UNIVERSITY OF CALIFORNIA, MERCED

Campus Briefing

for President Robert Dynes and Senior Officers of the University of California

April 30, 2007

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www.ucmerced.edu

Achieving the Vision for UC Merced

State and Regents wanted to make a significant impact on the San Joaquin Valley

- Access to UC quality/research university education in underserved area of state
- Regional economic growth and diversification
- Cultural offerings
- Service to business and industry

UC Merced Accomplishments (2005-07)

- Opened Campus on 104 acres - September 5, 2005
- Campus employs approximately 1,200 individuals with payroll of $4 M per month
- As of Fall 2006, nearly 40% of UC Merced undergraduates from Central Valley; and the number of Central Valley students admitted to a UC campus increased by nearly 30%.
- Significant economic impact to region - $558 M to date

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- UCM's serious challenges for next few years:

1. Attracting sufficient students without faculty, majors and amenities.
2. Attracting faculty without facilities and research support.

- UCM's need, consistent with UC growth plan philosophy:

  - Facilities – funding and timing
  - Faculty – salaries and startup

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University of California Growth Philosophy

1960 and 1966

UC growth planning documents state:
"Expansion must be achieved without sacrificing quality. Growth must be anticipated by academic planning, recruiting of faculties, acquisition of libraries and all the other facilities which must precede the admission of students."

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Solution for UC Merced's Challenges

– Base Budget Augmentation (faculty and start up)	$14 M/Yr.
– S&E 2 Original Scope & Schedule (facilities)	$69 M (47 + 22)
– Infrastructure (facilities)	$23 M
– OMP Tax Relief	$4 M/Yr.
– Line of Credit Loan	$100 M

Historical Perspective

Examples of Changes in Planning Conditions 1960's v. 2007

- Reduced State funding for buildings and infrastructure (limited funding G.O. and Lease Revenue Bonds)
- 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
- 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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Cost Drivers

(All figures in constant 2005 dollars, adjusted by CPI)

	San Diego 1963-64	Irvine 1965-66	Santa Cruz 1965-66	Merced 2005-06	Merced 2006-07
Faculty Start-up, All Disciplines	$ 370,755	n/a	n/a	$ 7,005,000	$ 7,826,930
Start-up/FTE, Sci & Eng	$ 54,409	n/a	n/a	$ 405,260	$ 448,976
Start-up/FTE, Humanities	$ 19,140	n/a	n/a	$ 98,107	$ 113,297
Information Technology	$0 ?	$0 ?	$0 ?	$ 4,086,000	$ 4,086,000
Financial Aid (non-loan)	n/a	$ 13,020	$ 6,200	$ 3,522,000	$ 4,657,000
Financial Aid Applicants	n/a	~300	n/a	4,869	5,277
Salary, Assistant Professor	$ 51,984	$ 52,998	$ 52,998	$ 52,186	$ 52,186
Salary, Admin Assistant	$ 15,312	n/a	n/a	$ 32,093	$ 32,093

Categories with non-quantified impact:

Regulation & Compliance - ADA, FMLA, FERPA, HIPAA, IRB, IACUC, ERISA, OSHA, Seismic, etc.

Financial and other Audits - 16 audits in 2005-06.

Employee Benefits - Health Insurance, Payroll Taxes.

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Cost Basis Differentials - Unit Costs are Three Times Higher

	Irvine	Santa Cruz	Merced		
	1965-66	1965-66	2005-06	2006-07	
OPERATIONS					
General Fund & Equivalent Expenditures	$ 4,359,000	$ 2,900,000	$ 43,130,000	$ 60,099,000	1
Enrollment (Fall Headcount)	1,589	654	875	1,286	
Cost per FTE	$ 2,743	$ 4,434	$ 49,291	$ 46,733	
Cost per FTE in 2005 Dollars	**$ 17,008**	**$ 27,492**	**$ 49,291**	**$ 45,331**	2
CONSTRUCTION					
State & Regent-funded Square Feet	456,924	531,719	460,443		3
State & Regent Appropriations	$ 10,144,235	$ 11,866,850	$ 176,024,000		3
Cost per square foot	$ 22	$ 22	$ 382		
Cost per Square Foot in 2005 Dollars	**$ 138**	**$ 138**	**$ 382**		2

[1] Actual for Irvine and Merced in 2005-06, Budget for Santa Cruz; projected for Merced 2006-07.

[2] Consumer Price Index: $1.00 in 2005 equaled $6.20 in 1965 and $0.97 in 2006.

[3] New Construction Only. Excludes Site & Infrastructure and renovations of existing space.

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Academic Data

	Irvine		Santa Cruz		Merced		
	1965-66	1970-71	1965-66	1970-71	2005-06	2006-07	2010-11
Ladder-Rank Faculty FTE [1]	91.4	302.0	47.7	171.0	47.0	71.1	187.0
Academic Disciplines/Majors	22	n/a	10	n/a	9	19	n/a
Enrollment (Fall Headcount)							
Undergraduate	1,449	5,054	654	3,495	838	1,210	3,705
Graduate	140	733	-	277	37	76	345
TOTAL	1,589	5,787	654	3,772	875	1,286	4,050

[1] General Campus Faculty only.

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WASC Accreditation Process- Candidacy Review Underway

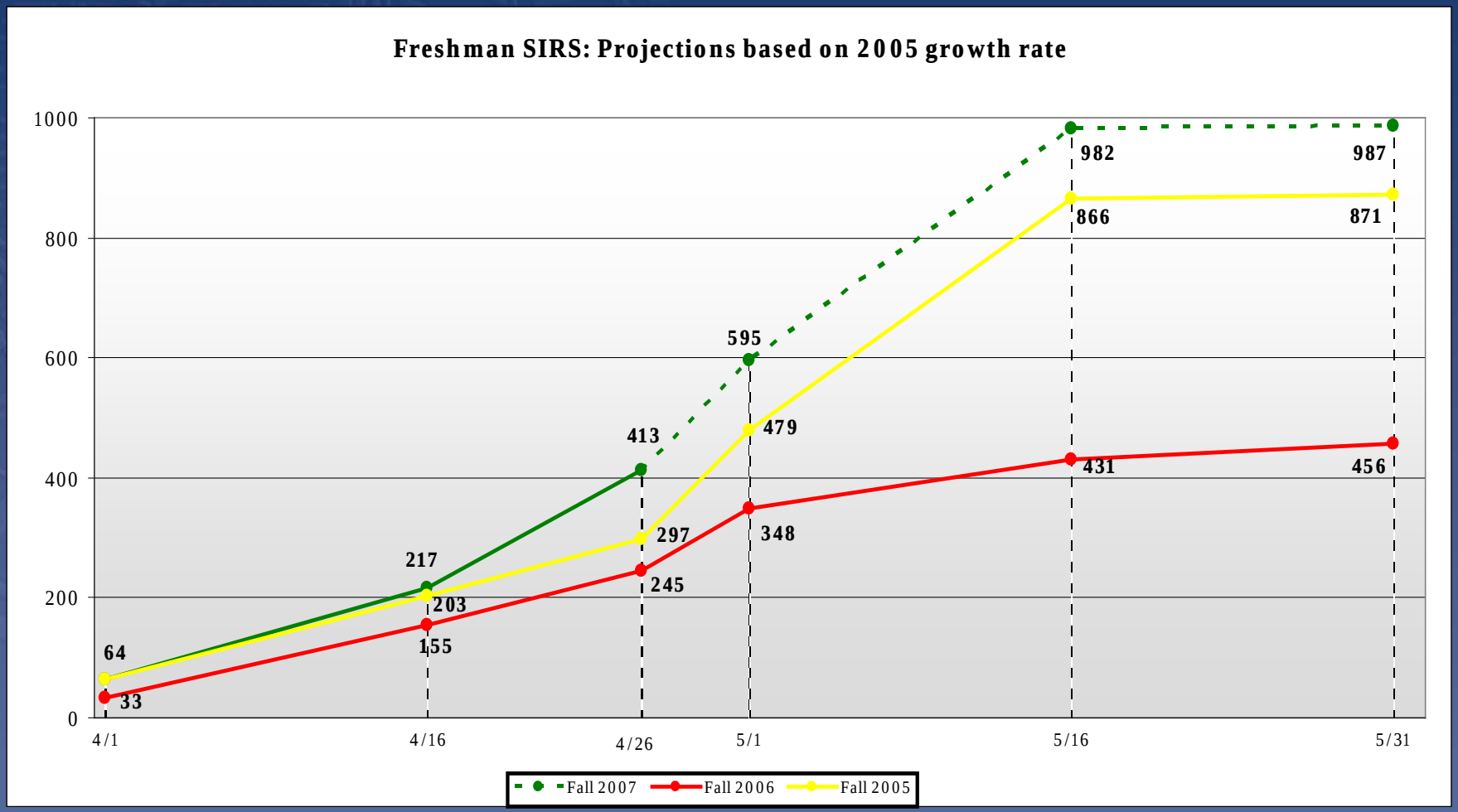
Comments from Panel Exit Review - April 6, 2007

Student body at UC Merced reflects the future of California

UC Merced is creating pathways for the future…and choosing the future character of the campus…need to construct carefully and as a team…

To build an excellent research university model in the 21st century…campus must have own plan for excellence…

<u>UC Merced has significant budget problems, huge space problems, and is frightfully understaffed…</u>



Prepared by UC Merced Office of Institutional Planning and Analysis
Source: SIR tracking 4/26/2007
Location: Z: Enrollment Projection Model/SIR tracking_4-23-07.xls
Projections based on daily SIR increases, not percentage increases

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Campus Population Projections

	University of California at Merced										
	Campus Population Projections										
	Actual		Projected				Targets				
Population*	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2015-16**	**2020-21**	**2025-26**	**2030-2031**	**Full Development**
Undergraduate	828	1,206	1,885	2,520	3,115	3,705	5,665	8,968	12,368	15,397	20,000
Graduate	37	77	140	180	260	345	885	1,583	2,183	3,154	5,000
Subtotal	***865***	***1,283***	***2,025***	***2,700***	***3,375***	***4,050***	***6,550***	***10,550***	***14,550***	***18,550***	***25,000***
Annual Growth Rate		*418*	*742*	*675*	*675*	*675*	*500*	*800*	*800*	*800*	
% Grad		6.0%	6.9%	6.7%	7.7%	8.5%	13.5%	15.0%	15.0%	17.0%	20.0%
Faculty	75	105	127	153	192	230	372	599	827	1,054	1,420
Staff	407	476	508	598	728	851	1,265	2,037	2,810	3,582	4,828
Subtotal	*482*	*581*	*635*	*752*	*920*	*1,081*	*1,637*	*2,637*	*3,637*	*4,636*	*6,248*
Total	**1,347**	**1,864**	**2,660**	**3,452**	**4,295**	**5,131**	**8,187**	**13,187**	**18,187**	**23,186**	**31,248**

*Full-time equivalent; headcounts may be higher.

Estimates as of 2-21-07.

Faculty and staff ratios held consistent with 2002 Draft LRDP.

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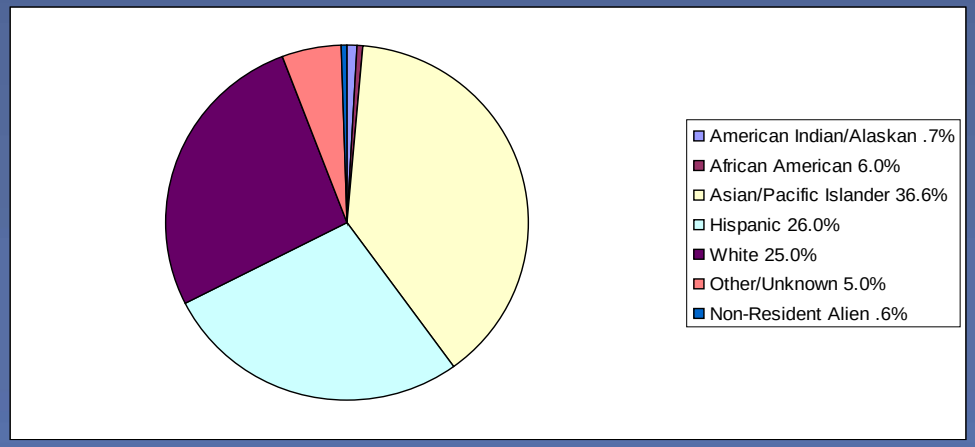
Student Diversity

- 48% Neither parent graduated from a 4-year university
- 35% From low income families – (70% requiring financial aid)
- 47% From families where English is second language
- Diversity reflects the face of California – no majority ethnicity

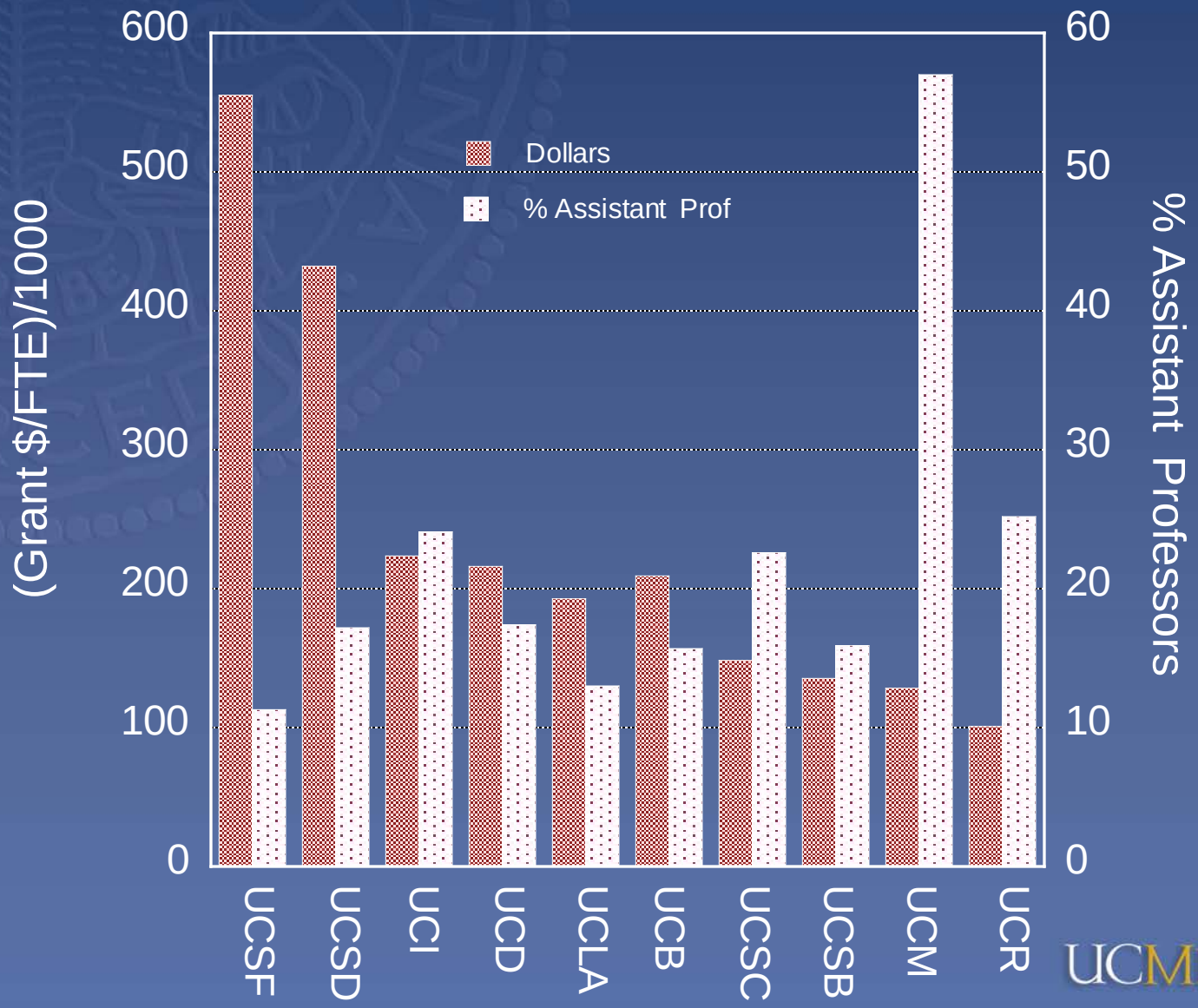
Demographic Data - Undergraduate Students 2006-07



Notable Faculty Accomplishments

- NSF Center for Computational Biology (PI Prof. Michael Colvin) $4.5M
- CIRM Stem Cell Award (PI Asst. Prof. Michelle Khine, Co-PIs Wei-Chun Chin and Kara McCloskey, also Asst. Profs.) $363,000
- NIH-SBIR (PI Asst. Prof. Michelle Khine)
- NSF Career Award (PI Asst. Prof. Monica Medina) $1.11M
- 9 patent applications filed or under consideration

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



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Private Fundraising

Private Support Donations – Fiscal Year Totals		
	CAE (Cash) Convention	*Regents Convention*
	FY Totals	*FY Totals*
FY98-99	$10,000	$10,000
FY99-00	$1,592,153	$1,592,153
FY00-01	$18,993	$5,038,993
FY01-02	$12,234,843	$22,234,843
FY02-03	$1,115,970	$3,617,770
FY03-04	$4,373,948	$4,610,442
FY04-05	$5,101,331	$5,101,331
FY05-06	$12,599,955	$19,677,773
FY06-07 to date	$5,094,302	$2,584,572
TOTALS	$42,141,495	$64,467,877
CAE or Cash Convention: Donations include endowment and current use gifts. Totals include outright gifts and pledge payments (including cash, stock, property, and gifts-in-kind).		
Regents Convention: Donations include endowment and current use gifts. Totals include pledges and outright gifts (including cash, stock, property, and gifts-in-kind).		

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School of Management

- Important contribution to San Joaquin Valley- addresses major need
- Will boost enrollment- great demand for program
- Will encourage donations- $ 5 Million to date (Ernest & Julio Gallo School)
- Developing Academic Plan for School and Business Plan for Faculty
- Potential for Unique Collaboration- National Parks Executive Training Program - Executive MBA

School of Medicine

- Extreme need for additional health care providers and access to health care in San Joaquin Valley
- Moving forward with Systems Biology Institute as precursor to School of Medicine
- Developing Business Plan for School of Medicine and Allied Health Sciences Programs
- $5 Million United Health Planning Grant

Merced Outlook With New Funding

	Expenditures		Planned Funding	Proposed Funding	
	2005-06	2006-07	2010-11	2010-11	2010-11
OPERATIONS				If $14 Million Supplement is Made Permanent	If Revenues From Merced Growth Remain in Merced
General Fund & Equivalent	$ 43,130,000	$ 60,099,000	$ 79,888,000	$ 93,888,000	$ 96,904,000
Enrollment (Fall Headcount)	875	1,286	4,050	4,050	4,050
Cost per FTE	$ 49,291	$ 46,733	$ 19,725	$ 23,182	$ 23,927
Cost per FTE in 2005 Dollars	**$ 49,291**	**$ 45,331**	**$ 16,939**	**$ 19,907**	**$ 20,547**
Percent Reduction from Opening	n/a	-8.0%	-65.6%	-59.6%	-58.3%

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Line of Credit Loan- Its Target Uses

- New General Facilities $15.5 M
  - Child Care Center
  - Core Research Facilities
  - Modular Space for PPDC
  - Complete Fit-out of SS&M
  - Complete Build-out of LSSF
- Preparation for New Campus Footprint $18 M
  - 10-Year Environmental Mitigation
  - Environmental Planning and Analysis
  - LRDP and Campus Master Plan
- Student Facilities $38.5 M
  - Natatorium
  - Recreation/Athletics Field and Stands
  - Student Center
- Security Equipment $1 M
- Startup Funds $2 M
  - Child Care
  - Capital Campaign
- IT Systems $25 M

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Investment in UC Merced Facilities (All Sources)

State of California Capital Improvements = $352 Million (2000-2012)

Initial Projects 2000-2005 ($261 Million)

- Site development/infrastructure
- Library
- Science & Engineering 1
- Classroom and Office Building
- Castle Laboratories
- Logistical Support/Service Facilities

Planned Facilities in Regents' Budget 2006-2012 ($91Million)

- Social Sciences & Management Building
- Science & Engineering 2

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Investment in UC Merced Facilities (Cont'd)

Non-State Capital Improvements = $153 Million (2002- 2011)

Initial Projects 2002-2007
($ 89 Million)

- Design for Castle Labs
- Valley Terraces Housing and Dining
- Valley Terraces Tenant Improvements
- Parking Lots
- J.E. Gallo Recreation and Wellness Center
- Sierra Terraces Housing
- Valley Terraces Dining Expansion

Planned Facilities 2007-2011
($64 Million)

- Parking Lots
- Housing 3
- Dining 2

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Early Enrollment History at UC Irvine, San Diego, and Santa Cruz: Fall 1965-1979

	UC Irvine						UC San Diego						UC Santa Cruz					
Year	Ugrad	Ugrad Annual Growth	Grad	Grad Annual Growth	Total	Total Annual Growth	Ugrad	Ugrad Annual Growth	Grad	Grad Annual Growth	Total	Total Annual Growth	Ugrad	Ugrad Annual Growth	Grad	Grad Annual Growth	Total	Total Annual Growth
1965	1449		140		1589		869		569		1438		652		0		652	
1966	2065	616	320	180	2385	796	1470	601	788	219	2258	820	1267	615	27	27	1294	642
1967	2401	336	461	141	2862	477	2107	637	860	72	2967	709	1922	655	61	34	1983	689
1968	2960	559	588	127	3548	686	2660	553	1002	142	3662	695	2539	617	99	38	2638	655
1969	3661	701	813	225	4474	926	3474	814	1148	146	4622	960	3007	468	156	57	3163	525
1970	5054	1393	733	-80	5787	1313	4310	836	1189	41	5499	877	3495	488	277	121	3772	609
1971	5355	301	900	167	6255	468	4903	593	1123	-66	6026	527	4084	589	312	35	4396	624
1972	5810	455	910	10	6720	465	5348	445	1199	76	6547	521	4508	424	288	-24	4796	400
1973	6639	829	1053	143	7692	972	6190	842	1096	-103	7286	739	4783	275	297	9	5080	284
1974	6885	246	1153	100	8038	346	6880	690	1210	114	8090	804	5250	467	326	29	5576	496
1975	7415	530	1215	62	8630	592	7577	697	1229	19	8806	716	5775	525	328	2	6103	527
1976	7423	8	1252	37	8675	45	8065	488	1274	45	9339	533	5803	28	331	3	6134	31
1977	7166	-257	1272	20	8438	-237	8132	67	1328	54	9460	121	5748	-55	349	18	6097	-37
1978	7668	502	1319	47	8987	549	8514	382	1324	-4	9838	378	5533	-215	346	-3	5879	-218
1979	7688	20	1351	32	9039	52	8819	305	1340	16	10159	321	5693	160	392	46	6085	206
1966-69 avg. growth		553		168		721		651		145		796		589		39		628
1970-74 avg. growth		645		68		713		681		12		694		449		34		483
1975-79 avg. growth		161		40		200		388		26		414		89		13		102
1966-79 avg. growth		446		87		532		568		55		623		360		28		388

Source: UCOP Academic Affairs: Planning & Analysis (Statistical Summary of Students and Staff)

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