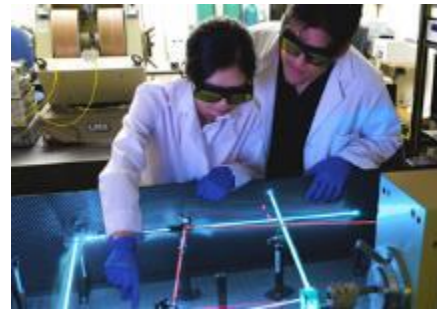
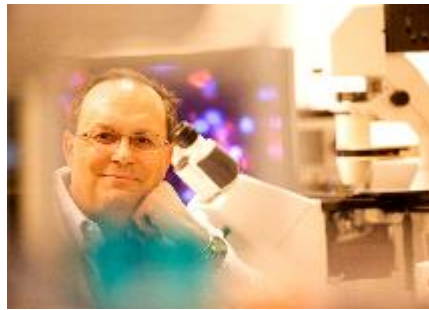




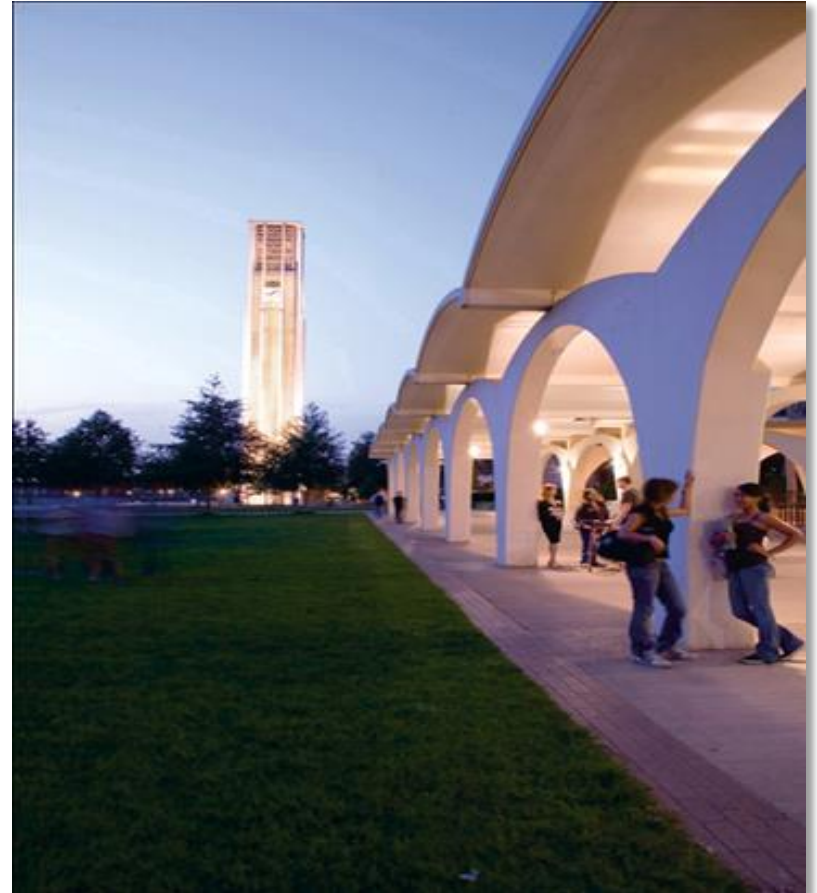
Budget Overview

October 13, 2015



Agenda

- Budget Overview
 - UC Budget
 - UCR Budget
 - Schools/Colleges Budgets
- 2014/15 Budget Planning
- Acronyms & Common Definitions



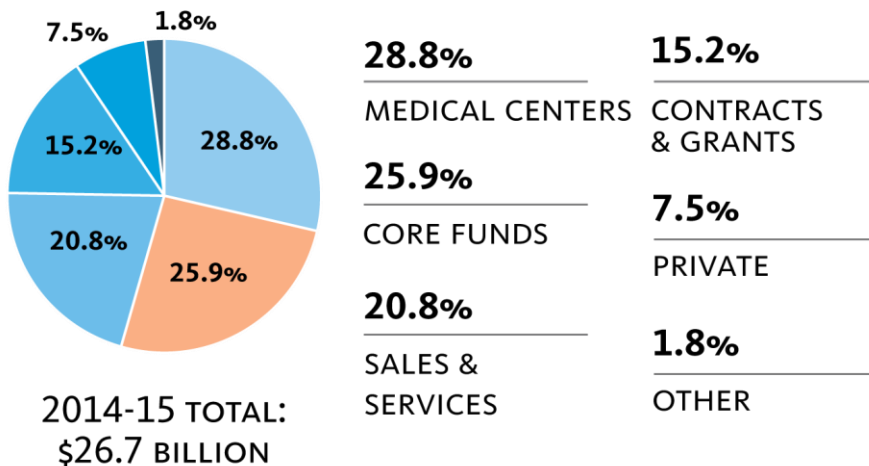
Budget Overview

UC System: Overview of the Budget and Core Funds

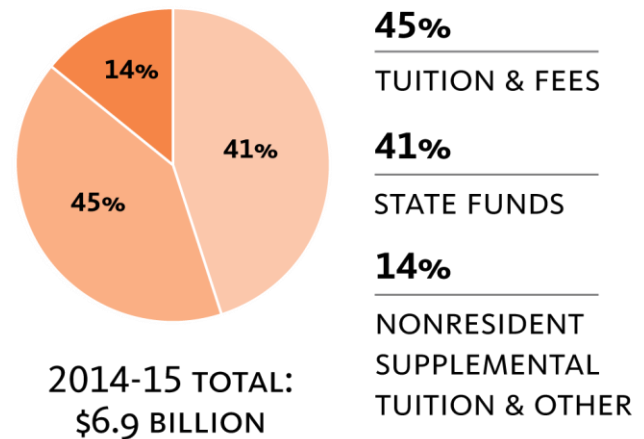
- UC's overall budget provides instruction for 248,000 students, maintains a highly successful research enterprise, and supports public service endeavors that touch the lives of all Californians.
- Core funds provide the main source of support for the educational mission of the University, including faculty, academic support, instructional equipment, academic facilities, and student services needed to deliver a UC education.

UC FUNDING FOR EDUCATION

TOTAL REVENUE 2014-15

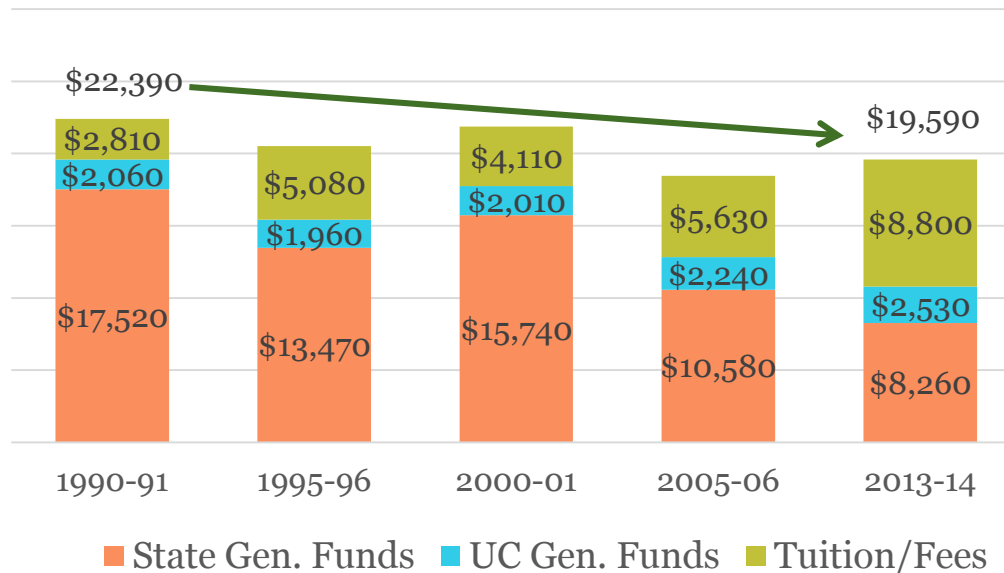


CORE FUNDS 2014-15



State disinvestment has forced tuition to increase across UC campuses

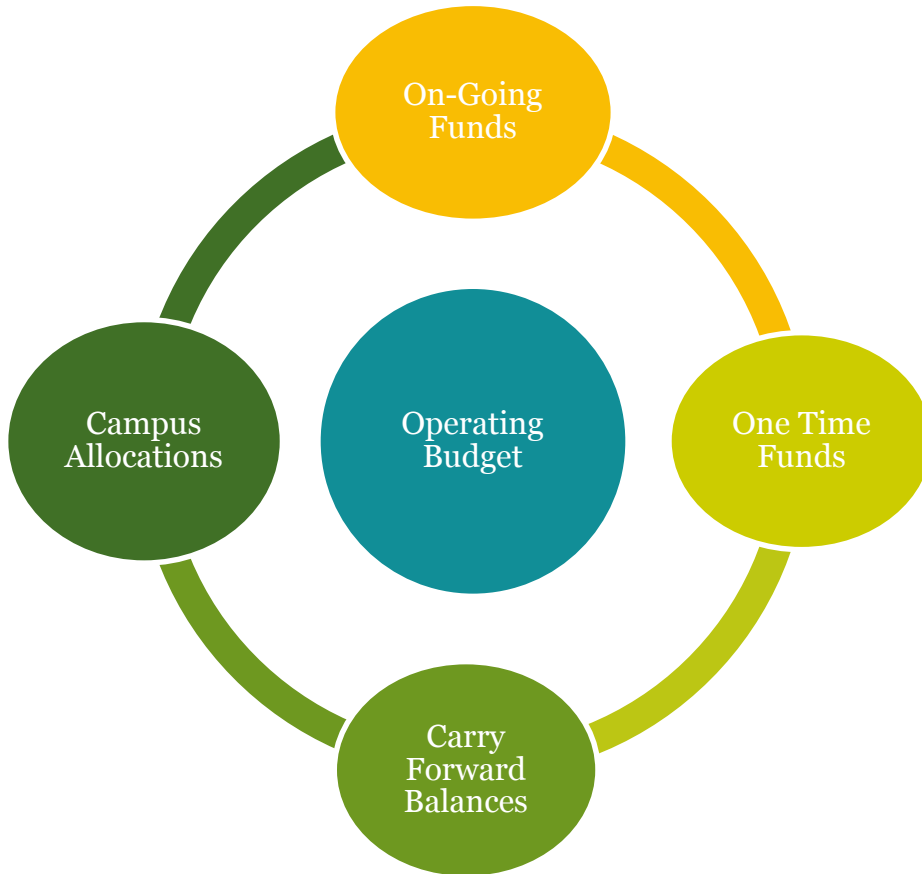
Expenditures for **Education** Per Student from **Core Funds**



Total cost per student decreased 12% since 1990

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

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.

UCR Revenue Overview

*The major revenue streams at UC Riverside include **State Support, Student Tuition and Other Fees**, Contracts & Grants, and Auxiliary Enterprises.*

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

* A required discount of revenue due to waivers and UC specific financial aid on student accounts (GASB 35)

UCR Expenditures Overview

The major expenditures at UC Riverside are incurred under **General Funds**, **Contracts and Grants**, and Sales & Services/AUX Enterprises.

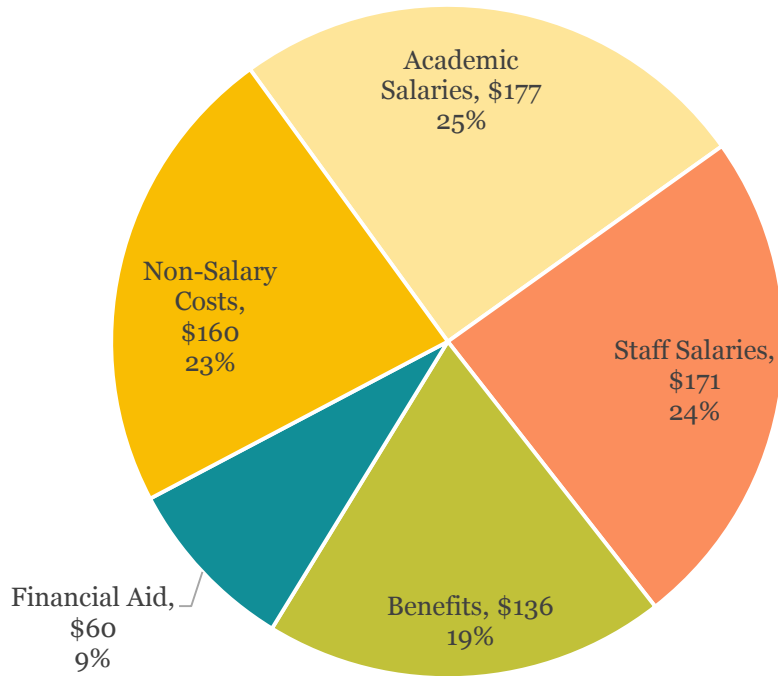
Source	2014-15 Actuals	%
General Funds*	359,892,693.27	51%
Student Fees**	81,341,877.38	12%
Contract & Grants	128,173,052.74	18%
Gifts & Endowments	14,132,471.60	2%
Sales & Services/AUX Enterprises	116,289,013.46	17%
Other	3,829,730.26	1%
UCR Total	\$703,658,838.71	100%

*State/UC/Tuition

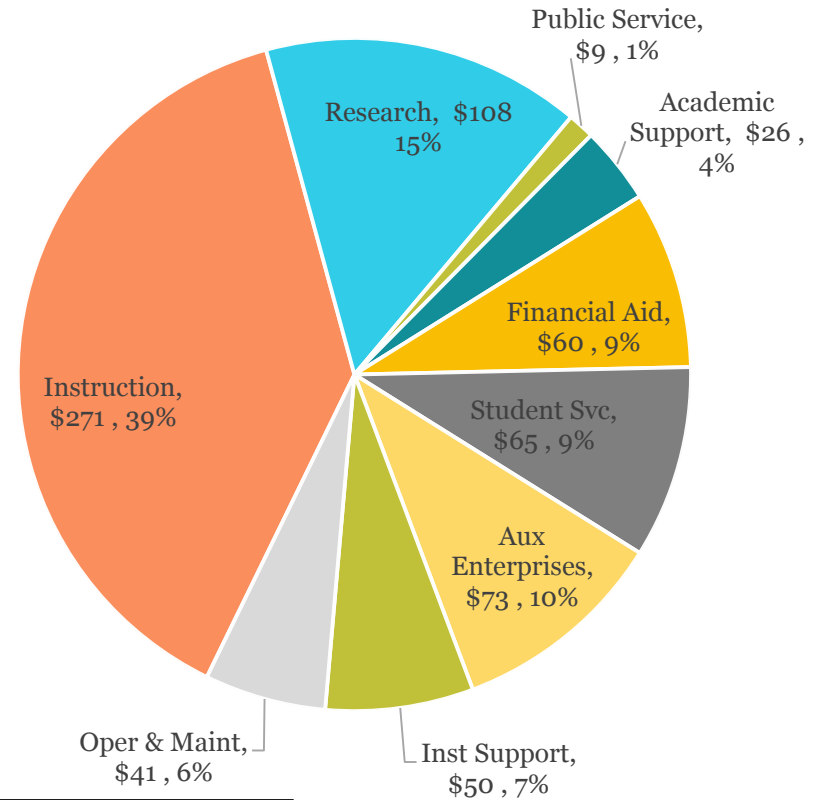
** Excludes Tuition

UCR Expenditures in FY2014-15

By Budget Category



By Function

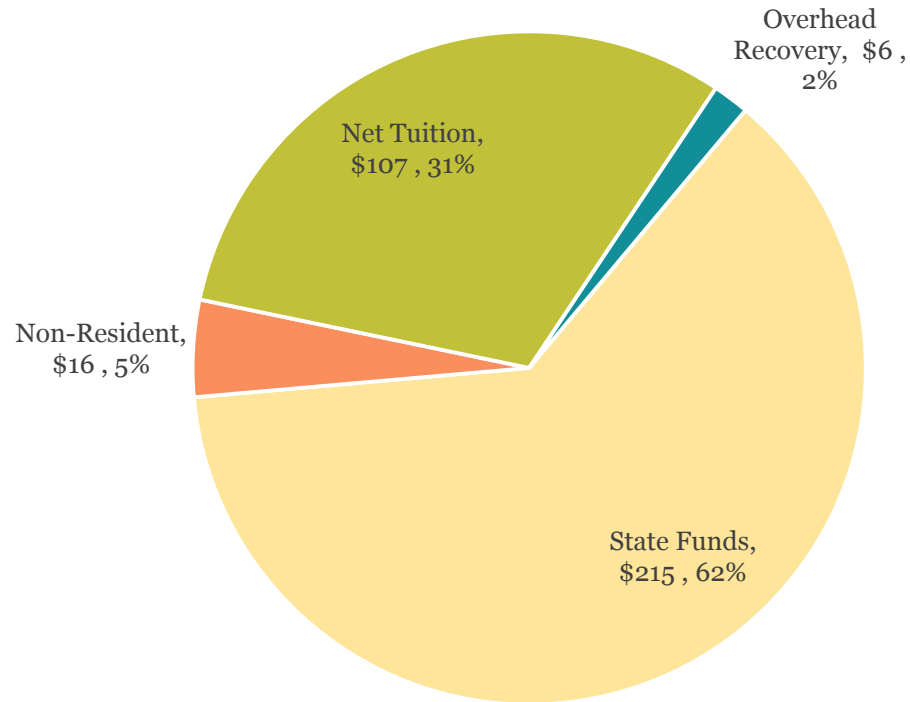


Total 2014 Expenses = \$703M

*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

2015 Core Revenue
(In Millions)



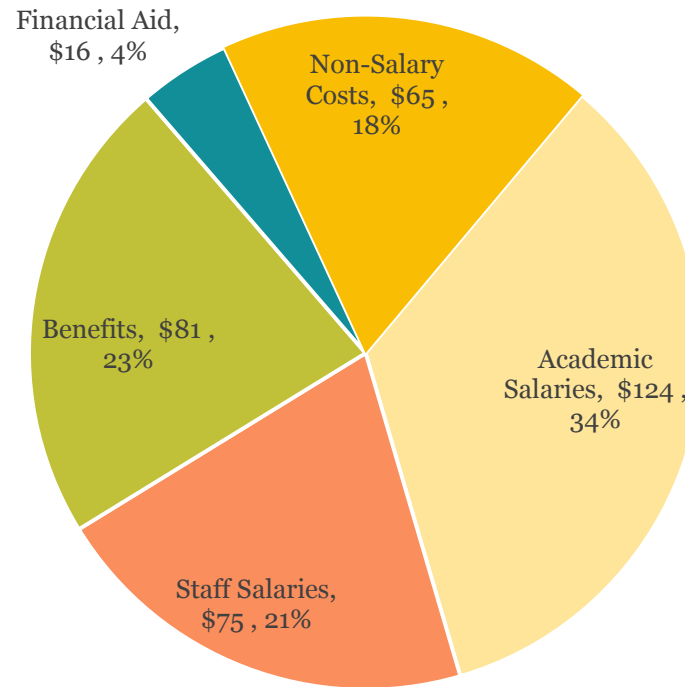
*UC Core revenue is approximately **2/3** state funds and **1/3** net tuition*

Total = \$344M
43% of total revenue

UCR Core Expenses By Budget Category

2015 Core Expenses
(In Millions)

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



Total = \$360M

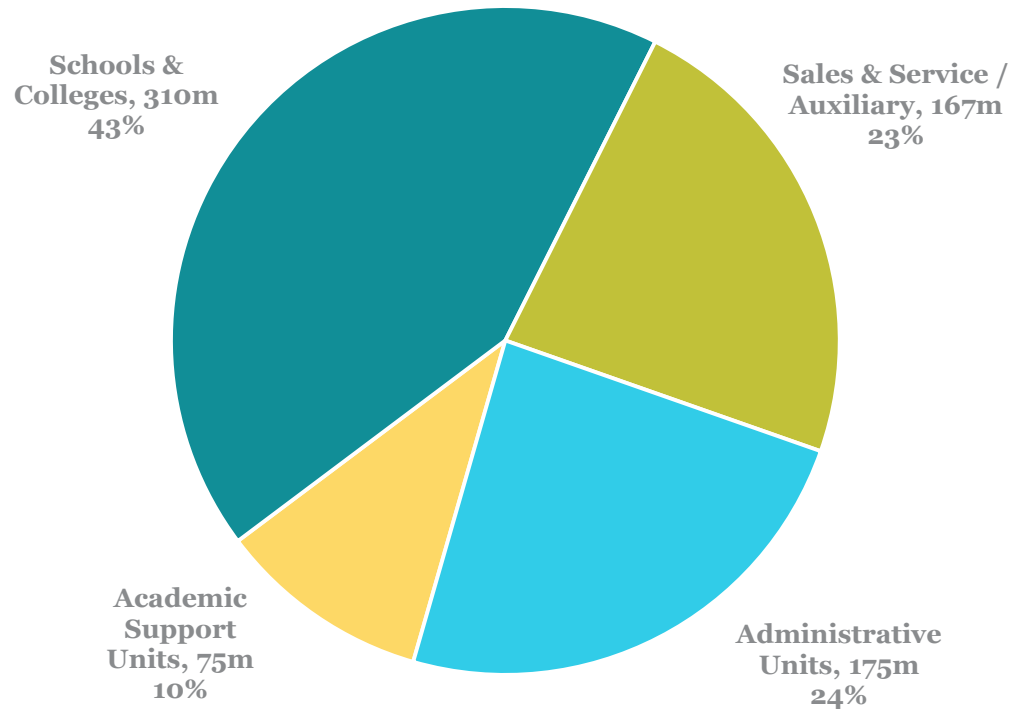
*Financial Aid is offset by the scholarship allowance, without that offset Financial Aid would represent 15% (2009) and 19% (2014) of the Core Expenses

**Other Benefits include Fee Remissions and vacation accruals

UCR Budget as of July 1, 2014

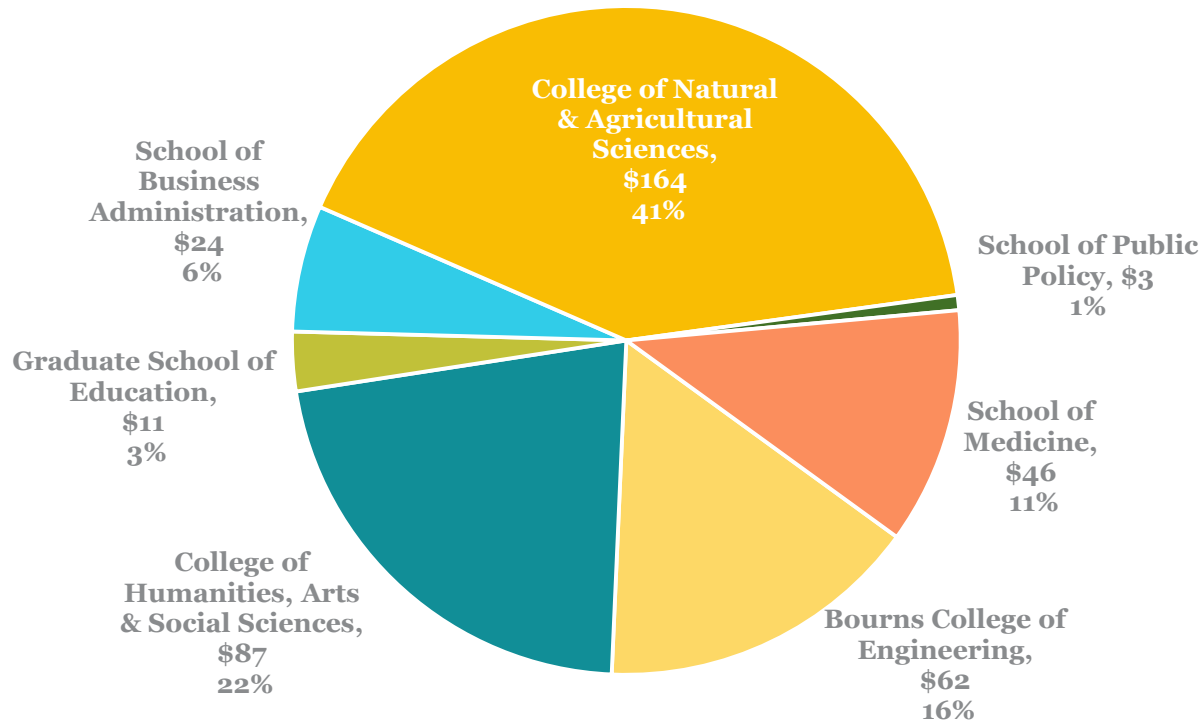
Total **On-Going Funds available**
to Campus Organizations is
~\$727m

2015 Available Funds (In Millions)



UCR Colleges and School Budgets as of July 1, 2014

2015 Available Funds
(In Millions)



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**

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

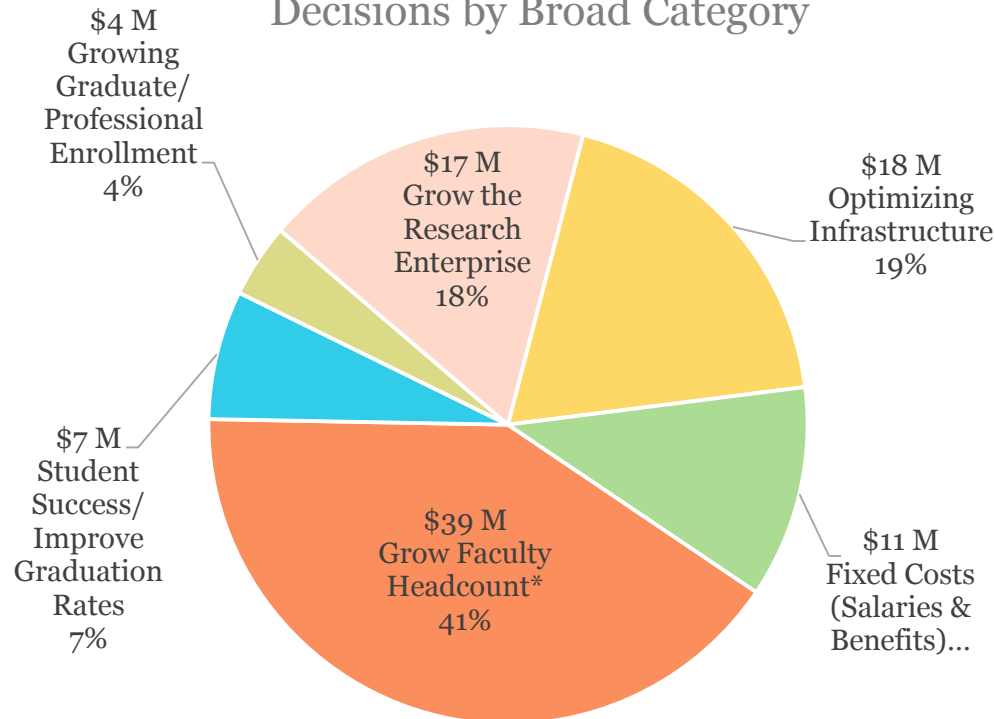
Growing the Research Enterprise

- \$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

Decisions by Broad Category



*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.

Common Definitions (continued)

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

Components of the FAU (continued)

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.