UNIVERSITY OF CALIFORNIA, MERCED

UC Merced Campus Briefing for President Mark G. Yudof and Senior Officers of the University of California

August 13, 2008

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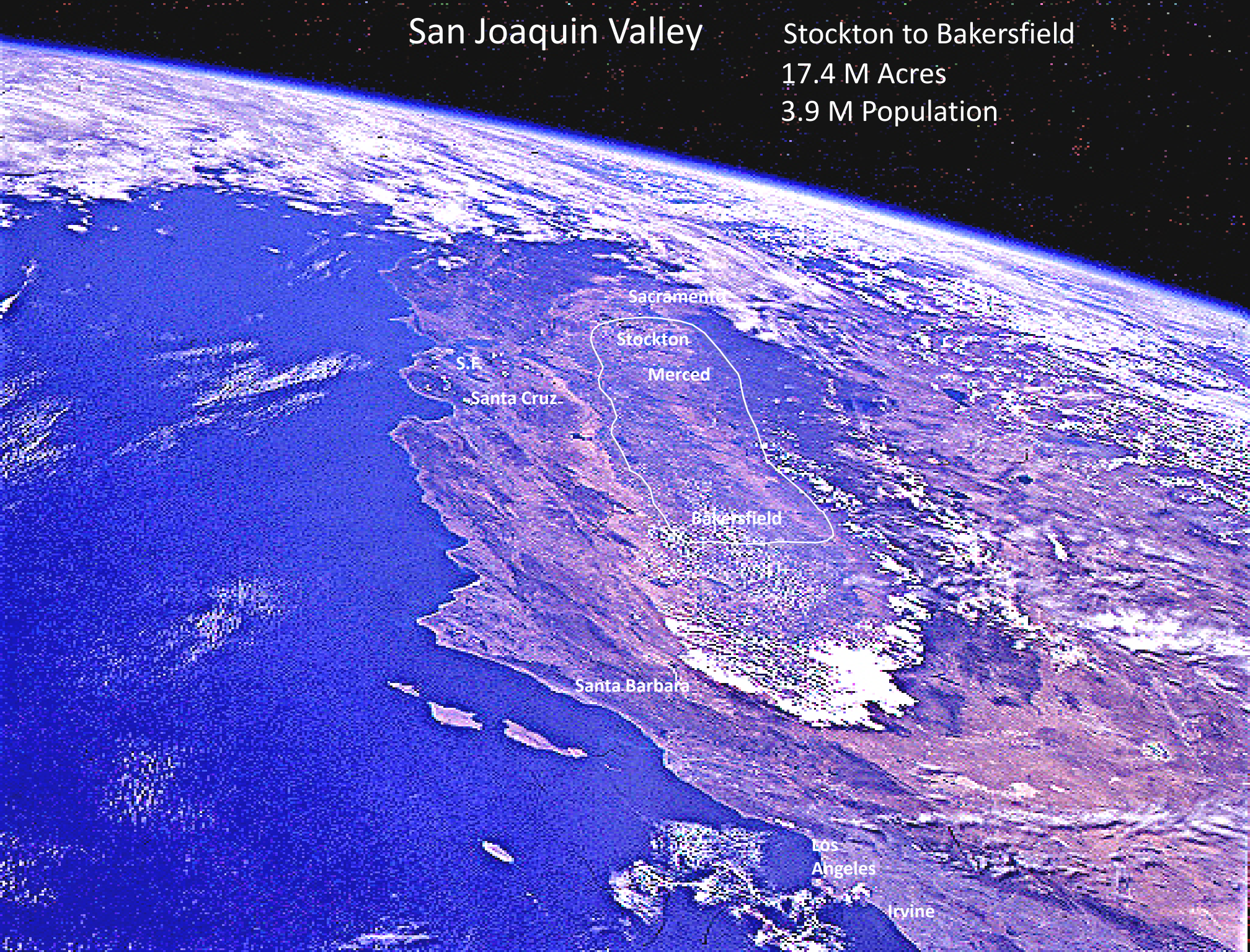
www.ucmerced.edu

San Joaquin Valley

Stockton to Bakersfield
17.4 M Acres
3.9 M Population



Importance of SJ Valley to UC

- Political Influence of San Joaquin Valley is Major – leadership roles of elected officials; Valley more unified than rest of State
- Population growth eclipsing that of rest of California – Merced County alone forecast to be 2nd or 3rd fasting growing County in State 2000-2050
- Future of California will depend on San Joaquin Valley -- Governor's Partnership for the San Joaquin Valley; goals for development
- UC Merced uniquely positioned as only research university in the SJ Valley – Campus represents the face of California in diversity of student body and faculty and staff ranks
- Strong Support for UC and UC Merced; enrollment demand is solid; public service mission is essential to region and state
- Success of UC Merced and SJ Valley support is positive for UC System

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Regents' Vision for UC Merced

- Access to UC quality/research university education in underserved area of State
- Stimulus to regional economic growth and diversification in impoverished San Joaquin Valley
- Improvement of human health and heath of the environment; research in air and water quality
- Service to business and industry
- Cultural enrichment offerings

UC Merced Named Among Regents' Planning Priorities

UC Long Range Planning Priorities
Sequenced to identify areas requiring essential strategic trade off discussion

Presented to the Committee on Long Range Planning at its meeting on January 15, 2008.

1. **Initiatives for adoption into routine University business.**

Academic quality	*Administrative and infrastructural effectiveness*	*Service to California*
Competitive faculty and staff salaries (1) Survey students' interests, etc and monitor educational outcomes (4)	Open budget process (17) Inclusive and open academic planning process (8) Streamline routine administrative processes (18)	Implement recommendations of Diversity Study Group (9) Adopt green building and sustainable business practices (16) Ensure Merced's continued success (new)

Special Focus on Initial Years of Development such as Task Force suggested by Regent Blum . . .

"Another area for more concerted planning and effort is ensuring the success of the Merced campus. This is above and beyond our continuing commitment to strengthen all campuses. We must be mindful of the special challenges in nurturing this new enterprise. I suggest we appoint a Regents task force to oversee the needs of this emerging campus and provide ongoing oversight." (August 21, 2007)

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Changes in Planning Conditions 1960's v. 2008

- Reduced State funding for buildings and infrastructure
- Fewer state dollars to "host cities" for infrastructure needs, placing added burden on UC campuses
- Construction Cost/Code Compliance
- Regulatory Requirements
  - Audit issues - financial regulation compliance costs
  - Environmental regulatory costs, mitigation, legal costs
  - Research compliance costs
  - Certain Administrative Costs
  - ADA and Disability Services
- Faculty Start-up Costs
- Increased benefits costs and employment taxes
- Financial Aid Complexity and Amounts
- Human Resources Services and Programs
- Child Care Center Services and Facilities
- Security Costs - Public Services/Public Safety (Post 9/11)
- Information Technology
- Risk Management/Liability Issues
- Must fund own Campus Student Unions - Cowell Foundation
- Must fund own Student Health Center - Cowell Foundation
- Location - Challenges associated with SJ Valley and Merced

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UC Merced Accomplishments and Challenges

- Acquire the land - cost of “free” land
- Acquire the federal and state environmental permits to build on the land
- Mitigate to meet environmental requirements
- Overcome litigation related to campus site
- Fund all basic infrastructure – urban services, fire protection, communications backbone
- Build a campus during escalating construction cost period
- Hire and retain faculty with inadequate space
- Work to place students in professional programs prior to WASC accreditation
- Recruit staff in limited market

UC Merced Planning Framework

Strategic Academic Plan

Enrollment Plan

Long Range Development Plan

Capital Plan

University Community Plan (UCLC)

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Strategic Academic Plan Update

Looking ahead to 2020 with 10,000 students and 530 faculty

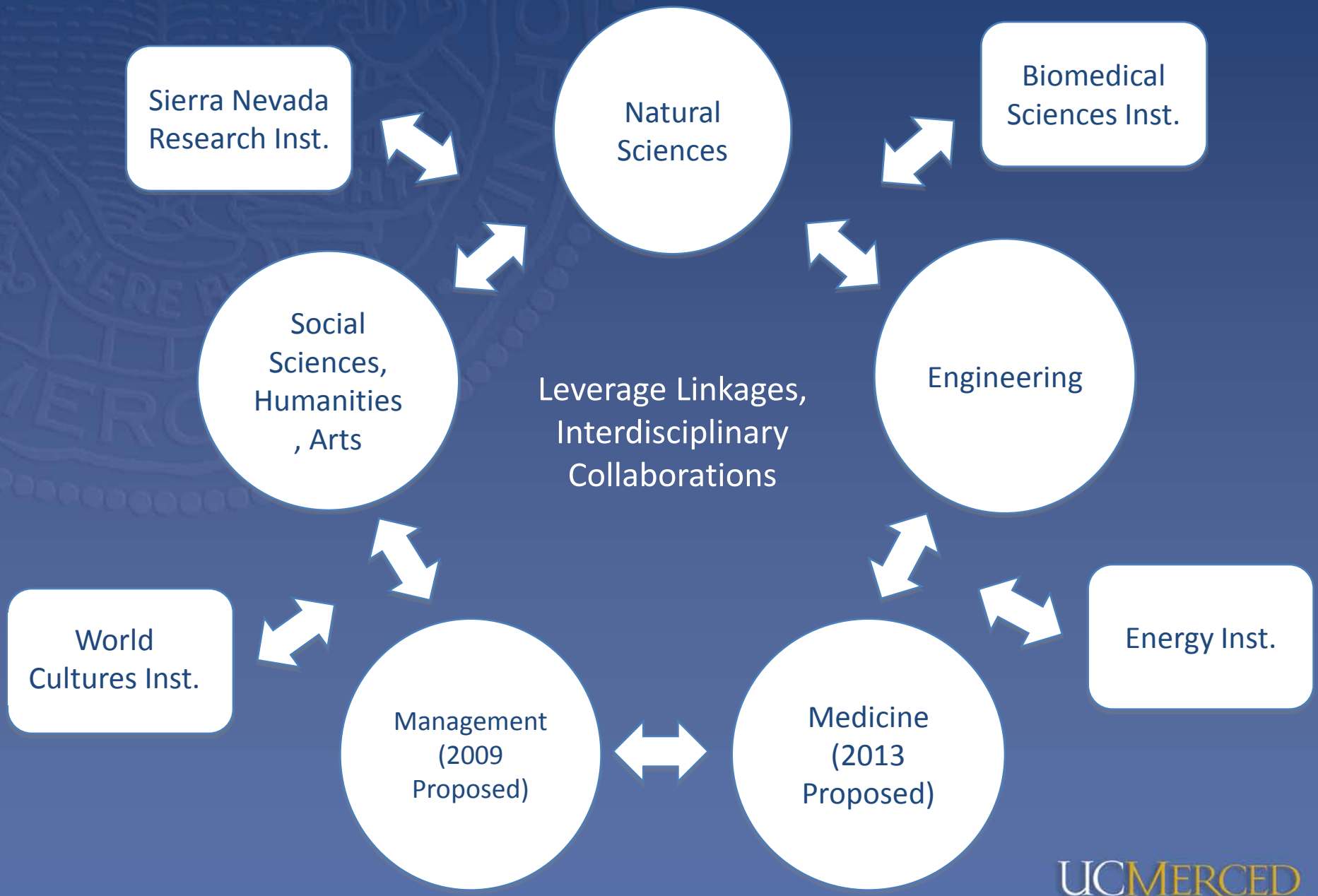
Subcommittees addressing (1) graduate/professional programs, (2) undergraduate programs, (3) academic organizational structure

Robust interdisciplinary research and teaching culture

Leveraging location as natural laboratory and economic engine transforming the San Joaquin Valley

Final report due Summer 2008

Current Academic Structure - UCM



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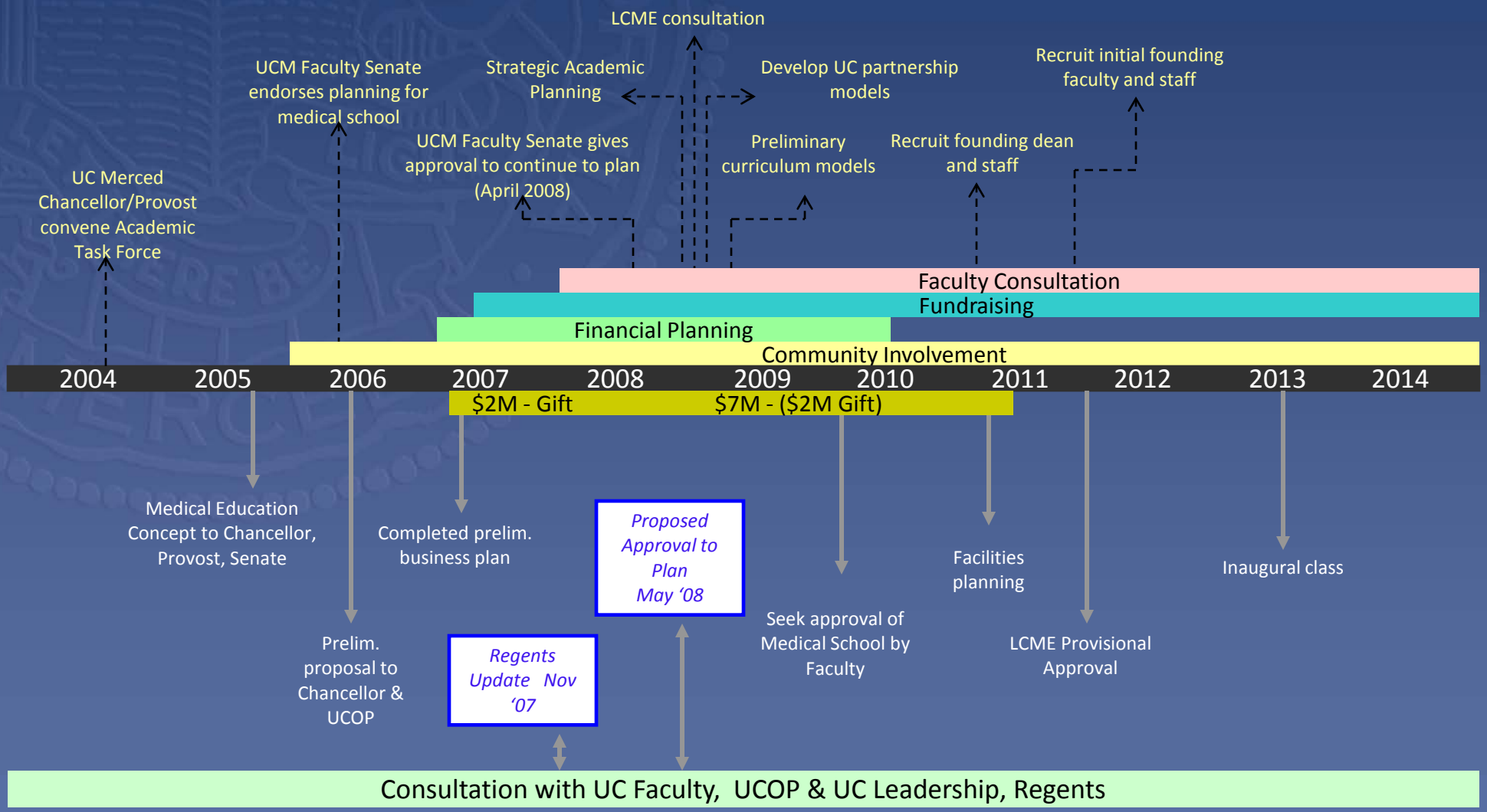
Medical Education Vision & Timeline



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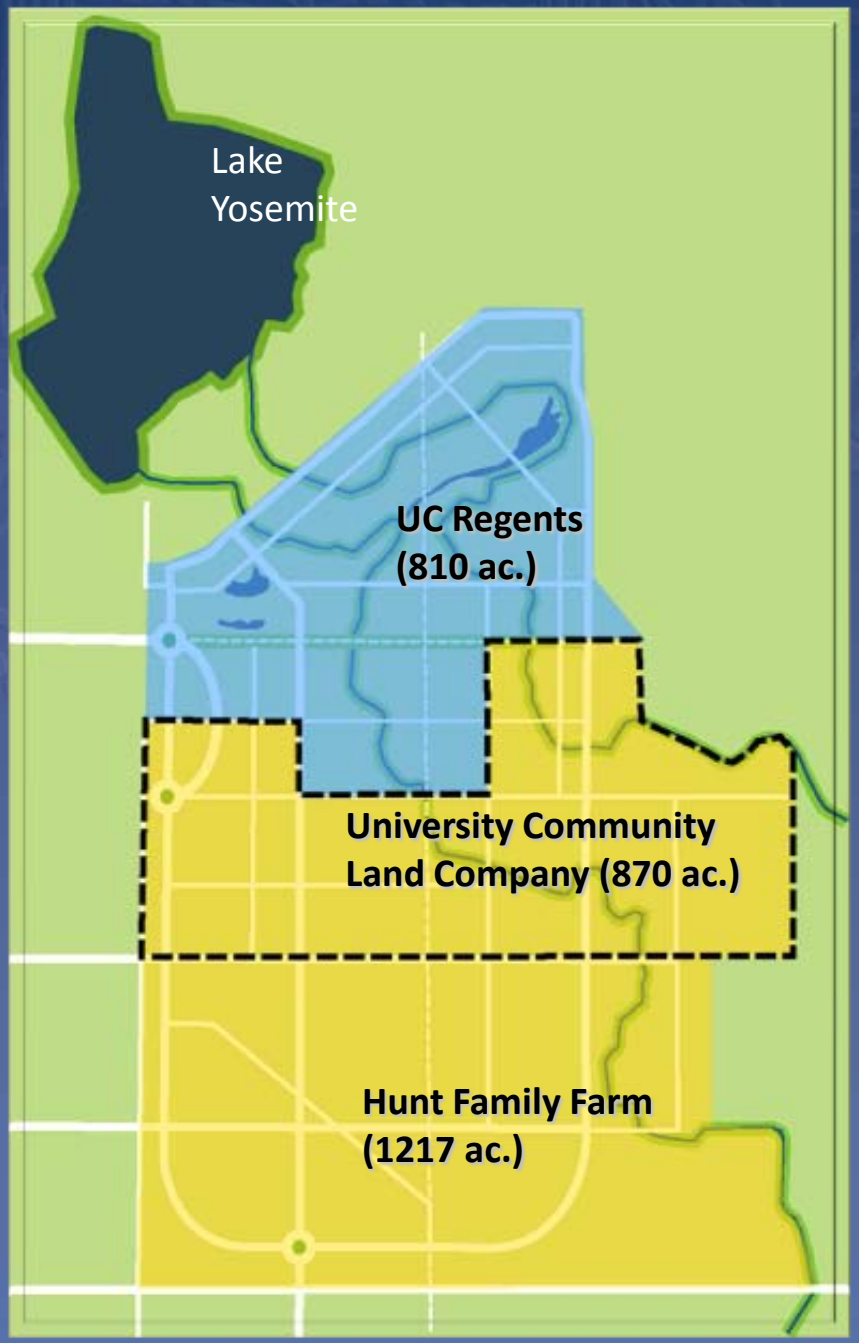
UC Merced Environmental Permitting
LDRP and 404 Permit



Revised U.S. Clean Water Act, Section 404 Permit Application Submitted February 2008

Campus Long Range Development Plan and EIR/EIS underway; March 2009 presentation to Regents

Mitigation Costs
Estimated at $7.3M - $13M

404 Permit anticipated Spring 2009

University Community Plan and EIR revisions in process for presentation to County of Merced

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UCM's serious challenges for next few years:

1. Attracting sufficient students requires adequate faculty, majors, and amenities.

2. Attracting and retaining faculty requires adequate facilities and research support.

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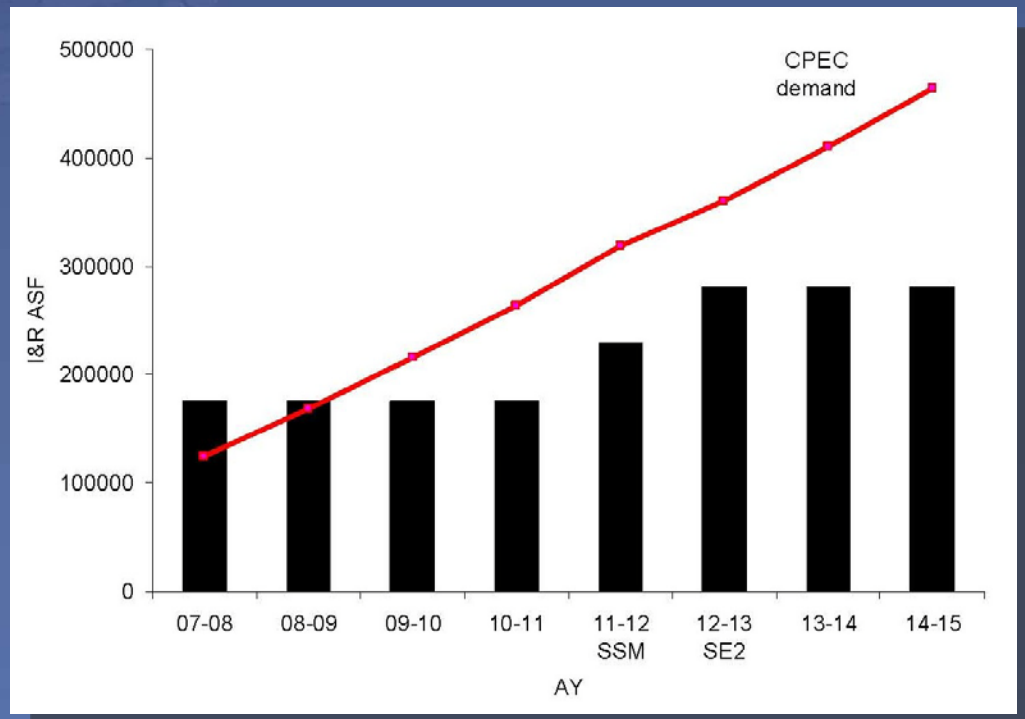
Inadequate Five-Year Capital Plan

(2008/09 – 2012/13)

- One new building (S&E2) that is undersized; plus furnishings and equipment for SSM building
- Average $12.6 million per year
- Last academic building opened in 2006; SSM in 2010; S&E2 in 2013 (if funded)
- At this rate, will take over two centuries to build campus for 25,000 students

Comparison of Actual I&R Space to CPEC Adequacies



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Essential Needs for State-Funded Capital Plan Through 2016-17

- Seven academic buildings in design, under construction or completed, including two buildings for new academic programs if approved (medicine, education)
- Student services building including teaching auditorium
- Castle building renovation for faculty labs
- Significant infrastructure additions for new campus buildings
- Approximate total $ needed: $652 million or ~ $82 million/year

Immediate Needs

- Full sized S&E2 (88,500 asf vs. current 51,400 asf) -- $110 million
- Castle renovation -- $15 million

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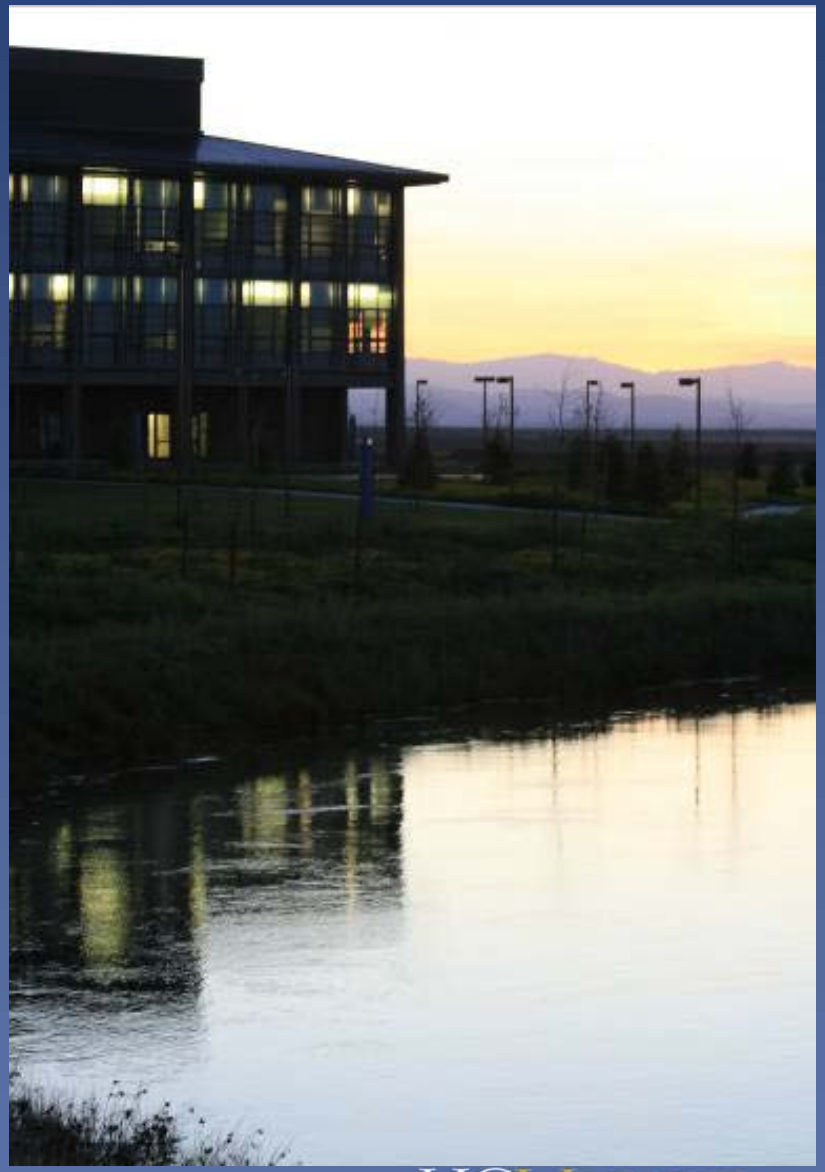
Capital Funding Models

1. Increased General Obligation Bonds, expanding UC Merced amount
2. Lease Revenue Bonds designated for UC Merced start-up years
3. Third Party development, with State assuming debt for state-fundable buildings and infrastructure



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Operating Budget Existing Model

Supplemental need at startup -- $20 million/year until critical mass

Supplemental State funding approved:

$14 million/year through 07/08

↓

$10 million for 08/09

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$5 million for 09/10

↓

$0

UCOP approved loan starting in 07/08 for $5 million/year for 8 years

This model results in annual shortfall over next nine years – as high as $20 million in one year.

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Academic Senate Recognizes Budget Inadequacy for New UC Campuses

"All Merced students (through the first 5,000 students) should be fully funded at the higher cost of instruction appropriate for a new campus, which we estimate at about 50% above the campus's assumed enrollment support…"

(Letter to President Mark G. Yudof from Professor Michael T. Brown, Chair, Assembly and the Academic Council, July 22, 2008)

Recommendation: Fund UC Merced students at 1.5 times the marginal cost for the first 5,000 students

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UC Merced - Funding Model Options

UC Merced Enrollment 5,000 FTEs

2012-13	Cumulative Total by
A. Current Model (Includes $5M line of credit)	($62,815,744)
B. UC System Academic Senate Model	$14,625,557
C. Additional $14M and convert $5M to permanent funding	$10,716,756

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Total Private Giving 1999-2008

Gifts and Pledges: $71,411,047.32
Outright Gifts and Pledge Payments (Cash): $62,361,037.93

	FY 2006-07	FY 2007-08	% Increase from FY 2006-07 to FY 2007-08
Number of Gifts (all Types)	828	954	15.2%
Money in the Door (CAE Method)	$4,268,093.74	$9, 493,357.77	122.4%
Money in the Door (Regents Method)	$1,937,521.33	$6,830,839.07	252.6%
*Outright Gifts for Financial Aid	$58,661.75	$175,861.86	199.8%
*Outright Gifts for Financial Aid (#Gifts)	78	306	292%

*excludes pledges and pledge payments

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Building UC Merced - Steps for Success

- Enrollment Management by UCOP – Continued Growth Funding for UC Merced
- New Operating Budget Model
- New Capital Funding Model Matched to Space Needs of a New Research University
- Significant Investment in Infrastructure Beyond Existing Footprint
- Immediate Capital Needs
    - Expanded and accelerated Science & Engineering 2 Bldg – 88,500 asf
    - Castle Renovation
    - Next Phase Infrastructure

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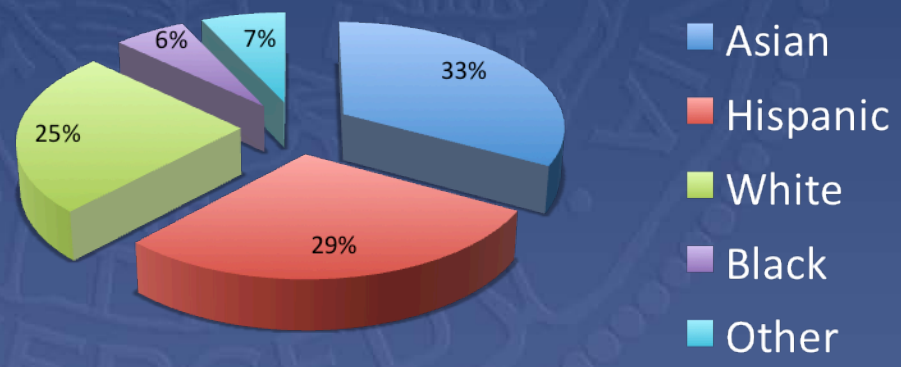
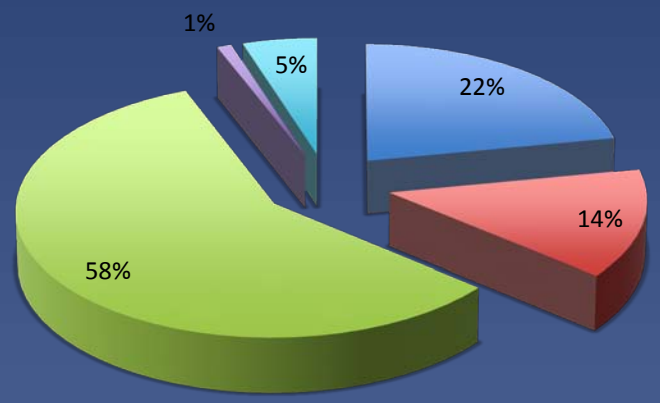
UC Merced – The Face of California 2007-2008

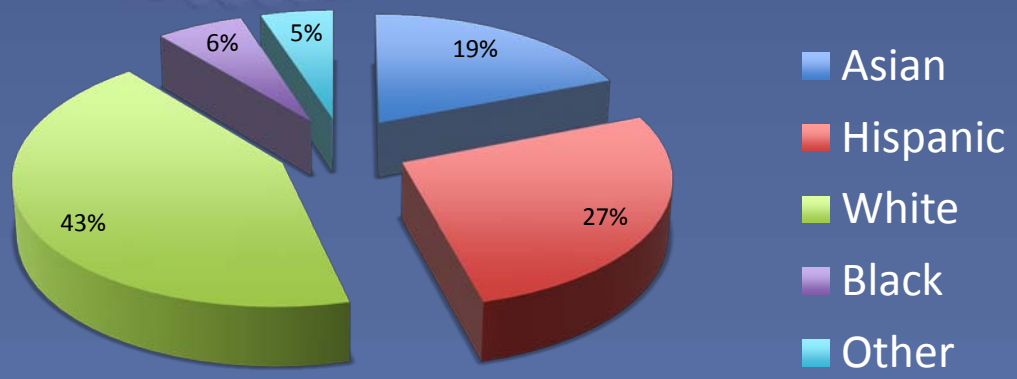
Undergraduate Students



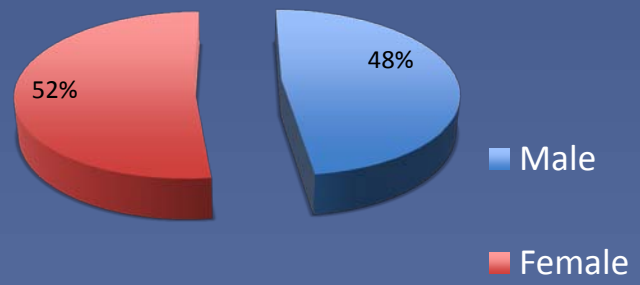
Academic



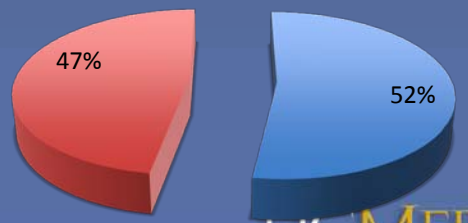
Staff



Workforce - Male/Female



Students - Male/Female



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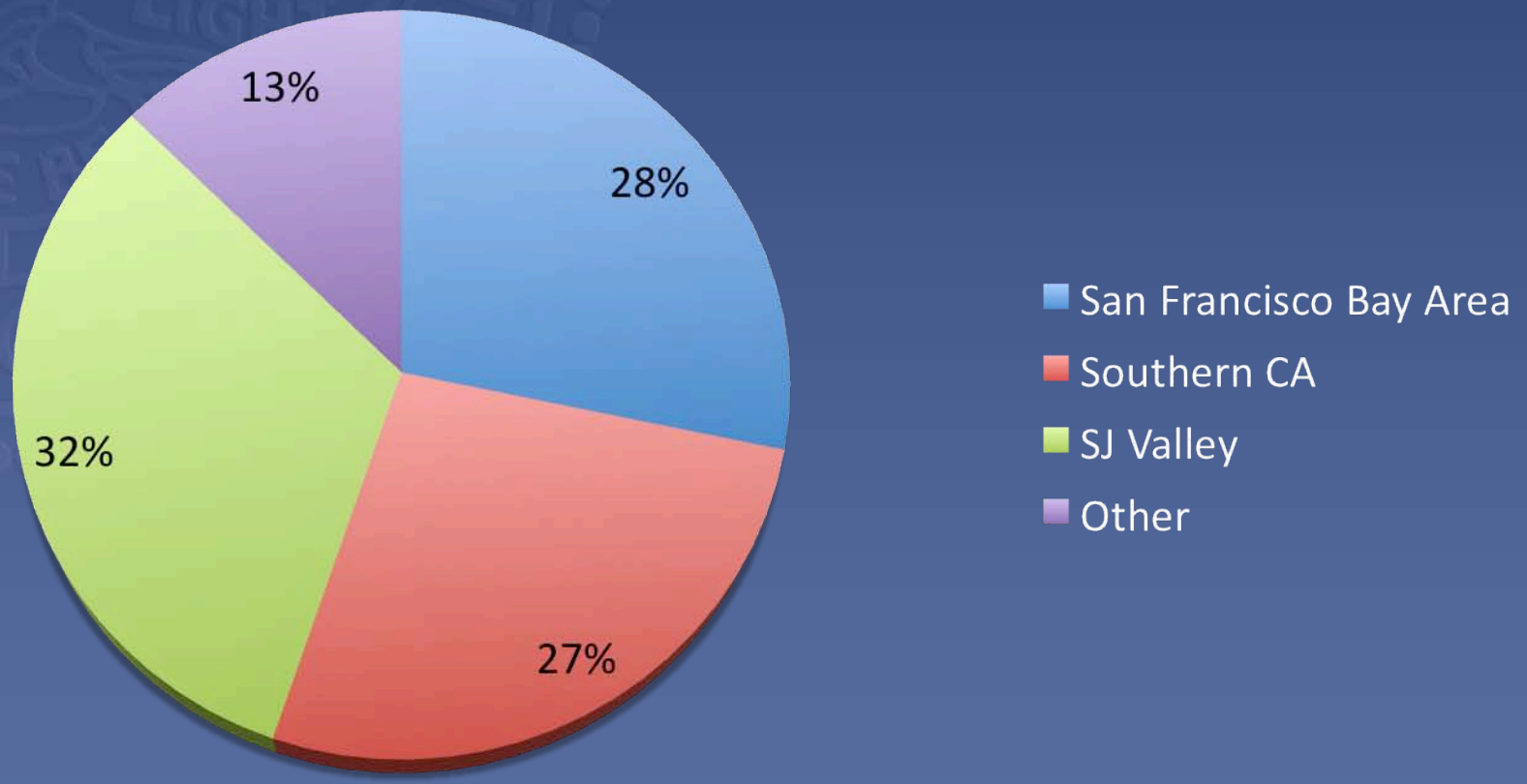
UC Merced Serves All of California

Undergraduates Fall 2007



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Campus Population Projections

	Actual FTEs			Projected FTEs						Full
Population	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2020-21**	**Development**
Undergraduate	824	1,207	1,826	2,573	3,183	3,765	4,385	4,849	8,815	20,000
Graduate	38	79	127	163	235	320	417	525	1,895	5,000
Subtotal	**862**	**1,286**	**1,953**	**2,736**	**3,418**	**4,085**	**4,802**	**5,374**	**10,710**	**25,000**
Annual Growth		424	667	783	682	667	717	572		
% Grad	4.4%	6.1%	6.5%	6.0%	6.9%	7.8%	8.7%	9.8%	17.7%	20.0%
Faculty	65	105	143	146	183	218	257	287	573	2,000
Staff	420	581	605	644	804	961	1,130	1,264	2,520	9,500
Subtotal	**485**	**686**	**748**	**790**	**987**	**1,179**	**1,387**	**1,551**	**3,093**	**11,500**
Total	**1,347**	**1,972**	**2,701**	**3,526**	**4,405**	**5,264**	**6,189**	**6,925**	**13,803**	**36,500**

UC Merced has a realistic plan to reach 5,000 FTE students by 2012-13 and over 10,000 FTE students by 2020-21.

Note: FTE enrollments reflect total general campus (including summer).

Projections are based on LREP submitted to UCOP 1-15-2008.

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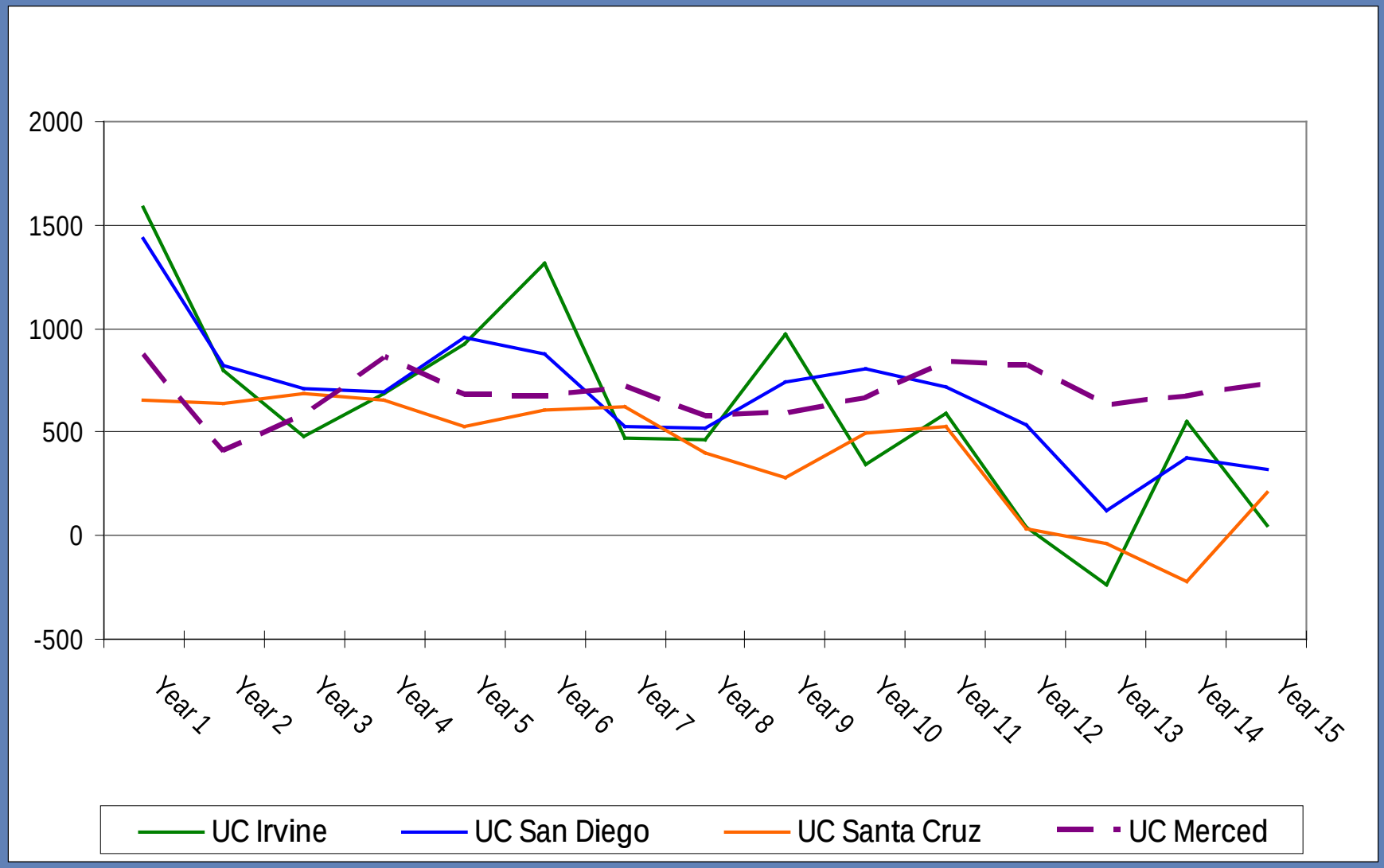
First 15 Years Annual Enrollment Growth Rate



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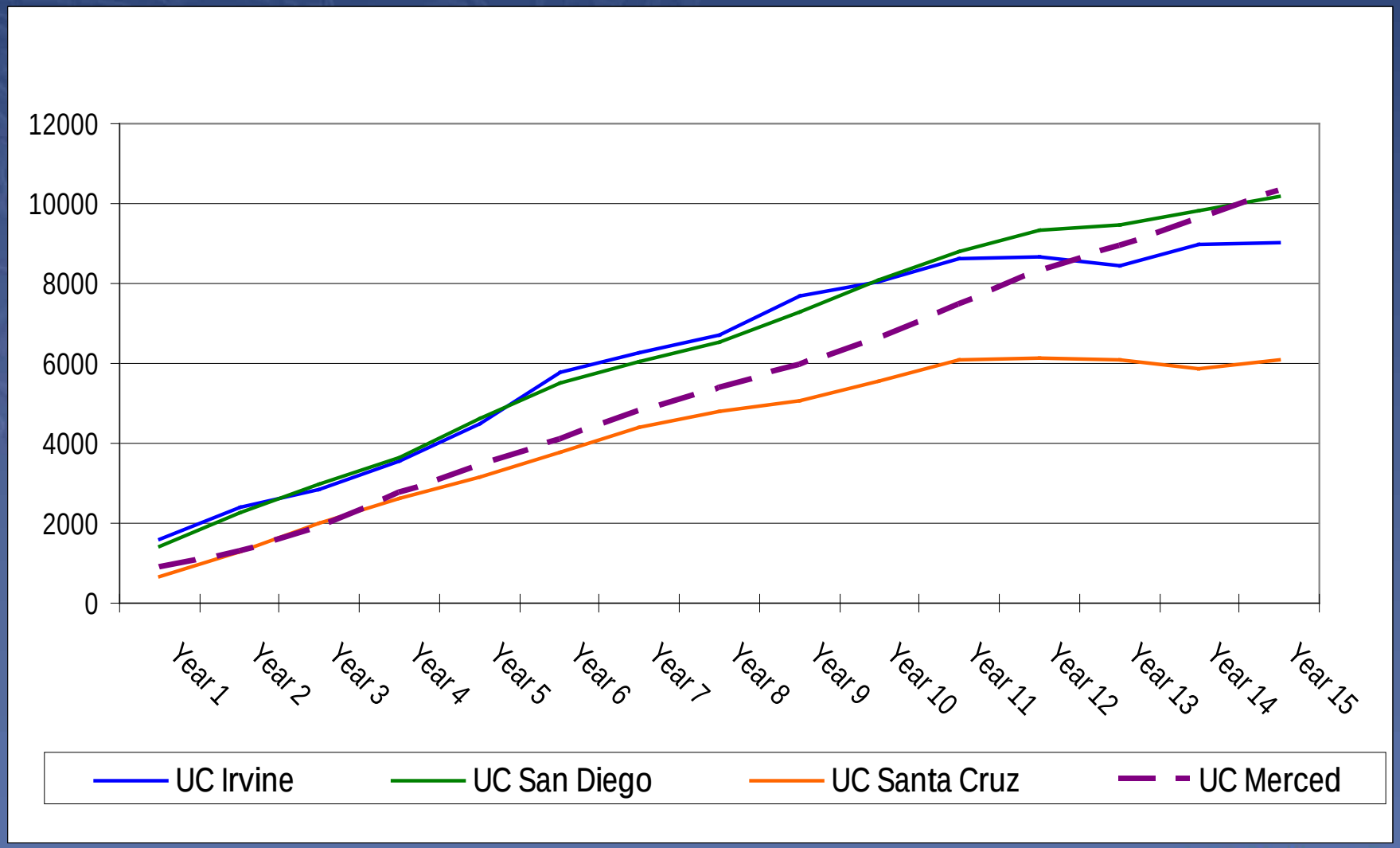
First 15 Years Student Headcount Growth



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UC Merced Research Awards

Fiscal Year	Amount
7/07 through 7/08:	$16.4M
2007:	$12.2M
2006:	$ 7.6M
2005:	$ 8.6M
2004:	$ 6.3M
Total to date:	$51.1M

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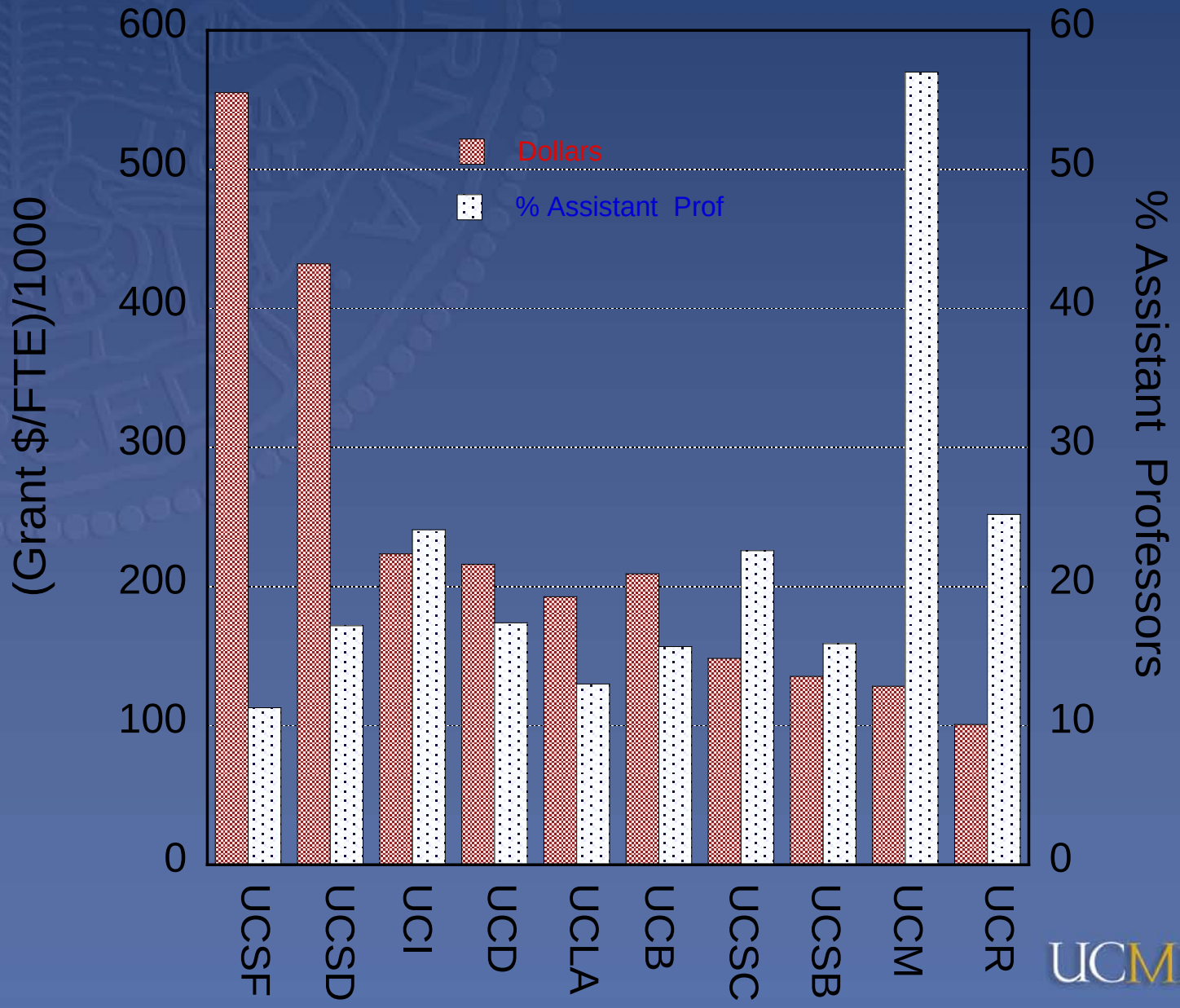
Extramural Grant Dollars per Faculty FTE
(FY 2005-2006)



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Economic Impact - UC Merced
July 2000 through June 2008

- 1,276 Current Employees
- $8.5M Monthly Payroll

$195M Cumulative Payroll

$156M Valley Expenditures

- $78M Construction
- $77M Goods & Services

- $193M Other Goods & Services
- $398M Other Construction

$590M Other State Expenditures

$941M Total Salaries, Goods, and Construction Awards

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Energy & Sustainability Leadership

UC Merced is a world leader in sustainability development

LEED* Gold

- Central Plant
- Library
- Classroom and Office Building
- Science and Engineering Building (Expected)
- Recreation and Wellness Center (Expected)
- Sierra Terraces Housing (Expected)

LEED* Silver – Minimum Campus Standard

- Valley Terraces and Dining Complex (Expected)

*LEED: Leadership in Energy and Environment Design

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