFFAIRS SPENDING AND FUND BALANCES

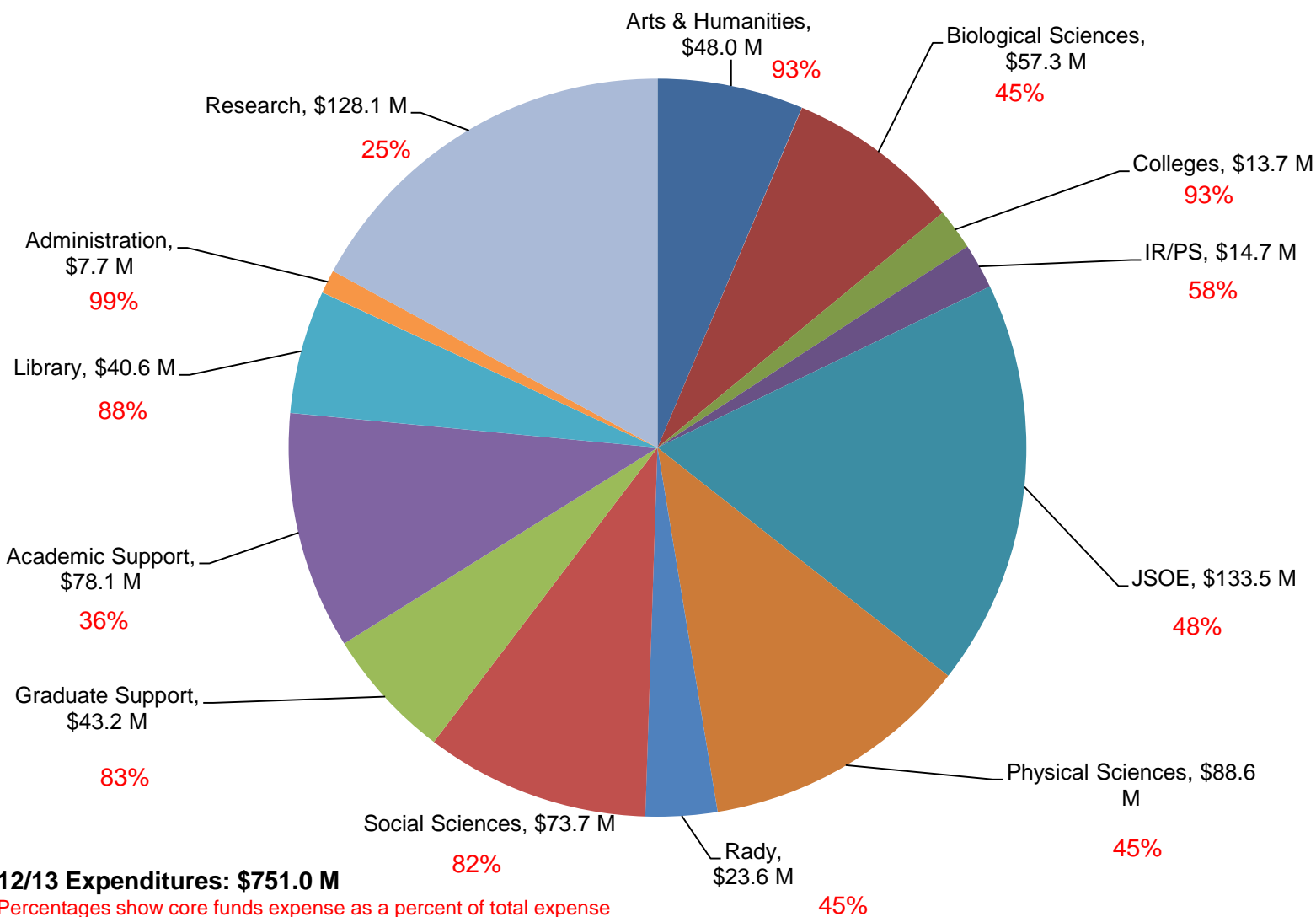


Academic Affairs 2012/13 Expenditures by Fund Source



12/13 Expenditures: \$751.0 M

Academic Affairs 2012/13 Expenditures by Major Unit



12/13 Expenditures: \$751.0 M

Percentages show core funds expense as a percent of total expense

Academic Affairs :

Total All Funds Budget & Fund Balances

(in thousands)	FY 2010/11	FY 2011/12	FY 2012/13
Resources			
Core Budget incl. one time transfers	\$ 383,345	\$ 404,573	\$ 409,976
Non Core Funds	362,212	344,554	346,263
Expenditures			
Compensation	\$ 451,267	\$ 476,353	\$ 492,809
Non-Compensation	\$ 203,670	\$ 244,206	\$ 258,164
Year End Fund Balances			
Core Funds	\$ 124,085	\$ 156,512	\$ 150,861
Other Unrestricted	77,022	87,789	96,099
Core Fund Balance as % of Core Fund Budget			37%

Core Funds Balance – 6.30.2013

(in thousands)	Total Core Fund Balance	Faculty Startup/Retention	Other Faculty	Operating Funds
Academic Divisions/Schools	\$ 60,915	\$ 18,713	\$13,579	\$ 28,624
Research Units (ORUs)	10,289	0	2,135	8,154
Academic & Graduate Support	20,168	0	5,828	14,340
EVC and other Administration	59,488	22,000	0	37,488
Total Core Funds Balance	150,860	40,713	21,542	88,605
Operating Balance % of Total Core Balance				59%

Comparing Operating Funds Balance to Operating Budget – 2012/13

(in thousands)	Core Funds Operating Balance	Core Funds Adjusted Budget *	Balance as a percent of Budget	Balance greater than 20% of Budget
Academic Divisions/Schools	\$ 28,624	\$ 67,369	42%	\$ 15,149
Research Units (ORUs)	8,154	8,126	100%	6,527
Academic & Grad Support	14,340	70,186	20%	302
EVC and other Admin.	37,488	138,552	27%	9,777
Total Core Funds	88,605	284,234	31%	31,758

* Adjustment: Permanent budget **less** Faculty Salaries, **plus** Temp and TA budgets

ACADEMIC AFFAIRS RESOURCE PRIORITIES

Academic Affairs Resource Priorities 2014/15 Highlights

- Faculty Recruitment and Retention to achieve net growth of at least 100 faculty in Academic Affairs
 - New three-year plan for faculty recruitment
 - Allocate net 60 new FTE plus 2/3 of separations/retirements
 - Allocate all terminal appointment FTE
 - Separate consideration for LPSOE/LSOE needs
 - Additional allocation of 20 FTE to support joint FTE that cross VC boundaries and link to interdisciplinary research initiatives
 - Adopt a model to effectively and sustainably address faculty salary compression problem
 - Renovation and allocation of existing space to support net new faculty is a priority

Academic Affairs Resource Priorities 2014/15 Highlights

- **Education Initiative**

- Teaching and Learning Commons
- Center for Teaching Development – expand to support faculty
- Student Writing Center
- Continued investments in classroom technology
- Investments in new learning technologies and modalities
- Better leveraging of decentralized network of instructional support
- Better coordination and development of international programs

Academic Affairs Resource Priorities 2014/15 Highlights

- Graduate Student Support
 - GSGEI
 - Masters programs growth
 - Evaluate all major sources of support for most effective use
- Biology/Physical Sciences Building
- Investment in Research Initiatives
- Ensuring adequate support funding
- IT Infrastructure and targeted Systems Development

ACADEMIC AFFAIRS

13/14 UPDATES



Reporting on Expense

- Increasing requests for reports on use of funds
- Program 403000
 - Created to separately record faculty startup and retention costs
 - For faculty hires and retentions effective 7/1/14 or later, the EVC's office will only transfer funds to program 403000 for startup and retention
- NEW Program 404000
 - Created to allow departments to better segregate faculty support allocations and expenses from on-going departmental operations
 - Use of this program code is not required

Graduate Support

- Numerous institutional sources, each with different funding model and spending requirements
 - Block Grant, RTA, OP Match
 - GSGEI
 - Non-resident masters incentive
 - TAs
- Increased reporting, financial as well as other metrics to ensure that programs are meeting campus goals
- Divisional discussions of best practices encouraged

Undergraduate Instruction Allocation (Temp FTE & TA FTE)

- 13/14 allocation
 - To be updated in April
 - Funding will be re-calculated for each division, updating course counts and enrollment to include Fall 2013 and Winter 2014 data
 - Check with your Dean's Office to find out whether your department will receive additional funding (end of April)
- Summer workgroup to review TA allocation and TA fee remission
 - Look at need for TAs for instruction vs. need for graduate support
 - Review of departmental and divisional expenditures for temporary faculty and TAs

General Campus Compensation Plan

- Minor changes in implementation guidelines for 14/15
 - Include FSEP & SAB/leave request forms with GCCP request form
 - Some revisions to request form and salary worksheet
 - Incorporate 3% salary increase for faculty in proposed salary
- General deadlines
 - Chairs should endorse proposals and send to Dean's Offices no later than April 15
 - Dean's Office should review, endorse and send proposals to EVC no later than May 1
 - EVC and CAP will review and approve proposals by June 1
- Reporting