Agenda

- Budget Overview
  - UC Budget
  - UCR Budget
  - Schools/Colleges Budgets
- 2014/15 Budget Planning
- Acronyms & Common Definitions
Budget Overview
UC System: Overview of the Budget and Core Funds

- UC’s overall budget provides instruction for 248,000 students, maintains a highly successful research enterprise, and supports public service endeavors that touch the lives of all Californians.

- Core funds provide the main source of support for the educational mission of the University, including faculty, academic support, instructional equipment, academic facilities, and student services needed to deliver a UC education.

### UC Funding for Education

**Total Revenue 2014-15**

- **28.8%** Medical Centers
- **15.2%** Contracts & Grants
- **25.9%** Core Funds
- **20.8%** Sales & Services
- **2.5%** Private
- **1.8%** Other

2014-15 Total: $26.7 Billion

**Core Funds 2014-15**

- **45%** Tuition & Fees
- **41%** State Funds
- **14%** Nonresident Supplemenal Tuition & Other

2014-15 Total: $6.9 Billion
State disinvestment has forced tuition to increase across UC campuses

Expenditures for Education Per Student from Core Funds

Total cost per student decreased 12% since 1990

State investment fell from 78% to 42% of total cost

Figures are for general campus students, adjusted for inflation.
What Makes Up UC Riverside’s Operating Budget

**On-Going Funds**
On-going funding from sources such as State General Funds, UC General Funds, Student Tuition and Fees and Endowment payouts. This along with revenue-generating activities like housing are considered on-going sources of funding.

**One Time Funds**
Temporary (One-Time) Funds – Includes funding such as gifts, single and multi year contracts and/or grants and gifts are not predictable from year to year and thus are referred to as temporary or one-time funding.

**Carry Forward Balances**
Carry Forward Balances – Includes funding remaining in the organizations ledgers at year.

**Campus Allocations**
Campus Allocations – Includes funding from central campus resources which can be either on-going funding or one time allocations generally approved thru the campus wide budget process.
The major revenue streams at UC Riverside include **State Support**, **Student Tuition and Other Fees**, **Contracts & Grants**, and **Auxiliary Enterprises**.

<table>
<thead>
<tr>
<th>Source</th>
<th>2014-15 Actuals</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Support</td>
<td>214,903,617</td>
<td>27%</td>
</tr>
<tr>
<td>Tuition</td>
<td>224,850,276</td>
<td>28%</td>
</tr>
<tr>
<td>Scholarship Allowance*</td>
<td>(82,121,555)</td>
<td>-10%</td>
</tr>
<tr>
<td>Contract &amp; Grants</td>
<td>100,119,563</td>
<td>12%</td>
</tr>
<tr>
<td>Contract &amp; Grants -- Pell</td>
<td>52,084,846</td>
<td>6%</td>
</tr>
<tr>
<td>Gifts &amp; Endowments</td>
<td>12,798,095</td>
<td>2%</td>
</tr>
<tr>
<td>Sales &amp; Service</td>
<td>78,219,881</td>
<td>10%</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>70,601,826</td>
<td>9%</td>
</tr>
<tr>
<td>Other Student Fees</td>
<td>132,554,274</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>2,810,809</td>
<td>&lt; 1%</td>
</tr>
<tr>
<td><strong>UCR Total</strong></td>
<td><strong>806,821,695</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*A required discount of revenue due to waivers and UC specific financial aid on student accounts (GASB 35)*
The major expenditures at UC Riverside are incurred under **General Funds**, **Contracts and Grants**, and **Sales & Services/AUX Enterprises**.

<table>
<thead>
<tr>
<th>Source</th>
<th>2014-15 Actuals</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds*</td>
<td>359,892,693.27</td>
<td>51%</td>
</tr>
<tr>
<td>Student Fees**</td>
<td>81,341,877.38</td>
<td>12%</td>
</tr>
<tr>
<td>Contract &amp; Grants</td>
<td>128,173,052.74</td>
<td>18%</td>
</tr>
<tr>
<td>Gifts &amp; Endowments</td>
<td>14,132,471.60</td>
<td>2%</td>
</tr>
<tr>
<td>Sales &amp; Services/AUX Enterprises</td>
<td>116,289,013.46</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>3,829,730.26</td>
<td>1%</td>
</tr>
<tr>
<td><strong>UCR Total</strong></td>
<td><strong>$703,658,838.71</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
UCR Expenditures in FY2014-15

**By Budget Category**

- **Academic Salaries, $177, 25%**
- **Staff Salaries, $171, 24%**
- **Non-Salary Costs, $160, 23%**
- **Benefits, $136, 19%**
- **Financial Aid, $60, 9%**

**By Function**

- **Instruction, $271, 39%**
- **Research, $108, 15%**
- **Financial Aid, $60, 9%**
- **Student Svc, $65, 9%**
- **Oper & Maint, $41, 6%**
- **Inst Support, $50, 7%**
- **Aux Enterprises, $73, 10%**
- **Public Service, $9, 1%**
- **Academic Support, $26, 4%**

*Total 2014 Expenses = $703M*

*Financial Aid expenses are offset by the scholarship allowance, without that offset the Financial Aid expenses would represent 15% (2009) and 19% (2014) of the Core Expenses*
UCR Core Revenue by Fund Group

**UC Core revenue is approximately \( \frac{2}{3} \) state funds and \( \frac{1}{3} \) net tuition**

2015 Core Revenue (In Millions)
- State Funds, $215, 62%
- Net Tuition, $107, 31%
- Non-Resident, $16, 5%
- Overhead Recovery, $6, 2%

Total = $344M
43% of total revenue
UCR Core Expenses By Budget Category

2015 Core Expenses
(In Millions)

- Academic Salaries, $124, 34%
- Staff Salaries, $75, 21%
- Benefits, $81, 23%
- Financial Aid, $16, 4%
- Non-Salary Costs, $65, 18%

Total = $360M

Core Fund expenses are approximately 80% faculty / staff salaries and employee benefits

*Financial Aid is offset by the scholarship allowance, without that offset Financial Aid would represent 15% (2009) and 19% (2014) of the Core Expenses

**Other Benefits include Fee Remissions and vacation accruals
UCR Budget as of July 1, 2014

Total On-Going Funds available to Campus Organizations is ~$727m

2015 Available Funds
(In Millions)

- Schools & Colleges, 310m (43%)
- Sales & Service / Auxiliary, 167m (23%)
- Administrative Units, 175m (24%)
- Academic Support Units, 75m (10%)
UCR Colleges and School
Budgets as of July 1, 2014

2015 Available Funds
(In Millions)

- College of Natural & Agricultural Sciences, $164 (41%)
- Bours College of Engineering, $62 (16%)
- School of Business Administration, $24 (6%)
- Graduate School of Education, $11 (3%)
- College of Humanities, Arts & Social Sciences, $87 (22%)
- School of Public Policy, $3 (1%)
- School of Medicine, $46 (11%)
- School of Public Policy, $3 (1%)

Total: $440
2014-15 Budget Planning
Funding Decisions made in FY 14-15

Allocations for the 2015-16 Budget totaled approximately $96 million, including $55 million in permanent and $35 million in temporary funds.

Decisions by Broad Category

- **Grow Faculty Head Count**
  - $7M for Faculty Salaries for Cluster Hires
  - $30M for Faculty Start-ups
  - $2.0M in LSOE allocations

- **Student Success**
  - $2.3M in TA allocations
  - $934K for University Writing Program Funding Augmentation
  - $1M for Cultural & Mental Health programming

- **Growing Graduate/ Professional Enrollment**
  - $3M for Grad Cohort Funding Augmentation
  - $215k for Graduate Fellows, Mentors, & Consultants
  - $210k for GradQuant Center

- **Growing the Research Enterprise**
  - $14M in TRIP for Research Infrastructure Projects such as: Functional Magnetic Resonance Imaging Construction ($6M) and Transmission Electron Microscope Replacement ($2.5M)

- **Optimizing Infrastructure**
  - $1.4M to Improve Campus Network
  - $1.9M for Cognos Reporting Tool
  - $2.5M to fund benefit augmentations
  - $2.0M for Master Plan Study
  - $2.1M to support EH&S Budget
  - $650K to support Advancement Campaigns

*Estimated: Actuals to be finalized upon hire of clusters*
Reference Material, Acronyms, & Common Definitions
Common Acronyms

**ACR** – Administrative Cost Recovery

**COLA** – Cost of Living Adjustment

**FAU** – Full Accounting Unit

**FTE** – Full-Time Equivalent

**GASB** – Government Accounting Standards Board

**I&R** – Instruction & Research

**OR** – Organized Research

**S&E** – Supplies & Expenses

**USAP** – University Student Aid Program (Financial Aid)

**UCRFS** – UCR Financial System

**UCRFS Totals** – UCR Financial System data repository
Common Definitions

**Account** – Primary identification of a budget/financial transaction. Specific accounts represent balance sheet items, revenue, and expenses. (e.g., Salaries, benefits, travel, equipment)

**Carry forward** – The unexpended balances at the end of the year. For most units, these balances are calculated as: current year budget appropriation less expenditures and legal encumbrances. For self-supporting, auxiliary and other revenue-generating activities, carryforward balances also include revenue.

**Control Functions** – A campus-wide location that contains entries that cannot be assigned to a specific organization and is used to reflect central campus posting of expenses and liabilities (e.g., vacation accruals, eliminated capital), central campus reserves, and miscellaneous budget entries (e.g., scholarship allowance).

**Expenditures** – Resources consumed by the campus for the provision of services and goods.

**Full Accounting Unit** – Fields and values that provide the common ground for identifying budgetary and financial transactions. Often referred to as and FAU.

**Merits** – A type of pay adjustment that is performance based.

**Parity** – A type of pay adjustment to bring about equality of status or position especially in term of pay or rank.
Permanent Budget (On-Going Funds) – An approved annualized plan for financial operations. Funds appropriated on a one-time (temporary) basis such as contracts, grants, and gifts are generally not included in the permanent budget. The July 1 permanent budget provides the budgetary entries reflected in the July temporary ledger.

Revenue – Funds coming to the campus from governmental and private sources for the sales of services or goods.

Reserves – Generally used for self-supporting, auxiliary activities or campus-based student fees. These are funds set aside for a specific and future use and typically fall into one of two categories: reserves for equipment and reserves for improvement. Equipment reserves are accumulated following a standard depreciation schedule for equipment being replaced, whereas improvement reserves can be more subjective.

State Support – A subset of the General/Core Funds that originates from the State of California including funds classified at General Funds, Specific State Appropriations, and Special State Appropriations.

Temporary Budget – The current year component of a budget. This includes the July 1 permanent budget (if the FAU combination is permanently budgeted), any prior year carry-forwards, and any current allocations or adjustments.
Components of the FAU

The complexity of the UCR budget lies in the details. Every budget/financial transaction is categorized by at least four unique components – fund, function, budget category (expense account), and activity (within the organizational hierarchy). A condensed and simplified explanation of each component follows:

**Fund**
The major reporting element as evidenced by the information presented in this document is the fund. UCR has thousands of funds and so, funds are clustered into fund groups and typically reported by this standardized Fund Group Category listing.

**General Funds (State/UC/Tuition)**
Specific State Appropriations, Special State Appropriations, State General Funds, UC General Funds

**Student Fees (excludes Tuition)**
Various Student Fees, Summer Sessions, University Extension

**Gifts & Endowments**
Endowment Income, Unrestricted Gifts, Restricted Gifts

**Contract & Grants**
State Agencies, Local Government, Federal Contracts & Grants, Private Contracts & Grants

**Sales & Service**
Service Enterprises, Sales & Service-Educational, Sales & Service-Auxiliary Enterprises, Sales & Service-Other

**Other**
Principal Appropriated, Federal Appropriations, Reserves
Components of the FAU (continued)

*Function*
The function helps to classify budget/financial transactions by general program categories and is necessary for certain reporting requirements.

40 – *Instruction & Research*
Includes the budget and expenditures for the activities or programs that are a part of the instructional program (e.g., Chemistry, Psychology, Electrical Engineering, Summer Session, and International Education Programs)

43 – *Academic Support*
Includes budget and expenditures for activities that provide support to the University’s primary missions of instruction, research, and public service (e.g., Academic Administration – Deans, not Department Chairs; Computing, Agricultural Operations, Graduate Division, Shops, and Facility Units)

44 – *Organized Research*
Includes budget and expenditures for activities specifically organized to produce research outcomes whether by individual or project research and institute and center programs (e.g., Ag Experiment Station, Entomology, and CE-CERT)

60 – *Libraries*
Includes budget and expenditures for providing services directly related to the operations of the central library
**Components of the FAU—Function (continued)**

62 – Public Service  
Includes budget and expenditures for activities related to non-instructional services beneficial to individuals and groups external to the institution (e.g., community service programs, co-op extension, outreach programs, and conferences)

64 – Operation of Maintenance of Plant  
Includes budget and expenditures for the administration, supervision, operation, maintenance, preservation, and protection of the university’s facilities and grounds (e.g., janitorial; utility costs; repair and ordinary or normal alterations of buildings, furniture, and equipment; care of grounds, maintenance and operation of buildings and other plant facilities; security; earthquake and disaster preparedness; fire protection; safety; and hazardous waste disposal)

68 – Student Services  
Includes budget and expenditures for student administration programs as well as other programs that contribute to a student’s emotional and physical well-being and intellectual, cultural, and social development outside of the formal instructional program (e.g., admissions, financial aid, student activities, student health)

72 – Institutional Support  
Includes budget and expenditures for central executive-level activities concerned with management and long-range planning of the entire university, fiscal operations, activities concerned with community and alumni relations including development and fundraising, as well as logistical activities such as purchasing, printing, and fleet
**Components of the FAU—Function (continued)**

**76 – Auxiliary Enterprises**
Includes budget and expenditures for entities that exist to furnish goods or services to students, faculty, or staff and are managed essentially as self-supporting activities (e.g., residence halls, food service, parking)

**77-79 – Financial Aid**
Includes budget and expenditures for scholarships and fellowships given as out-right grants to students selected by the University and financed from current funds, restricted or unrestricted

**80 – Provision for Allocation**
Includes only budgetary funds that are held temporarily before allocation to departments (e.g., General Funds for benefit increases)
Components of the FAU (continued)

**Budget Category**
The Budget Category is a high-level budgetary classification of revenue or expenditures. The following is a list of the Budget Category groups that are typically used in reporting:

**Academic Salaries**
Faculty Appointments, Apprentice Appointments, Librarians, Academic Administration, Academic-Other

**Staff Salaries**
Staff Appointments, Staff Stipends/Allows/OT, Staff-Other, Staff Salaries-Non-Perm Funding, Unallocated Staff Salaries

**Employee Benefits**
Academic Benefits, Staff Benefits, Graduate Student Benefits, Academic Vacation Accrual, Staff Vacation Accrual, Unallocated Employee Benefits

**Financial Aid**
Financial Aid

**Supplies & Expenses or Supplies, Services & Other Expenses**
Travel, Supplies & Materials, Other Services, Mail Services & Freight, Printing & Reprographics, Media, Communication, Computing, Other S&E, Amortization/Depreciation, Interest, Food and Staples, Equipment/Other Inventorial, Sub-contracts, Facilities, Unallocated General
Highlights of the Campus Organizational Structure are:

- Provides an operational structure of four levels: Organization, Division, Department, and Activity.
- The organizational structure is intended to reflect levels of responsibility as well as levels of accountability.
- Each level within the structure starts with a unique identifier to aid in collecting and analyzing data.
- Provides a common reference structure for the whole campus.

The four levels of the Campus Organizational Structure are defined as follows:

**Organization:** Organizations represent the highest operational level in the Structure. Organizations are the major entities of the campus; for example, Schools, Colleges, and Vice Chancellor’s Offices.

**Division:** In some Organizations, accountability and responsibility are delegated to a lower level. The second level in the structure is the “Division” and typically it is identified by discipline (e.g. humanities) or function (e.g. academic computing).

**Department:** The third level of the Structure is the Department.

**Activity:** The fourth level is the “Activity”. The Activity represents the functional segment of the “Department” and identifies the primary level of the budgetary and financial management. Budgetary and financial transactions are posted to this level.