UNIVERSITY OF CALIFORNIA

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SANTA BARBARA • SANTA CRUZ

OFFICE OF THE PROVOST AND EXECUTIVE VICE PRESIDENT –
ACADEMIC AND HEALTH AFFAIRS

OFFICE OF THE PRESIDENT
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200

June 13, 2008

CHANCELLORS
VICE PRESIDENT DOOLEY

In January, Governor Schwarzenegger issued a 2008-09 state budget proposal that includes across-the-board cuts in state spending, including at the University of California, to address a projected $14.5 billion state budget deficit. The Governor first increased UC's budget consistent with the Compact with the UC system, but then applied a reduction of $332 million, or 10 percent – the same percentage reduction proposed for most State General Fund programs. That would have left UC with a net state funding reduction of $98.5 million, or 3 percent, compared with the current year. However, it also would have left state funding more than $400 million below the level in the Regents' proposed budget for 2008-09.

The Governor's May revision, released last month, restores $98.5 million of the net reduction, maintaining the University's State support at the current level of $3.26 billion.

In creating the budget proposal and in accordance with the Compact, the Governor developed a workload budget for UC that included the following adjustments:

- $123.8 million for basic budget support for compensation and other cost increases, equivalent to a 4% increase;
- $31.0 million for core instructional support, equivalent to an additional 1% increase;
- $56.4 million to accommodate enrollment growth of 5,000 FTE students, equivalent to 2.5% at a marginal cost rate of $11,274 per student;
- $975,000 to support further expansion of programs in medical education;
- $11.1 million for annuitant health benefits;
- $10 million in one-time funding to support UC Merced; and
- $5 million from the Public Transportation Account for research conducted by the Institute of Transportation Studies.

The Governor's proposal did not include $15 million requested by the Regents to support a new climate change research initiative and the Educational Imperative initiative. Supplemental funding to support enrollment growth in graduate professional nursing and public health programs was also not included. In addition, the Governor did not include $70.5 million in additional funding requested by the Regents to avoid student fee increases.

While the augmentations listed above total more than $220 million in new funding for the University, these new funds were more than offset by the budget-balancing reduction in the January proposal. The Governor's January plan provides flexibility to the University in determining the allocation of the $332 million reduction but anticipates the cut would impact student enrollments, student fees, and individual programs. The Governor's proposal calls for about 10 percent of the reduction to come from administrative spending and urges that cuts to instructional programs be minimized. The May revision, while reducing the cut to the University, still leaves no new funding for enrollment growth, cost increases, or new initiatives.

Externally, an aggressive intersegmental advocacy campaign is also underway that includes media outreach, editorial board visits, joint legislative visits, and other coordinated activities. We have been working closely with California State University Chancellor Charles Reed and California Community Colleges Interim Chancellor Diane Woodruff on this set of activities. In addition, the Office of the President, campuses, and supportive advocacy groups are working on a wide range of legislative visits, local and regional events, and other advocacy activities to tell the story of how investment in public higher education benefits all of California.

Internally, since January, Provost and Executive Vice President Hume has engaged in a broad consultation effort, including discussions of the University's academic and budget priorities with the Regents, the Chancellors, Executive Vice Chancellors, Vice Chancellors for Budget and Planning, Academic Senate leadership, and students.

Some decisions have been made. First, in late February, we made the decision to offer admission in fall 2008 to all undergraduate applicants who met the University's eligibility requirements despite the fact that the Governor's budget proposes to cut state funding for the University in 2008-09. With applications up sharply, this decision honored the interests of students who worked hard to earn a place at UC. However, this decision will bring increased pressure on the rest of the University's state-funded budget, and UC cannot commit to expand its enrollments any further for the following 2009-10 year unless the state is able to provide funding at that time for the additional students enrolled in 2008-09. Strategies are being developed for informing prospective students and their parents of this issue and its impact on the admissions process next year.

In addition, the Regents at their May meeting approved student fee increases that will help offset the State budget reduction. Increases of 7% in the Educational Fee and 10% in the Registration Fee are being implemented for 2008-09. The Regents also approved a 5% increase in nonresident tuition for undergraduate students. Increases in professional school fees ranging between 7% and 19% were approved by the Regents last September, but several of these fee increases were reduced at the May meeting.

In subcommittee hearings, the Legislature sustained the restoration of funding provided by the Governor in the May revision and the conference committee has begun its work. The State's fiscal situation, however, remains dire, and the University must proceed cautiously. Budget negotiations will continue through June and possibly well into the summer, and discussions about key Regental budget priorities such as faculty and staff compensation and graduate student support will continue at the July Regents' meeting. At this time, we are prepared to make campus allocations for

mandatory costs and other ongoing programs for planning purposes based on the Governor's proposal for UC. All allocations are preliminary and subject to change.

Inflation Adjustment

In a normal year, we would provide a single inflation adjustment for salary, benefit, and non-salary cost increases based on new State funding included in the 2008-09 Governor's Budget as well as projected new UC General Funds and revenue from student fee increases. This year, with no new State funds in the Governor's proposal and since most federal indirect cost recovery funding and all nonresident tuition will stay on the campuses, the inflation block adjustment consists only of the funds generated from increases in the Educational Fee, less funding set aside for return-to-aid. While insufficient to cover even mandatory price increases, this fee increase funding allocation is intended to help campuses address rising costs of health benefits, continuation costs of salary increases provided on October 1, 2007, and academic merit increases. Campuses will need to supplement these funds with other sources of new revenue and through redirection of savings from program reductions and new efficiencies. While campuses are being given broad discretion to reduce budgets and redirect funding, student academic preparation programs and University Student Aid Programs should be protected.

Federal Overhead

Consistent with past practice, Off-the-Top and Opportunity Funds derived from federal overhead will be allocated at a later date, with 94% of the funds returned to the campuses from which they were generated. The General Fund portion of federal overhead will continue to be allocated in accordance with our revised policy in effect since 2000-01. All of these allocations will be adjusted when actual receipts are known.

Enrollment-Related Workload and Fees

The Governor's Budget includes funds for an additional 5,000 FTE students, including expansion of medicine programs, but the budget balancing reduction effectively eliminated these funds. As mentioned above, we made the decision to offer admission in fall 2008 to all undergraduate applicants who met the University's eligibility requirements, but UC cannot commit to expand its enrollments any further for the following 2009-10 year unless the state is able to provide funding at that time for the additional students enrolled in 2008-09. In the coming weeks, a task force will be created to develop strategies that will allow UC enrollment growth to be consistent with resources from the State General Fund. For 2008-09, we are making one-time budget reductions based on budgeted general campus and health sciences enrollments in order to provide funding for planned enrollment growth at UC Merced and to continue the ongoing expansion of the PRograms In Medical Education (PRIME). We are asking campuses to self-fund their remaining enrollment growth on a one-time basis.

Fee revenue generated from enrollment growth is being allocated as General Funds in lieu of Educational Fee on a one-time basis. The amount allocated is based on 2008-09 fee levels, less funding for financial aid. These amounts will be adjusted to reflect actual revenue at mid-year and again at year-end to reflect actual enrollments.

Faculty Recruitment

Once again, a temporary allocation is being provided to help recruit and retain faculty. The allocation for each campus for 2008-09 is based upon two factors: 1) the number of new ladder-rank faculty hired in recent years to replace those who left, and 2) the number of ladder-rank faculty needed to accommodate enrollment growth. Temporary allocations of faculty recruitment and retention funds, which have been provided to help address significant enrollment growth over this decade, will be eliminated after 2009-10.

Faculty Hiring Incentive Program

In 2002, President Atkinson made a commitment to provide a five-year advance on faculty FTE (salary and benefits) to campuses that hired current or former President's Postdoctoral Fellows into ladder-rank faculty positions. There is no limit to the number of hires per campus eligible to receive the incentive. Each year the incentive funds are held back from regular allocations to the campuses for faculty FTE. In the past six years, this initiative has been extremely successful, with 57 hires to date and 12 additional hires pending for 2008 start dates. This program is being continued in 2008-09.

Research

The University's budget plan for 2008-09 included a $10 million initiative to address the effects of climate change on agriculture and the environment, but the Governor's January proposal did not include funding for this effort. In light of the demands on the University's budget this year, this initiative will be postponed.

In addition, in 2007-08 we provided $20 million in one-time funding to support the California Institutes for Science and Innovation and committed to identifying permanent funding for the future. An effort is underway, under the leadership of Vice President Steven Beckwith, to identify funds within the research function that can be redirected for this purpose. We are planning to complete this effort in time for the final allocations.

Public Service

The University's budget plan for 2008-09 included a $5 million Educational Imperative initiative to address the quality of California's K-12 education, building upon the University's existing programs that provide services to schools and teachers. The Governor's January proposal did not include funding for this effort, and in light of the demands on the University's budget this year, this initiative will be postponed.

The University's Student Academic Preparation and Educational Partnership programs are important both to the students they serve and to the preparation of the state's workforce. In recent years, these programs have been targeted for significant reductions. While in most of these instances the University was successful in getting funds restored, the instability created by repeated attempts to reduce the budget for SAPEP programs has been significant. At the same time, an extensive accountability framework has been implemented that allows us to measure quantifiable outcomes for each program, contributing to our ability to demonstrate their effectiveness. Given the importance of continuing this accountability effort and in order to continue the good work of these programs, funding for these programs should be exempted from reductions at this time.

Administrative Budget Reduction Targets

As mentioned above, the Governor's January proposal included an expectation that administrative budgets would be reduced by a total of $32.2 million. To achieve this goal, we are providing each campus with a target reduction based on their General Fund institutional support budgets. Campuses will be given broad flexibility in targeting this reduction among administrative types of activities; however, campuses should not include the following for purposes of this cut: faculty, teaching assistants, utilities, and financial aid. Campuses will be asked to report on reductions in administrative costs later in the year.

Maintenance of New Space

The University's budget plan for 2008-09 includes $9.7 million in funding to support basic maintenance of new space placed in service during 2008-09 for core instruction and research and for the California Institutes for Science and Innovation. Allocations are being funded through a redirection of savings from UCOP efficiencies and restructuring.

Fees and Financial Aid

Mandatory Systemwide Fees

At their May meeting, the Regents approved an increase in the Educational Fee of 7% for 2008-09 for all students. Because the fee increase is intended to cover salary increases and non-salary price increases, the funds generated from the Educational Fee increase, net of financial aid, are being allocated to campuses as part of the block allocation for inflation adjustments.

The Regents also approved an increase in the Registration Fee of 10% ($78) for 2008-09 for all students. Because campuses retain income from the Registration Fee, no allocations related to this increase will be made. However, consistent with the Regents' May 2008 action, 5% ($39) is to be used to fund salary and other mandatory cost increases, and 5% ($39) is to be used to fund initial steps in enhancing mental health services.

Professional School Fees & Financial Aid

In September 2007, the Regents approved increases in professional school fees between 7% and 19% for professional degree programs to cover cost increases and new initiatives funded from professional school fee revenue. Subsequent action taken by the Regents at their May meeting reduced fee increases for some programs to 6%. Consistent with the Regents' September 2007 and May 2008 actions, an amount equivalent to at least 33% of the additional revenue generated by these increases in professional school fees is to be used for financial aid.

Temporary Educational Fee Increase and Financial Aid

As you know, the Kashmiri lawsuit injunction resulted in losses in professional school fee revenue systemwide of about $12.9 million in 2004-05, additional losses of approximately $6.6 million in 2005-06, and perhaps as much as an additional $2 million in 2006-07. We have financed an internal loan to replace the losses, which is being repaid using student fee income. Funds will be distributed to each campus in the final allocations based upon counts of professional school students as provided by the campus budget offices. That loan is currently being repaid from revenue associated with a $60 Educational Fee surcharge on all students.

In the meantime, judgment has been entered for the plaintiffs in the case, which we estimate will cost the University approximately $33 million. Interest and other costs associated with the case may raise this cost to $40 million. The Regents approved extension of the $60 Educational Fee surcharge until all remaining costs associated with both the injunction and the lawsuit have been fully covered.

The July 21, 2005 Regents' action provided that an amount equivalent to 25% of the revenue generated from the increases be set aside for financial aid. For 2008-09, the amount set aside for financial aid will be 33% for undergraduates and professional degree students and 50% for graduate academic students. It is the Regents' intent that the financial aid generated from the temporary surcharge help mitigate the impact of the surcharge for needy students. Therefore, financial aid funds are being allocated on a temporary basis to the campuses for 2008-09 through the University Student Aid Programs (USAP). Campuses are encouraged to set aside more funds for financial aid if possible.

Undergraduate Financial Aid
Funding for the undergraduate University Student Aid Program (USAP) includes an amount equivalent to 33% of the increase in student fee income associated with fee increases as well as budgeted undergraduate enrollment growth during the academic year. The University intends to use a portion of new undergraduate fee revenue to provide grant assistance for needy middle-income students with family incomes of less than $100,000 to help cover about half of the student fee increases. Undergraduate USAP funds are to be awarded according to the principles of the Educational Finance Model (EFM).

Graduate Financial Aid
Funding for graduate need-based aid (graduate USAP) includes 50% of the increase in student fee income associated with fee increases as well as budgeted graduate enrollment growth during the academic year. The University intends to use a portion of new undergraduate fee revenue to implement the third installment of a phased program to restore $5.4 million in undergraduate financial aid funds previously diverted to graduate financial aid in 2003-04. As a result, $2.4 million (the difference between the original $5.4 million and the $1.05 million, $797,000, and $1.18 million shifted in 2005-06, 2007-08 and 2008-09, respectively) will be allocated on a temporary basis for graduate students. In addition to need-based aid, campuses may use designated portions of the graduate USAP allocation for TA fee remissions, RA fee remissions, and non-need-based fellowships.

The University's budget plan for 2008-09 included $10 million in additional funding for graduate student support. Given the uncertainty about State funding for the University at this time, a decision will be made about this budget item in time for the final allocation letter.

Summer Fees and Financial Aid
Once again, campuses are to charge a per-unit fee that is equivalent to mandatory systemwide fee levels that are charged during the academic year. However, campuses may implement fee structures that serve as an incentive to encourage students to enroll in the summer. As in the past, summer student fee revenue will be retained by the campuses. At least 28% of the total of summer fee revenue from undergraduate students must be used for financial aid for those students. This level of funding is equivalent to the average return-to-aid for academic year enrollment. At least 45% of the total of summer fee revenue from graduate students must be used for financial aid for those students.

All campuses were fully state-supported beginning in summer 2006, and all campuses are now participating in Intercampus Summer Enrollment activities, designed to support students who enroll in the summer at any campus. As a result, for summer 2008, campuses must continue to provide financial aid for their students whether the students are enrolled at their home campus or another UC campus.

Nonresident Tuition

As described in Executive Vice President Lapp's letter dated February 11, 2008, beginning in 2007-08, campuses should now budget nonresident tuition separately from General Funds. A change will be made to the original instructions related to this policy so that campuses may budget these funds in a single account. New instructions for this change will be issued separately. At their May meeting, the Regents approved a 5% increase in nonresident tuition for undergraduate students.

California State Lottery Funds

Consistent with the California State Lottery Act of 1984, the California State Lottery provides 34% of all revenue as supplemental funding for public education in California. Funding is provided to public schools and colleges on the basis of enrollment. To help campuses address constrained instructional budgets, at this time we are allocating $7 million in lottery funds to campuses on a permanent basis. Allocations are being made to provide the same amount of funding per student across all campuses, based on 2007-08 budgeted enrollments. The Lottery Act states "that all funds allocated from the California State Lottery Education Fund shall be used exclusively for the education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other non-instructional purpose." Campuses should use these funds accordingly.

Enclosed Schedules

Enclosed are the preliminary allocations for your campus by category with an explanation of the changes. If you have any questions about these matters, please contact Vice President Patrick Lenz or his staff.

Sincerely,

Wyatt R. Hume
Provost and Executive Vice President

Enclosures

cc: President Dynes
President-designate Yudof
Executive Vice President Lapp
Executive Vice Chancellors
Vice President Lenz
Vice Chancellors for Planning and Budget

University of California
2008-09 Preliminary Allocations

SUMMARY

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
Block Allocations											
Educational Fee Block	$ 6,874,000	$ 6,811,000	$ 5,164,000	$ 8,711,000	$ 422,000	$ 3,530,000	$ 5,725,000	$ 2,888,000	$ 3,910,000	$ 3,078,000	$ 47,113,000
Administrative Savings Targets	*$ (5,295,000)*	*$ (4,469,000)*	*$ (2,789,000)*	*$ (5,916,000)*	*$ -*	*$ (2,943,000)*	*$ (3,835,000)*	*$ (3,229,000)*	*$ (2,046,000)*	*$ (1,740,000)*	*$ (32,262,000)*
Enrollment Growth Marginal Cost Funding (one-time)											
Merced Enrollment Growth					$ 6,321,000						$ 6,321,000
PRIME Expansion	$ 44,000	$ 312,000	$ 252,000	$ 467,000	$ -	$ -	$ 312,000	$ 286,000	$ -	$ -	$ 1,673,000
Additional Growth	*No allocation.*										
Provisions for Allocation	$ (1,242,000)	$ (1,104,000)	$ (1,016,000)	$ (1,392,000)	$ -	$ (642,000)	$ (1,036,000)	$ (142,000)	$ (821,000)	$ (599,000)	$ (7,994,000)
Enrollment Growth Fee Revenue (one-time)											
General Campus	$ 790,000	$ 2,388,000	$ 3,221,000	$ 685,000	$ 2,446,000	$ 3,402,000	$ 2,160,000	$ -	$ 1,413,000	$ 1,486,000	$ 17,991,000
Health Sciences	$ 71,000	$ 109,000	$ 283,000	$ 390,000	$ -	$ -	$ 192,000	$ 42,000	$ -	$ -	$ 1,087,000
Faculty Recruitment (one-time)	1,900,000	2,150,000	2,150,000	1,900,000	500,000	1,400,000	1,950,000	350,000	1,200,000	1,000,000	$ 14,500,000
Faculty Fellows Adjustments	$ (32,000)	$ (102,000)	$ (38,000)	$ (106,000)	$ (9,000)	$ (97,000)	$ (38,000)	$ -	$ (467,000)	$ (21,000)	$ (910,000)
Lottery Funds	$ 354,798	$ 1,124,177	$ 1,328,400	$ 750,869	$ 90,000	$ 909,554	$ 1,140,097	$ 38,851	$ 403,581	$ 858,653	$ 6,998,980
Maintenance of New Space	$ 1,064,000	$ 1,588,000	$ 1,549,000	$ 101,000	$ 610,000	$ 1,422,000	$ 764,000	$ 1,584,000	$ 216,000	$ 1,084,000	$ 9,982,000
Nonresident Tuition	$ 2,001,000	$ 639,000	$ 653,000	$ 1,625,000	$ 10,000	$ 214,000	$ 915,000	$ -	$ 767,000	$ 419,000	$ 7,243,000
Silicon Valley Initiatives										$ 1,100,000	$ 1,100,000
Merced Start-up (one-time)					10,000,000						$ 10,000,000
Financial Aid											
Temporary Surcharge (one-time)											
Undergraduate	$ (24,250)	$ 7,893	$ 11,282	$ (6,268)	$ 1,280	$ 23,186	$ 38,076	$ (1,671)	$ 6,404	$ 19,368	$ 75,300
Graduate	$ 23,246	$ 19,625	$ 20,904	$ 28,134	$ 1,464	$ 9,065	$ 19,452	$ 8,262	$ 9,825	$ 5,996	$ 145,973
University Student Aid Program - Undergraduate											
State Specific - Permanent	$ 5,185	$ 4,870	$ 4,634	$ 6,678	$ 629	$ 4,203	$ 5,106	$ (39,316)	$ 4,280	$ 3,731	$ -
Ed Fee Increase - Permanent	$ 371,561	$ 2,951,766	$ 3,329,165	$ 2,699,010	$ 529,042	$ 4,046,222	$ 5,742,733	$ (108,273)	$ 2,863,720	$ 3,495,562	$ 25,920,508
Enr Growth - Temporary	$ 1,168,469	$ 1,096,845	$ 1,050,068	$ 1,510,566	$ 144,930	$ 945,717	$ 1,149,473	$ -	$ 971,910	$ 839,109	$ 8,877,087
University Student Aid Program - Graduate											
Ed Fee Increase - Permanent	$ 1,636,694	$ 1,262,185	$ 1,309,932	$ 1,783,460	$ 253,378	$ 803,801	$ 1,319,145	$ 573,881	$ 705,507	$ 610,387	$ 10,258,370
Enr Growth - Temporary	$ 1,047,326	$ 714,736	$ 546,320	$ 1,194,296	$ 21,816	$ 276,613	$ 589,939	$ 330,773	$ 348,947	$ 190,225	$ 5,260,991
UG Loan - Temporary	$ 579,675	$ 230,257	$ 191,654	$ 562,339	$ 8,839	$ 101,263	$ 205,288	$ 276,152	$ 139,548	$ 74,535	$ 2,369,550

UNIVERSITY OF CALIFORNIA

PRELIMINARY ALLOCATIONS: 2008-09 GOVERNOR'S BUDGET AND UC BUDGET PLAN

Summary of Changes: General Fund/Fee Income

MERCED

Program Description	Permanent Changes	Temporary Changes	Comments
I. GENERAL CAMPUS INSTRUCTION			
A. Workload: 2008-09 Budgeted Enrollment in General Funds		$6,321,000	The Governor's Budget includes funds for an additional 5,000 FTE students, including expansion of medicine programs, but the proposed budget balancing reduction effectively eliminated these funds. As a result, budgeted enrollment targets will remain at 2007-08 levels and no additional faculty positions should be permanently budgeted. For 2008-09, we are making one-time budget reductions based on budgeted general campus and health sciences enrollments in order to provide funding for planned enrollment growth at UC Merced and to continue the ongoing expansion of the PRograms In Medical Education (PRIME). This adjustment is shown under Provisions for Allocation. Campuses will self-fund other enrollment growth on a one-time basis.
B. Educational Fee Equivalent General Funds		$2,446,000	Fee revenue generated from planned enrollment growth during fall, winter, and spring terms is being allocated as general funds in lieu of Educational Fee on a one-time basis. The amount allocated is based on 2008-09 fee levels, less funding for financial aid. These amounts will be adjusted to reflect actual revenue at mid-year and again at year-end. The financial aid offset is equal to 33 percent of the total additional Registration Fee and Educational Fee income for undergraduates and professional school students and 50 percent of the combined additional fees for academic graduate students. This allocation reflects enrollment growth only. Summer fee revenues are retained by the campus, and are therefore not included in this allocation.

Program Description	Permanent Changes	Temporary Changes	Comments
C. Faculty Hiring Incentive Program General Funds			
2003-04 Withdrawal	$0		In 2003-04, the University initiated a Faculty Hiring Incentive program designed to promote hiring of current or former Presidential Postdoctoral Fellows (PPFP) into permanent faculty positions. Faculty positions and associated salary and benefit funds have been withdrawn through reductions in enrollment growth funding and campuses that have made hires from the PPFP pool have received salary and benefit funding for five years.
2003-04 Return	$0		In 2008-09, the five-year funding provided for new hires in 2003-04 will expire. Therefore, we are withdrawing positions and funding for those hires and restoring funding to campuses that contributed the original positions and compensation funds (at a cost-adjusted rate of $74,000 per position). Positions Withdrawn: 0.00 Positions Returned: 0.00
2008-09 Withdrawal	-$9,000		In addition, we are withdrawing and setting aside positions and funding (at a rate of $75,770 per position, based on total general campus budgeted enrollment) to continue the program in 2008-09. As in past years, faculty positions set aside for campuses that hire President's Postdoctoral Fellows will be distributed in the final allocation. These positions are allocated for five years, after which the positions will revert to the campuses from which they were withdrawn. Positions Withdrawn: 0.12

Program Description	Permanent Changes	Temporary Changes	Comments
D. Faculty Recruitment and Retention Other Sources (69666)		$500,000 [4]	An allocation providing temporary funds to help recruit and retain faculty. Temporary allocations of faculty recruitment and retention funds, which have been provided to help address significant enrollment growth over this decade, will be eliminated after 2009-10.
E. Lottery Fund Allocation (18086)	$90,000 [5]		To help campuses address constrained instructional budgets, at this time we are allocating $7 million in Lottery Funds to campuses on a permanent basis. Allocations are being made to provide the same amount of funding per student across all campuses, based on 2007-08 budgeted enrollments. The Lottery Act states "that all funds allocated from the California State Lottery Education Fund shall be used exclusively for the education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other non-instructional purpose." Campuses should use these funds accordingly.
TOTAL GENERAL CAMPUS INSTRUCTION	$81,000	$9,267,000	
II. OPERATION AND MAINTENANCE OF PLANT			
Workload (new space) General Funds	$610,000		The University's budget plan for 2008-09 includes $9.7 million in funding under the Compact to support basic maintenance of new space placed in service during 2008-09 for core instruction and research, and the California Institutes for Science and Innovation. This allocation is being funded through a redirection of savings from UCOP restructuring.

Program Description	Permanent Changes	Temporary Changes	Comments
III. STUDENT FINANCIAL AID			
A. $60 Temporary Surcharge Increase in Educational Fee			The $60 temporary surcharge for 2008-09 will be assessed to all UC students. The July 21, 2005 Regents' action provided that an amount equivalent to at least 25 percent of the revenue generated from the temporary surcharge be set aside for financial aid. For 2008-09, the amount set aside for financial aid will be 33 percent for undergraduates and professional degree students and 50 percent for graduate academic students. It is The Regents' intent that the financial aid generated from the temporary surcharge help mitigate the impact of the surcharge for needy students. Therefore, financial aid funds are being allocated on a temporary basis to the campuses for 2008-09 through the University Student Aid Programs (USAP). Campuses are encouraged to provide more financial aid if possible.
Undergraduate		$1,280 3)	
Graduate		$1,464 3)	
B. University Student Aid Program Undergraduate aid based on the Education Financing Model			Funding for the undergraduate University Student Aid Program (USAP) includes 33 percent of the increase in student fee income associated with budgeted undergraduate enrollment growth during the academic year. A portion of the new undergraduate fee revenue will be used to provide grant assistance for needy middle-income students from families with income under $100,000 to help cover half of the student fee increases. Undergraduate USAP funds are to be awarded according to the principles of the Educational Finance Model (EFM).
State Specific (18033)	$629 2)		
Educational Fee / Growth		$144,930 3)	
Educational Fee / Fee Increase	$529,042 3)		

Program Description	Permanent Changes	Temporary Changes	Comments
C. University Student Aid Program Graduate and Professional aid			Funding for graduate need-based aid (graduate USAP) includes 50 percent of the increase in student fee income associated with fee increases and budgeted enrollment growth in graduate academic students and includes 33 percent of the increase in student fee income associated with fee increases and budgeted enrollment growth in professional school students during the academic year. The University will use a portion of new graduate fee revenue to implement the second installment of a phased program to restore $5.4 million in undergraduate financial aid funds which had previously been diverted to graduate financial aid in 2003-04. As a result, $2.4 million (the difference between the original $5.4 million and the $1.05 million, $797,000, and $1.18 million shifted in 2005-06, 2007-08 and 2008-09, respectively) will be allocated on a temporary basis for graduate students. In addition to need-based aid, campuses may use designated portions of the graduate USAP allocation for TA fee remissions, RA fee remissions, and non-need-based fellowships.
Educational Fee / Loan		$8,839 3)	
Educational Fee / Growth		$21,816 3)	
Educational Fee / Fee Increase	$253,378 3)		
TOTAL STUDENT FINANCIAL AID	$783,049	$178,329	

Program Description	Permanent Changes	Temporary Changes	Comments
IV. PROVISIONS FOR ALLOCATION			
A. Inflation Adjustment for General Fund & Educational Fee Funded Programs General Funds (19900)	$422,000		In a normal year, we would provide a single inflation adjustment for salary, benefit, and non-salary cost increases based on new State funding included in the 2008-09 Governor's Budget as well as projected new UC General Funds and revenue from student fee increases. This year, with no new State funds in the Governor's proposal and since most federal indirect cost recovery funding and all nonresident tuition will stay on the campuses, the inflation block adjustment consists only of the funds generated from increases in the Educational Fee, less funding set aside for return-to-aid. While insufficient to cover even mandatory price increases, this allocation is intended to help campuses address rising costs of health benefits, continuation costs of salary increases provided October 1, 2007, and academic merit increases. Campuses will need to supplement these funds with other sources of new revenue and through redirection of savings from program reductions and new efficiencies. Consistent with Vice President Hershman's letter of December 14, 2000, this allocation does not include an inflation adjustment for the UC General Funds derived from Federal Overhead that are returned to the campus (94 percent).

Program Description	Permanent Changes	Temporary Changes	Comments
B. Non-Resident Tuition Campus Increment Adjustment (19942)	$10,000 [1)]		As described in Executive Vice President Lapp's letter dated February 11, 2008, beginning in 2007-08, campuses should now budget nonresident tuition separately from General Funds. Revised NRT budgeting and accounting procedures will be issued separately. At their May meeting, The Regents approved a 5% increase in nonresident tuition for undergraduate students. Allocations reflect the amount of new revenue each campus will generate due to the tuition increase if budgeted nonresident enrollment targets are achieved. Campuses will be responsible for covering any shortfalls in nonresident tuition revenue.
C. Administrative Budget Reduction Targets in State General Funds			The Governor's January proposal included an expectation that administrative budgets would be reduced by a total of $32.2 million. To achieve this goal, we are providing each campus with a target reduction based on their general fund institutional support budgets. Campuses will be given broad flexibility in targeting this reduction among administrative activities; however, campuses should not include the following for purposes of this cut: faculty, teaching assistants, utilities, and financial aid. Campuses will be expected to provide information about how administrative budget reduction targets will be achieved. Reporting requirements will be forthcoming. **Your campus target reduction amount is $0. The Merced campus is excluded from these administrative reductions at this time.**
D. Faculty Start-up Temporary Funding (18057)		$10,000,000 [2)]	The budget provides $10 million in one-time funding for start-up costs associated with the University's effort to recruit faculty for the recently opened Merced Campus. This is a $4 million reduction in one-time funding from the 2007-08 budget.
TOTAL PROVISIONS FOR ALLOCATIONS	$432,000	$10,000,000	

Program Description	Permanent Changes	Temporary Changes	Comments
TOTAL CHANGE--MERCED	**$1,906,049**	**$19,445,329**	
State General Funds	$1,023,000	$8,767,000	
NRT Funds (19942)	$10,000 1)	$0 1)	
State Specific Funds (18033)	$629 2)	$0 2)	
State Specific Funds (18057)	$0 2)	$10,000,000 2)	
Educational Fee (20095)	$782,420 3)	$178,329 3)	
Other Sources (69666)	$0 4)	$500,000 4)	
Lottery Fund (18086)	$90,000 5)	$0 5)	

D. Obley

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1111 Franklin Street
Oakland, California 94607-5200
Phone: (510) 987-9074
Fax:(510) 987-9086
http://www.ucop.edu

March 31, 2009

CHANCELLORS
EXECUTIVE VICE PRESIDENT LAPP
SENIOR VICE PRESIDENT DOOLEY

Dear Colleagues:

As you are aware, the State budget adopted by the legislature and Governor Schwarzenegger for the rest of 2008-09 and the 2009-10 fiscal year contains $115 million in new permanent funding reductions for the University of California system.

The final budget included a $65.5 million permanent reduction the governor already had proposed as a mid-year cut for 2008-09, in addition to the $33.1 million one-time mandatory savings reduction to our base budget included with the budget act last fall. For 2009-10, the budget act includes an additional $50 million reduction. This cut was one of several actions that could have been "triggered" for restoration if the State were to receive sufficient funds from the Federal economic recovery package. Based on recent assessments, restoration seems highly unlikely. These cuts are not targeted to specific programs.

Also for 2009-10, the final budget approved by the governor replaces an additional $255 million one-time reduction in State General Funds for UC with an equivalent amount of funds from the federal economic recovery package, producing a revenue-neutral outcome for UC. Other major changes in the final budget include the elimination of $20 million the governor had proposed for re-starting employer contributions to the UC Retirement Plan, the deletion of funding to increase medical student enrollments in UC's PRIME program and nursing student enrollments, as well as the deletion of all UC capital facility projects' funding for 2009-10.

The funding for enrollment increases in the PRIME and nursing programs and for capital facility projects are on a list of items that may be reconsidered in subcommittee hearings this spring. We will continue to advocate in Sacramento for restoration of funding for these programs, as well as for funding for the re-start of retirement contributions and startup funding for the Riverside medical school.

At this time, we are allocating the $65.5 million permanent budget reduction for 2008-09. The reduction is being distributed on the basis of General Funds budgets. Student Academic Preparation and Educational Partnership Programs (SAPEP), and the Merced campus are being protected from this reduction. The "fence" around SAPEP is for 2008-09 only. Discussions are ongoing about how to approach that issue for 2009-10. Therefore, in allocating cuts on your campus, please do not take actions to reduce SAPEP in 2008-09, realizing that you may have more flexibility on that issue in 2009-10.

The enclosed schedule shows the calculation of the reduction for each location. These reduction adjustments will be handled through the Interlocation Transfer of Funds System by our systemwide Budget Office. If you have any questions about these matters, please get in touch with Vice President Patrick Lenz or his staff.

With best wishes, I am,

Sincerely yours,

Mark G. Yudof
President

Enclosure

cc: Interim Provost Pitts
Vice President Lenz
Executive Vice Chancellors
Associate Vice President Obley
Associate Vice President Reese
Vice Chancellors for Planning and Budget

University of California
2008-09 Allocations - Mid-year Permanent Reduction

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	ANR	MRUs	UCOP	TOTAL
July 2008 General Funds	643,527,770	597,905,841	430,644,113	793,677,015	36,285,563	293,276,534	512,185,748	264,632,406	311,680,477	244,574,836	64,723,975	50,055,443	96,582,716	4,339,752,437
Less 19933	$ (5,639,000)	$ (11,210,000)	$ (7,806,000)	$ (14,787,370)	$ (389,000)	$ (3,149,000)	$ (17,305,000)	$ (22,768,000)	$ (1,809,000)	$ (3,071,000)	$ -	$ -	$ -	$ (87,933,370)
Less NRT	$ (69,084,000)	$ (24,590,000)	$ (24,475,000)	$ (58,955,000)	$ (492,000)	$ (10,530,000)	$ (32,093,000)	$ (2,374,000)	$ (23,333,000)	$ (11,317,000)	$ -	$ -	$ -	$ (257,243,000)
Less SAPEP	$ (2,708,374)	$ (1,914,021)	$ (1,835,383)	$ (1,898,412)	$ (1,629,181)	$ (1,182,343)	$ (1,360,010)	$ (606,778)	$ (1,536,246)	$ (4,544,025)			$ (10,998,709)	$ (30,213,482)
Net General Funds	$566,096,396	$560,191,820	$396,527,730	$718,036,233	$ 33,775,382	$278,415,191	$461,427,738	$238,883,628	$285,002,231	$225,642,811	$ 64,723,975	$ 50,055,443	$ 85,584,007	$3,964,362,585
Distribution	14.3%	14.1%	10.0%	18.1%	0.9%	7.0%	11.6%	6.0%	7.2%	5.7%	1.6%	1.3%	2.2%	100.0%
Distribution, excluding Merced	14.4%	14.3%	10.1%	18.3%		7.1%	11.7%	6.1%	7.3%	5.7%	1.6%	1.3%	2.2%	100.0%
One-time Reduction (October 2008)	$ (4,760,000)	$ (4,711,000)	$ (3,334,000)	$ (6,038,000)	$ -	$ (2,341,000)	$ (3,880,000)	$ (2,009,000)	$ (2,397,000)	$ (1,897,000)	$ (544,000)	$ (421,000)	$ (719,000)	$ (33,051,000)
Permanent Reduction	$ (9,433,000)	$ (9,335,000)	$ (6,608,000)	$ (11,965,000)	$ -	$ (4,639,000)	$ (7,689,000)	$ (3,981,000)	$ (4,749,000)	$ (3,760,000)	$ (1,079,000)	$ (834,000)	$ (1,425,000)	$ (65,497,000)

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1111 Franklin Street
Oakland, California 94607-5200
Phone: (510) 987-9074
Fax: (510) 987-9086
http://www.ucop.edu

June 16, 2009

CHANCELLORS
EXECUTIVE VICE PRESIDENT LAPP
SENIOR VICE PRESIDENT DOOLEY

As you know, the State's ongoing budget crisis has worsened significantly over the last 10 months. The signing of the 2008-09 budget act in September 2008 was quickly followed by projections of significant budget shortfalls for both 2008-09 and 2009-10. After a special session of the Legislature in February, the Governor signed an 18-month budget act covering the remainder of 2008-09 and the 2009-10 fiscal year, and in early April, I wrote to you about the mid-year budget reduction for UC contained in the act for 2008-09. The special session budget was predicated on the success of propositions submitted to the voters on May 19. These initiatives have failed, and the Governor has announced new proposals (the May Revise) that are now before the legislative conference committee. As I communicated to you last week, the new proposals include dramatic reductions in State funding for UC, as well as the elimination of the Cal Grant program. While the Legislature continues its deliberations, we have a better understanding of what is before us and we must begin planning in earnest.

As we continue to engage in wide-ranging discussions of options for addressing the extraordinary shortfall in State funding facing the University, I am now prepared to provide preliminary allocations for 2009-10, based on what we know and the decisions that have been made to date. Please keep in mind these are preliminary numbers for the purpose of campus planning that assume the UC budget will be reduced by $619.3 million in the 2009-10 fiscal year. A portion of this reduction has already been off-set by $125.9 million in new student fee revenue for 2009-10 based on The Regents' approval of fee increases in May. In addition, I will be bringing a comprehensive set of budget recommendations to the Regents in July that will include $200 million in savings achieved through systemwide actions, i.e., furloughs and salary reductions and additional saving initiatives. These efforts will help address the budget reductions targets for each campus. While we await approval of these efforts by the Regents, I thought it prudent that we provide you with preliminary allocations for planning purposes.

Overview of the 2009-10 Budget

The level of cuts facing the University for 2009-10 has evolved over the last several months, as outlined below:

The Governor's January 2009 Proposal for 2009-10

In building the budget proposal for 2009-10 and in accordance with the Compact, the Governor initially developed a workload budget for UC that included a base budget adjustment of 5 percent to fund compensation and other cost increases and restore funding for core academic support, funding for enrollment growth, expansion of PRIME and nursing programs, increased annuitant health benefit costs, and $95.7 million to re-start contributions to the UC Retirement Plan. However, as he did last year, the Governor's January proposal eliminated the base budget adjustment and the funding for regular enrollment growth, and reduced the amount for re-start of retirement contributions to $20 million. Furthermore, the Governor included a permanent $65.5 million undesignated reduction (starting in 2008-09) that had been proposed as part of the special session budget package in November. The Governor's proposal also assumed a 9.3 percent increase in mandatory student fees, increases in professional degree fees of 5-24 percent, and a 5 percent increase in nonresident tuition for undergraduate students. Other actions included a reduction in one-time funding for UC Merced of $5 million, consistent with the plan to phase out such funding by 2010-11, and a swap of lottery funds for State General funds consistent with the proposed securitization of lottery funds included in Proposition 1C.

The Special Session Budget

During the special session, the Legislature took further action to eliminate the funding for PRIME and nursing program expansion, although funding for these programs was placed on a list of items that could be reconsidered by the Legislature. In addition, the Legislature eliminated the remaining $20 million in funding for re-start of retirement contributions.

As I mentioned, the final budget included a $65.5 million permanent reduction the Governor already had proposed as a mid-year cut for 2008-09, in addition to the $33.1 million one-time mandatory savings reduction to our base budget included with the budget act last fall. These 2008-09 reductions have already been communicated to you.

In his veto message, the Governor included a one-time reduction in State General Funds of $255 million in 2009-10, to be replaced with an equivalent amount of funds from the federal economic recovery package, producing a revenue neutral outcome for UC. The Governor also assigned an additional permanent $50 million undesignated reduction to UC in 2009-10 that was to be rescinded this spring if the state were to receive sufficient funds from the federal economic recovery package.

The Special Session package also included a total of $268.5 million in federal stimulus funding to offset the earlier reductions.

The Governor's May Revise Proposals

Before the special election on May 19, the Governor released his revised budget proposals as two plans, one in the event that the initiatives were approved by the voters and one in the event the initiatives failed. Furthermore, the Governor made additional revisions on May 26. As I described in my May 27 letter to you, for UC, the proposals include a series of budget reductions in both 2008-09 and 2009-10, some one-time and some permanent, and an offsetting one-time allocation of federal economic stimulus funding (ARRA) during 2008-09. For 2008-09, the proposal results in an $816.1 million reduction in State funding from the level approved in the budget act signed last September. This reduction is offset by $640 million in ARRA funds (including the $268.5 million already approved in the Special Session budget). For 2009-10, the proposal yields a $619.3 million reduction from the September 2008 budget act. No additional ARRA funds for 2009-10 are proposed at this time.

Regarding capital outlay, the $449 million in lease revenue bond financing proposed by the Governor in his January budget was not included in the special session budget adopted in February. However, this funding was included in the list of issues to be reconsidered without prejudice by the Legislature during spring budget hearings.

During hearings this spring, we have been appealing to the Legislature for restoration of funding for UC's critical needs. Highest on our list of concerns is funding for the re-start of contributions to the UC Retirement Plan, which is scheduled to begin in April 2010. In addition, we have highlighted the critical importance of State funding for enrollment and have requested the restoration of funding for PRIME and nursing program expansion, as well as lease revenue funding for capital outlay, consistent with the Legislature's agreement to reconsider these issues. These and other issues were discussed in detail in our letter to the conference committee earlier this month.

Before moving on to decisions that have been made, I want to mention that I am aware of the concerns many of you have raised about the principles and methodologies behind fund allocations. Staff at the Office of the President has been engaged in a comprehensive review of these methodologies. This is an ongoing activity and I expect to have further conversations with you about this subject in the coming months. No changes in policy or practices are expected to occur for 2009-10. Instead, any changes resulting from forthcoming proposals would be effective for 2010-11.

Block Allocation and Undesignated Reductions

In a normal year, we would provide a single inflation adjustment for salary, benefit, and non-salary cost increases based on new State funding included in the 2009-10 Governor's Budget, as well as projected new UC General Funds and revenue from student fee increases. This year, funding available for the block adjustment includes only the $11.3 million in annuitant health benefit funding from the State and $77.4 million in funds generated during fall/winter/spring terms from increases in the Educational Fee, less funding set aside for return-to-aid.

With respect to State funding reductions, the $65.5 million permanent reduction included for 2008-09 in the Special Session budget was already distributed to campuses in April. The remaining net shortfall resulting from the May Revise proposals for 2008-09, which amounts to an additional one-time reduction of $77.5 million if all of the proposed stimulus funding is ultimately received, will be addressed in a separate communication. This one-time reduction could rise to $449.0 million if additional stimulus funding is not forthcoming.

With this letter, we are distributing each of the 2009-10 reductions proposed by the Governor as undesignated reductions. Consistent with the campus budget discussions we had earlier this year, I expect campuses to manage the new funding and offsetting reductions with broad flexibility to meet their most pressing needs. As I have mentioned in the past, I encourage you to avoid making across-the-board cuts and instead to make strategic decisions that reflect academic planning priorities and administrative efficiencies. While campuses are being given broad discretion to reduce budgets and redirect funding, student academic preparation, the science and math teacher initiative, and student mental health programs should be spared disproportional cuts. The University Student Aid Program and graduate diversity fellowships should be protected from reductions.

Federal Overhead

Consistent with past practice, Off-the-Top and Opportunity Funds derived from federal overhead will be allocated at a later date, with 94 percent of the funds returned to the campuses from which they were generated. The General Fund portion of federal overhead will continue to be allocated in accordance with our revised policy in effect since 2000-01. All of these allocations will be adjusted when actual receipts are known.

Enrollment-Related Workload and Fees

For the second year in a row, the State budget includes no new funding for enrollment growth. In 2008-09, the University already enrolls more than 11,000 State-supportable students for whom we receive no State funding. In keeping with direction from the Regents to curtail enrollment growth and my earlier decision to reduce freshman enrollment for 2009-10, it is my hope that enrollment growth will

indeed be slowed or halted during 2009-10. Based on outcomes of the 2009-10 admissions cycle, we will discuss further enrollment actions this summer in advance of the next cycle. In the meantime, campuses will once again need to absorb the costs of unfunded enrollments during 2009-10.

However, given its small size, it is again necessary to make special accommodations for the rapid enrollment growth occurring at UC Merced. For 2008-09, we assigned one-time budget reductions, totaling $6.3 million, to other campuses based on budgeted general campus and health sciences enrollments in order to provide funding for planned enrollment growth of 700 students at UC Merced. I am grateful for your support of Merced and once again ask for a one-time contribution to support the continuing enrollment of these students. In 2009-10, the Merced campus is expected to grow by another 675 students. Instead of increasing the contribution from other campuses, permanent funding for this additional growth will come from savings derived from the restructuring of UCOP.

Also in 2008-09, campuses contributed $1.7 million on a one-time basis to continue the ongoing expansion of the Programs In Medical Education (PRIME). This contribution for the 2008-09 entering cohort is being continued in 2009-10. Since again no new funding is currently provided in the State budget for the next (2009-10) cohort of PRIME students, campuses should address this issue by reducing enrollments in the regular MD program in order to fund planned new PRIME enrollments. It is a systemwide priority that the planned expansion of this program continues, even if it means that no medical school enrollment growth occurs.

Fee revenue generated from enrollment above 2007-08 budget targets is being allocated as General Funds in lieu of Educational Fee on a one-time basis. The amount allocated is based on 2009-10 fee levels, less funding for financial aid. These amounts will be adjusted to reflect actual revenue at mid-year and again at year-end to reflect actual enrollments.

Faculty Recruitment

Once again, a temporary allocation is being provided to help recruit and retain faculty. The allocation for each campus for 2009-10 is based upon two factors: 1) the number of new ladder-rank faculty hired in recent years to replace those who left; and 2) the number of ladder-rank faculty needed to accommodate enrollment growth. Temporary allocations of faculty recruitment and retention funds, which have been provided to help address significant enrollment growth over this decade, will be eliminated after 2009-10.

Faculty Hiring Incentive Program

In 2002, President Atkinson made a commitment to provide a five-year advance on faculty FTE (salary and benefits) to campuses that hired current or former

President's Postdoctoral Fellows into ladder-rank faculty positions. There is no limit to the number of hires per campus eligible to receive the incentive. Each year the incentive funds are held back from regular allocations to the campuses for faculty FTE. In the past seven years, this initiative has been extremely successful, with 72 hires to date and 10 additional hires pending for 2009 start dates. This program is being continued in 2009-10.

Research

California Institutes of Science and Innovation

In 2008-09, we provided $10 million in one-time funding to support the California Institutes for Science and Innovation and committed to identifying permanent funding for the future. An effort is underway, under the leadership of Vice President Beckwith, to identify funds within the research function that can be redirected for this purpose. However, in light of the extraordinary budget shortfalls we are facing, discussions related to funding for the Institutes will continue this summer, with a decision to be made in time for the final allocations.

Reductions in Legislative Earmark Research Programs

The 2008-09 State budget provided flexibility to the University by reducing the amount of State support dedicated to specific earmarked programs in the budget bill by 10 percent. These changes yielded $3.4 million in savings, which were redirected on a one-time basis to support the California Institutes for Science and Innovation. In 2009-10, these initial reductions will be made permanent and another 10 percent reduction will be allocated, also on a permanent basis. The use of the savings resulting from these reductions, totaling $4.9 million, will be determined before final allocations later this year.

Labor Research

In 2008-09, the Governor vetoed $5.4 million for the University's labor research and education programs. Because of the tremendous value of these programs, we provided $4 million of temporary support from University funds to continue this work under the assumption that State funding would be restored to these budgets in 2009-10. While it is not finally determined, it is unlikely the State will provide this funding in 2009-10. The Berkeley and Los Angeles campuses should develop plans for ramping down these programs unless another source of support can be identified.

Public Service

The University's Student Academic Preparation and Educational Partnership (SAPEP) programs are important both to the students they serve and to the preparation of the state's workforce. In recent years, these programs have been targeted for significant reductions. While in most of these instances the University was successful in getting funds restored, the instability created by repeated

attempts to reduce the budget for SAPEP programs has been significant. At the same time, an extensive accountability framework has been implemented that allows us to measure quantifiable outcomes for each program, contributing to our ability to demonstrate their effectiveness. For the last several years, the State budget has provided $19.3 million in State funds and required $12 million in University funds for SAPEP programs.

As one of the reductions included in his May Revise proposals, the Governor has proposed eliminating the entire $31.3 million budget for SAPEP programs. Should reductions of this magnitude proposed be necessary, we have asked the Legislature to make this reduction undesignated; these preliminary allocations assume the cut is ultimately made as an undesignated reduction. At this time, we do not know whether the budget act will include a required minimum level of funding for SAPEP programs. Unlike last year, we are not preventing cuts to these programs in 2009-10. However, given the importance of continuing the good work of these programs and the role they play in helping to improve the diversity of the University's student population, as a matter of policy, these programs should not be cut disproportionately. Once the new budget act is signed, staff in the UCOP Budget and Capital Resources office will work with campus budget staff to ensure that program funding levels do not fall below those mandated by the State.

Similar to earmarked research programs, the 2008-09 state budget provided flexibility to the University by reducing by 10 percent the systemwide amount of State support dedicated to the California State Summer School for Science and Mathematics (COSMOS). In 2008-09, this reduction was distributed on a one-time basis, with the central office taking a disproportionate cut. In 2009-10, this reduction is being made permanent and the use of this funding will be determined in the coming months.

Maintenance of New Space

Between 2005-06 and 2007-08, marginal cost funding for enrollment growth from the State included a component to fund maintenance of new space, which was allocated to support basic maintenance of new space placed in service for core instruction and research and for the California Institutes for Science and Innovation. In 2008-09, with no new enrollment growth funding from the State, approximately $10 million in savings generated from the restructuring of the Office of the President was redirected to support maintenance of new space. Given the lack of new enrollment growth funding in 2009-10, the extraordinary budget shortfall, and the unlikelihood of new funding in the next several years, we are reviewing our policy and plans for future allocations for maintenance of new space. Discussions will continue this summer and a decision will be in place for final allocations.

Fees and Financial Aid

Mandatory Systemwide Fees

At their May meeting, The Regents approved an increase in the Educational Fee of 10 percent for 2009-10 for all students. Revenue generated from this increase on fall/winter/spring enrollments, net of financial aid, is being allocated as part of the block allocation I have described.

The Regents also approved an increase in the Registration Fee of 4.2 percent ($36) for 2009-10 for all students. Because campuses retain income from the Registration Fee, no allocations related to this increase will be made. New revenue should be used to fund mandatory cost increases, and, if possible, to maintain critical student services programs, including student mental health services.

Professional School Fees & Financial Aid

Increases in fees for professional degree programs to cover cost increases and new initiatives were also approved by the Regents in May. Consistent with earlier actions, an amount equivalent to at least 33 percent of the additional revenue generated by these increases in professional school fees is to be used for financial aid.

Temporary Educational Fee Increase and Financial Aid

Consistent with Regental action, an extension of the $60 surcharge will remain in place until all costs associated with both the *Kashmiri* lawsuit injunction and judgment has been fully covered. As was the case in 2008-09, the amount set aside for financial aid will be 33 percent for undergraduates and professional degree students and 50 percent for graduate academic students.

Undergraduate Financial Aid

In recent years, funding for the undergraduate University Student Aid Program (USAP) has included an amount equivalent to 33 percent of the increase in student fee income associated with fee increases as well as budgeted undergraduate enrollment growth during the academic year. For 2009-10, the amount set aside from fee increase revenue is being augmented by an additional $3 million to fund the Blue and Gold Opportunity Plan, which the Regents approved in February. A portion of new undergraduate fee revenue should be used to provide grant assistance for needy middle-income students with family incomes of less than $100,000 to help cover about half of the student fee increases. Undergraduate USAP funds are to be awarded according to the principles of the Educational Finance Model (EFM).

Graduate Financial Aid

Funding for graduate academic need-based aid (graduate USAP) includes 50 percent of the increase in student fee income associated with fee increases as well as

budgeted graduate enrollment growth during the academic year. The University intends to use a portion of new graduate academic fee revenue to implement the fourth installment of a five-year, phased program to restore $5.4 million in undergraduate fee revenue that was temporarily budgeted for graduate student support in 2003-04. Thus, the net return-to-aid for graduate academic students will be 48 percent in 2009-10. Of the original loan amount, $4.2 million has been restored to the undergraduate program and $1.2 million will continue to be loaned to the graduate program during 2009-10. In addition to need-based aid, campuses may use designated portions of the graduate USAP allocation for TA fee remissions, RA fee remissions, and non-need-based fellowships.

The University's initial budget plan for 2009-10 included $10 million in additional funding for graduate student support. Given the budget reductions for UC included in the special session budget and recent proposals from the Governor, no additional augmentation for graduate student support is included.

Summer Fees and Financial Aid

Once again, campuses are to charge a per-unit fee that is equivalent to mandatory systemwide fee levels that are charged during the academic year. However, campuses may implement fee structures that serve as an incentive to encourage students to enroll in the summer. As in the past, summer student fee revenue will be retained by the campuses. At least 28.4 percent of the total of summer fee revenue from undergraduate students must be used for financial aid for those students. This level of funding is equivalent to the average return-to-aid for academic year enrollment. At least 45.4 percent of total summer fee revenue from graduate students must be used for financial aid for those students. All campuses were fully State-supported beginning in summer 2006, and all campuses are now participating in Intercampus Summer Enrollment activities, designed to support students who enroll in the summer at any campus. As a result, for summer 2009, campuses must continue to provide financial aid for their students whether the students are enrolled at their home campus or another UC campus.

Nonresident Tuition

As of 2007-08, campuses budget nonresident tuition under a specific General Fund fund number and retain all revenue. At their May meeting, The Regents approved a 10 percent increase in nonresident tuition for undergraduate students.

Education Abroad Program

As will be communicated separately, the budget for the University's Education Abroad Program (EAP) is being changed significantly for 2009-10. In the past, EAP has been funded from a combination of revenue sources including a share of State marginal cost funding for enrollment growth. For 2009-10, the EAP budget will be based primarily on the amount of fee revenue generated from students participating

in the program, plus a modest subsidy for services to campuses provided by EAP. As a result of these changes, a total of $4.84 million in General Funds is being returned to campuses on a permanent basis, based on recent levels of funding for campus EAP offices and enrollment in the program. Campuses should determine appropriate levels of support for campus efforts to support study abroad and may use this redirected funding to address campus priorities.

California State Lottery Funds

While the Special Session budget included a swap of lottery funds for State General funds, Proposition 1C, which would have allowed the State to securitize lottery funds, was defeated on May 19. As a result, no funding swap is expected to occur.

Enclosed Schedules

Enclosed are the preliminary allocations for your campus by category with an explanation of the changes. If you have any questions about these matters, please get in touch with Vice President Patrick Lenz or his staff.

With best wishes, I am,

Sincerely yours,

Mark G. Yudof
President

Enclosures

cc: Interim Provost Lawrence H. Pitts
Executive Vice President Peter Taylor
Senior Vice President John Stobo
Vice President Patrick J. Lenz
Vice Provost Daniel Greenstein
Vice President Steven Beckwith
Vice President Judy Sakaki
Associate Vice President Debora Obley
Executive Vice Chancellors
Vice Chancellors for Planning and Budget
Campus Budget Directors

UNIVERSITY OF CALIFORNIA

PRELIMINARY ALLOCATIONS: 2009-10 GOVERNOR'S BUDGET AND UC BUDGET PLAN

Summary of Changes: General Fund/Fee Income

MERCED

Program Description	Permanent Changes	Temporary Changes	Comments
I. GENERAL CAMPUS INSTRUCTION			
A. Workload: Budgeted Enrollment in General Funds			The Special Session Budget includes no funding for enrollment growth. Budgeted enrollment targets will remain at 2007-08 levels and no additional faculty positions should be permanently budgeted. As occurred in 2008-09, campuses are being assigned one-time budget reductions based on budgeted general campus and health sciences enrollments in order to provide funding for planned enrollment growth that occurred during 2008-09 at UC Merced in 2008-09 and in the PRograms In Medical Education (PRIME). This adjustment is shown under Provisions for Allocation. Planned growth at Merced in 2009-10 will be funded from savings resulting from the restructuring of UCOP; other campuses will need to absorb the costs of unfunded enrollments until over-enrollment can be reduced and/or funding is provided by the State.
2008-09		$6,321,000	
2009-10	$6,096,000		
B. Educational Fee Equivalent General Funds		$4,407,000	Fee revenue generated from projected Fall/Winter/Spring enrollment in excess of 2007-08 budgeted enrollment is being allocated as general funds in lieu of Educational Fee on a one-time basis. The enrollment level used is based on the 2008-09 space planning enrollments plus approximately half of the remaining projected enrollment above the 2008-09 space planning enrollment. The amount allocated is based on expected 2009-10 fee levels, less funding for financial aid. These amounts will be adjusted to reflect actual revenue at mid-year and again at year-end.

Program Description	Permanent Changes	Temporary Changes	Comments
			The financial aid offset is equal to 33 percent of the total additional Registration Fee and Educational Fee income for undergraduates and professional school students and 50 percent of the combined additional fees for academic graduate students. This allocation reflects enrollment-related fee revenue only. Summer fee revenues are retained by the campus, and are therefore not included in this allocation.
C. Faculty Hiring Incentive Program General Funds			
2004-05 Withdrawal	-$106,000		In 2003-04, the University initiated a Faculty Hiring Incentive program designed to promote hiring of current or former Presidential Postdoctoral Fellows (PPFP) into permanent faculty positions. Faculty positions and associated salary and benefit funds have been withdrawn through reductions in enrollment growth funding and campuses that have made hires from the PPFP pool have received salary and benefit funding for five years.
2004-05 Return	$0		In 2009-10, the five-year funding provided for new hires in 2004-05 will expire. Therefore, we are withdrawing positions and funding for those hires and restoring funding to campuses that contributed the original positions and compensation funds (at a cost-adjusted rate of $74,000 per position). Positions Withdrawn: 1.40 Positions Returned: 0.00
2009-10 Withdrawal	-$8,000		In addition, we are withdrawing and setting aside positions and funding (at a rate of $75,770 per position, based on total general campus budgeted enrollment) to continue the program in 2009-10. As in past years, faculty positions set aside for campuses that hire President's Postdoctoral Fellows will be distributed in the final allocation. These positions are allocated for five years, after which the positions will revert to the campuses from which they were withdrawn. Positions Withdrawn: 0.10

Program Description	Permanent Changes	Temporary Changes	Comments
D. Faculty Recruitment and Retention			An allocation providing temporary funds to help recruit and retain faculty. Temporary allocations of faculty recruitment and retention funds, which have been provided to help address significant enrollment growth over this decade, will be eliminated after 2009-10.
Other Sources (69666)		$550,000 5)	
TOTAL GENERAL CAMPUS INSTRUCTION	$5,982,000	$11,278,000	
II. STUDENT FINANCIAL AID			
A. $60 Temporary Surcharge Increase in Educational Fee			The $60 temporary surcharge for 2009-10 will be assessed to all UC students. For 2009-10, the amount set aside for financial aid will be 33 percent for undergraduates and professional degree students and 50 percent for graduate academic students. It is The Regents' intent that the financial aid generated from the temporary surcharge help mitigate the impact of the surcharge for needy students. Therefore, financial aid funds are being allocated on a temporary basis to the campuses for 2009-10 through the University Student Aid Programs (USAP). Campuses are encouraged to provide more financial aid if possible.
Undergraduate		$59,000 3)	
Graduate		$5,874 3)	
B. University Student Aid Program Undergraduate aid based on the Education Financing Model			Funding for the undergraduate University Student Aid Program (USAP) includes 33 percent of the increase in student fee income associated with budgeted undergraduate enrollment growth during the academic year. A portion of the new undergraduate fee revenue will be used to provide grant assistance for needy middle-income students from families with income under $100,000 to help cover half of the student fee increases. For 2009-10, the amount allocated for undergraduate student financial support is being augmented by $3.1 million to fund the Blue and Gold Opportunity Plan, which the Regents approved in February. Undergraduate USAP funds are to be awarded according to the principles of the Educational Finance Model (EFM).
Educational Fee / Over-enrollment		$343,000 3)	
Educational Fee / Fee Increase	$1,167,247 3)		
Educational Fund (05397)		$57,000 4)	

Program Description	Permanent Changes	Temporary Changes	Comments
C. University Student Aid Program Graduate and Professional aid			Funding for graduate need-based aid (graduate USAP) includes 50 percent of the increase in student fee income associated with fee increases and budgeted enrollment growth in graduate academic students and includes 33 percent of the increase in student fee income associated with fee increases and budgeted enrollment growth in professional school students during the academic year. A portion of new graduate academic fee revenue is being allocated to implement the fourth installment of a five-year, phased program to restore $5.4 million in undergraduate fee revenue that was temporarily budgeted for graduate student support in 2003-04. Of the original loan amount, $XX has been restored to the undergraduate program and $XX million will continue to be loaned to the graduate program during 2009-10. In addition to need-based aid, campuses may use designated portions of the graduate USAP allocation for TA fee remissions, RA fee remissions, and non-need-based fellowships.
Educational Fee / Loan		$5,388 3)	
Educational Fee / Over-enrollment		$10,810 3)	
Educational Fee / Fee Increase	$293,139 3)		
TOTAL STUDENT FINANCIAL AID	$1,460,386	$481,072	
III. PROVISIONS FOR ALLOCATION			
A. Inflation Adjustment for General Fund & Educational Fee Funded Programs General Funds (19900)	$967,000		In a normal year, we would provide a single inflation adjustment for salary, benefit, and non-salary cost increases based on new State funding included in the Governor's Budget as well as projected new UC General Funds and revenue from student fee increases. This year, with no new State funds in the Governor's proposal, the block adjustment consists only of the increase in State funding for annuitant health benefit costs and the funds generated from increases in the Educational Fee, less funding set aside for return-to-aid.

Program Description	Permanent Changes	Temporary Changes	Comments
B. Nonresident Tuition Campus Increment Adjustment (19942)	$20,000 [1)]		At their May meeting, The Regents approved a 10% increase in nonresident tuition for undergraduate students. Allocations reflect the amount of new revenue each campus will generate due to the tuition increase if budgeted nonresident enrollment targets are achieved. Campuses will be responsible for covering any shortfalls in nonresident tuition revenue.
C. Education Abroad Savings - General Funds	$35,000		As a result of changes to the Education Abroad Program budget, a total of $4.84 million in General Funds is being returned to the campuses on a permanent basis, based on recent levels of fundng for campus EAP offices and enrollment in the program. Campuses should determine appropriate levels of support for campus efforts to support study abroad and may use this redirected funding to address campus priorities.
D. Undesignated Budget Reduction $50M - General Funds		$0	The Governor's vetoes of the Special Session Budget Act included a $50 million one-time reduction that was initially considered for restoration if the State were to receive at least $10 billion of federal stimulus funding. This threshold has not been achieved and this reduction is being allocated on a one-time basis.
E. Undesignated Budget Reduction $255M - General Funds		$0	The Governor's vetoes of the Special Session Budget Act included a $255 million one-time reduction. Prior to the May revision, this amount was to be offset by federal funds the State will receive as part of the Federal American Recovery and Reinvestment Act (ARRA). The State funding reductions for 2008-09 proposed in the May Revise now exceed the proposed amount of federal stimulus funding for UC and therefore the reduction is not expected to be offset at this time. This reduction is being distributed on a one-time basis.

Program Description	Permanent Changes	Temporary Changes	Comments
F. Undesignated Budget Reduction $81.3M - General Funds	$0		In his May Revise proposals announced on May 14, 2009, the Governor proposed a $50 million permanent unallocated reduction for UC as well as the elimination of student academic preparation programs, totaling $31.3 million for UC. These reductions are both being dsitributed as undesignated allocations at this time.
G. Undesignated Budget Reduction $167.5M - General Funds	$0		On May 26, 2009, the Governor proposed a further two-year $167.5 million reduction for UC. This reduction is being allocated on a permanent basis and will be reversed if funds are restored in the 2011-12 budget.
H. Undesignated Budget Reduction Enrollment - General Funds		$0	As mentioned earlier, campuses will provide one-time resources to fund enrollment growth that occurred in 2008-09 at the Merced campus and in PRIME.
I. Faculty Start-up Temporary Funding (18055)		$5,000,000 2)	The budget provides $5 million in one-time funding for start-up costs associated with the University's effort to recruit faculty for the recently opened Merced Campus. This is a $5 million reduction in one-time funding from the 2008-09 budget.
TOTAL PROVISIONS FOR ALLOCATIONS	$1,022,000	$5,000,000	
TOTAL CHANGE--MERCED	**$8,464,386**	**$16,759,072**	
State General Funds	$6,984,000	$10,728,000	
NRT Funds (19942)	$20,000 1)	$0 1)	
State Specific Funds (18055)	$0 2)	$5,000,000 2)	
Educational Fee (20095)	$1,460,386 3)	$424,072 3)	
Educational Fund (05397)	$0 4)	$57,000 4)	
Other Sources (69666)	$0 5)	$550,000 5)	

University of California
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SUMMARY

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL	ANR	MRUs	UCOP	UN-ALLOCATED	SYSTEM TOTAL
INSTRUCTION - General Campus																
Enrollment Growth (2009-10 cohort)					$ 6,096,000						$ 6,096,000			$ (6,096,000)		$ -
Enrollment Growth (2008-09 cohort, one-time)					$ 6,321,000						$ 6,321,000					$ 6,321,000
General Funds in Lieu of Ed Fee (summer shift)	$ 2,032,000	$ -	$ -	$ 945,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,977,000					$ 2,977,000
General Funds in Lieu of Ed Fee (one-time)	$ 6,084,000	$ 3,426,000	$ 2,576,000	$ 3,272,000	$ 4,407,000	$ 4,344,000	$ 3,528,000	$ -	$ 2,136,000	$ 2,310,000	$ 32,083,000					$ 32,083,000
Faculty Recruitment (one-time)	$ 1,950,000	$ 2,100,000	$ 2,100,000	$ 1,950,000	$ 550,000	$ 1,450,000	$ 1,900,000	$ 400,000	$ 1,150,000	$ 950,000	$ 14,500,000					$ 14,500,000
Faculty Hiring Incentive Adjustments	$ (33,000)	$ (134,000)	$ (141,000)	$ (140,000)	$ (114,000)	$ (51,000)	$ (36,000)	$ -	$ (22,000)	$ (95,000)	$ (766,000)					$ (766,000)
																$ -
INSTRUCTION - Health Sciences																$ -
PRIME Enrollment (2008-09 cohort, one-time)	$ 44,000	$ 312,000	$ 252,000	$ 363,000	$ -	$ 104,000	$ 312,000	$ 286,000	$ -	$ -	$ 1,673,000					$ 1,673,000
General Funds in Lieu of Ed Fee (one-time)	$ 76,000	$ 122,000	$ 310,000	$ 414,000	$ -	$ 17,000	$ 212,000	$ 47,000	$ -	$ -	$ 1,198,000					$ 1,198,000
RESEARCH																
Welfare Policy Research Project	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (146,000)	$ -	$ -	$ (146,000)
Earthquake Engineering Research	$ (91,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (91,000)	$ -	$ -	$ -	$ -	$ (91,000)
Viticulture and Enology Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (74,000)	$ -	$ -	$ -	$ (74,000)
Substance Abuse Research (one-time[1])	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,770,000	$ -	$ -	$ 13,770,000	$ -	$ -	$ -	$ (17,190,000)	$ (3,420,000)
Lupus Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (146,000)	$ -	$ -	$ (146,000)	$ -	$ -	$ -	$ -	$ (146,000)
Spinal Cord Injury Research	$ -	$ -	$ (293,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (293,000)	$ -	$ -	$ -	$ -	$ (293,000)
MIND Institute	$ -	$ (731,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (731,000)	$ -	$ -	$ -	$ -	$ (731,000)
PUBLIC SERVICE																
COSMOS	$ -	$ (35,000)	$ (35,000)	$ -	$ -	$ -	$ (35,000)	$ -	$ -	$ (35,000)	$ (140,000)	$ -	$ -	$ (70,800)	$ -	$ (210,800)
FINANCIAL AID																
University Student Aid Program - Undergraduate																
State Specific - Permanent	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,500	$ 23,500			$ (23,500)		$ -
Educational Fee - Permanent	$ 3,715,052	$ 4,921,619	$ 4,073,519	$ 3,162,425	$ 1,167,247	$ 4,850,298	$ 7,048,636	$ -	$ 2,748,541	$ 4,570,219	$ 36,257,556					$ 36,257,556
Educational Fee - Temporary	$ 2,415,000	$ 2,315,000	$ 2,230,000	$ 2,968,000	$ 343,000	$ 2,072,000	$ 2,510,000	$ -	$ 1,930,000	$ 1,824,000	$ 18,607,000					$ 18,607,000
Kashmiri Surcharge - Temporary	$ 414,000	$ 397,000	$ 382,000	$ 508,000	$ 59,000	$ 355,000	$ 430,000	$ -	$ 330,000	$ 312,000	$ 3,187,000					$ 4,614,000
Blue and Gold Opportunity Plan - Temporary	$ 409,000	$ 398,000	$ 374,000	$ 514,000	$ 57,000	$ 349,000	$ 435,000	$ -	$ 336,000	$ 312,000	$ 3,184,000					$ 3,184,000
University Student Aid Program - Graduate																
Educational Fee - Permanent	$ 3,323,631	$ 1,240,234	$ 1,022,262	$ 3,091,706	$ 293,139	$ 1,088,256	$ 1,305,934	$ 833,267	$ 1,127,318	$ 667,753	$ 13,993,500					$ 13,993,500
Educational Fee - Temporary	$ 436,353	$ 285,020	$ 209,102	$ 498,547	$ 10,810	$ 115,486	$ 231,224	$ 137,256	$ 143,290	$ 74,912	$ 2,142,000					$ 2,142,000
Kashmiri Surcharge - Temporary	$ 237,122	$ 154,885	$ 113,630	$ 270,919	$ 5,874	$ 62,757	$ 125,651	$ 74,587	$ 77,866	$ 40,709	$ 1,164,000					$ 1,545,570
Loan - Temporary	$ 294,169	$ 112,926	$ 90,215	$ 285,615	$ 5,388	$ 51,995	$ 98,956	$ 138,937	$ 70,474	$ 36,100	$ 1,184,775					$ 1,184,775
PROVISIONS FOR ALLOCATION																
New Revenue Allocation	$ 12,168,000	$ 12,078,000	$ 9,285,000	$ 15,454,000	$ 967,000	$ 6,366,000	$ 10,387,000	$ 5,165,000	$ 6,983,000	$ 5,509,000	$ 84,362,000	$ 1,412,000	$ 1,045,000	$ 1,881,000		$ 88,700,000
Undesignated Reducations																
Governor's Veto of $50 million (one-time)	$ (7,186,000)	$ (7,125,000)	$ (5,049,000)	$ (9,121,000)	$ -	$ (3,545,000)	$ (5,877,000)	$ (3,040,000)	$ (3,629,000)	$ (2,875,000)	$ (47,447,000)	$ (831,000)	$ (614,000)	$ (1,108,000)		$ (50,000,000)
Governor's Veto of $255 million (one-time)	$ (36,650,000)	$ (36,337,000)	$ (25,750,000)	$ (46,515,000)	$ -	$ (18,082,000)	$ (29,971,000)	$ (15,502,000)	$ (18,510,000)	$ (14,662,000)	$ (241,979,000)	$ (4,238,000)	$ (3,133,000)	$ (5,650,000)		$ (255,000,000)
May Revise - $81.3 million (permanent)	$ (11,685,000)	$ (11,585,000)	$ (8,210,000)	$ (14,830,000)	$ -	$ (5,765,000)	$ (9,555,000)	$ (4,943,000)	$ (5,901,000)	$ (4,675,000)	$ (77,149,000)	$ (1,351,000)	$ (999,000)	$ (1,801,000)		$ (81,300,000)
Two-year Cut - $167.5 million (permanent)	$ (24,074,000)	$ (23,868,000)	$ (16,914,000)	$ (30,554,000)	$ -	$ (11,878,000)	$ (19,687,000)	$ (10,183,000)	$ (12,158,000)	$ (9,631,000)	$ (158,947,000)	$ (2,784,000)	$ (2,058,000)	$ (3,711,000)		$ (167,500,000)
Enrollment Funding (one-time)	$ (1,242,000)	$ (1,104,000)	$ (1,016,000)	$ (1,392,000)		$ (642,000)	$ (1,036,000)	$ (142,000)	$ (821,000)	$ (599,000)	$ (7,994,000)					$ (7,994,000)
Education Abroad Savings	$ 828,000	$ 417,000	$ 512,000	$ 642,000	$ 35,000	$ 277,000	$ 663,000	$ -	$ 900,000	$ 566,000	$ 4,840,000			$ (4,840,000)		$ -
Nonresident Tuition	$ 4,200,000	$ 1,340,000	$ 1,370,000	$ 3,410,000	$ 20,000	$ 450,000	$ 1,920,000	$ -	$ 1,610,000	$ 880,000	$ 15,200,000					$ 15,200,000
Merced Start-up (one-time)					5,000,000						$ 5,000,000					$ 5,000,000

[1] 20% budget reduction is permanent; allocation to campus is one-time.

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BLOCK ALLOCATIONS

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	ANR	MRUs	UCOP	UNALLOCATED	TOTAL
Mar 2009 Core Funds-Budgeted (a)															
General Funds	$632,431,912	$588,646,841	$424,318,113	$ 779,795,463	$ 36,487,563	$288,637,534	$504,572,748	$261,150,406	$306,931,477	$240,966,836	$ 64,241,975	$ 47,433,995	$ 96,756,171	$ (771,325,034)	$ 3,501,046,000
Registration Fee	$ 28,685,400	$ 21,370,349	$ 21,217,303	$ 27,530,011	$ 2,332,800	$ 15,458,436	$ 21,819,001	$ 2,160,000	$ 14,741,526	$ 13,314,672	$ -	$ -	$ -	$ -	$ 168,629,498
Educational Fee	$ 63,284,411	$ 50,288,476	$ 44,976,661	$ 73,049,346	$ 5,724,194	$ 36,117,661	$ 49,984,926	$ 5,782,753	$ 40,387,034	$ 31,120,585	$ -	$ -	$ 11,617,071	$ 848,544,171	$ 1,260,877,289
Professional School Fees	$ 29,768,245	$ 23,388,861	$ 8,384,076	$ 50,357,340	$ -	$ 2,948,303	$ 11,821,145	$ 22,805,796	$ -	$ -	$ -	$ -	$ -	$ -	$ 149,473,766
State Specific Funds															
Cal ISI	$ 1,680,000	$ -	$ 360,000	$ 600,000	$ -	$ -	$ 840,000	$ 660,000	$ 600,000	$ 10,000	$ -	$ -	$ -	$ -	$ 4,750,000
Student Financial Aid	$ 8,416,890	$ 6,372,306	$ 5,855,366	$ 10,184,411	$ 366,255	$ 4,905,145	$ 5,856,110	$ 546,516	$ 5,095,839	$ 4,576,662	$ -	$ -	$ 23,500	$ -	$ 52,199,000
AIDS Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,214,000	$ -	$ 9,214,000
Drew Medical Program	$ -	$ -	$ -	$ 8,738,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,738,000
Loan Repayments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,105,000	$ 5,105,000
Lease Purchase Payments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 158,312,000	$ 158,312,000
Subject Matter Projects	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,000,000	$ -	$ 5,000,000
UC Merced	$ -	$ -	$ -	$ -	$ 10,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,000,000	$ 20,000,000
San Diego Supercomputer	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,240,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,240,000
Subtotal - State Specific	$ 10,096,890	$ 6,372,306	$ 6,215,366	$ 19,522,411	$ 10,366,255	$ 4,905,145	$ 9,936,110	$ 1,206,516	$ 5,695,839	$ 4,586,662	$ -	$ -	$ 14,237,500	$ 173,417,000	$ 266,558,000
Subtotal - Core Funds	$ 764,266,858	$ 690,066,833	$ 505,111,519	$ 950,254,571	$ 54,910,812	$ 348,067,079	$ 598,133,930	$ 293,105,471	$ 367,755,876	$ 289,988,755	$ 64,241,975	$ 47,433,995	$ 122,610,742	$ 250,636,137	$ 5,346,584,553
Adjusted General Funds															
General Funds	$632,431,912	$588,646,841	$424,318,113	$ 779,795,463	$ 36,487,563	$288,637,534	$504,572,748	$261,150,406	$306,931,477	$240,966,836	$ 64,241,975	$ 47,433,995	$ 96,756,171		$ 4,272,371,034
State Specific Funds-Merced	$ -	$ -	$ -	$ -	$ 10,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ 10,000,000
Less 19933 Federal ICR	$ (5,639,000)	$ (11,210,000)	$ (7,806,000)	$ (14,670,505)	$ (389,000)	$ (3,149,000)	$ (17,305,000)	$ (23,267,000)	$ (1,809,000)	$ (3,071,000)	$ -	$ -	$ -		$ (88,315,505)
Less Nonresident Tuition	$ (69,084,000)	$ (24,590,000)	$ (24,475,000)	$ (58,955,000)	$ (492,000)	$ (10,530,000)	$ (32,093,000)	$ (2,414,000)	$ (23,333,000)	$ (11,317,000)	$ -	$ -	$ -		$ (257,283,000)
Less SAPEP	$ (2,708,374)	$ (1,914,021)	$ (1,835,383)	$ (1,898,412)	$ (1,629,181)	$ (1,182,343)	$ (1,360,010)	$ (606,778)	$ (1,536,246)	$ (4,544,025)			$ (10,998,709)		$ (30,213,482)
Less Earmark Reductions	$ (91,000)	$ (766,000)	$ (328,000)	$ -	$ -	$ -	$ (35,000)	$ (146,000)	$ -	$ (35,000)	$ (74,000)	$ -	$ (216,800)	$ (3,420,000)	$ (5,111,800)
Net General Funds	$554,909,538	$550,166,820	$389,873,730	$ 704,271,546	$ 43,977,382	$273,776,191	$453,779,738	$234,716,628	$280,253,231	$221,999,811	$ 64,167,975	$ 47,433,995	$ 85,540,662	$ (3,420,000)	$ 3,904,867,247
Net General Funds Distribution	14.2%	14.1%	10.0%	18.0%	1.1%	7.0%	11.6%	6.0%	7.2%	5.7%	1.6%	1.2%	2.2%		100.0%
Undesignated Reductions															
Net General Funds Distribution (excluding Merced)	14.4%	14.2%	10.1%	18.2%		7.1%	11.8%	6.1%	7.3%	5.7%	1.7%	1.2%	2.2%		100.0%
Undesignated Reduction 1 (b)	$ (7,186,000)	$ (7,125,000)	$ (5,049,000)	$ (9,121,000)	$ -	$ (3,545,000)	$ (5,877,000)	$ (3,040,000)	$ (3,629,000)	$ (2,875,000)	$ (831,000)	$ (614,000)	$ (1,108,000)		$ (50,000,000)
Undesignated Reduction 2 (c)	$ (36,650,000)	$ (36,337,000)	$ (25,750,000)	$ (46,515,000)	$ -	$ (18,082,000)	$ (29,971,000)	$ (15,502,000)	$ (18,510,000)	$ (14,662,000)	$ (4,238,000)	$ (3,133,000)	$ (5,650,000)		$ (255,000,000)
Undesignated Reduction 3 (d)	$ (11,685,000)	$ (11,585,000)	$ (8,210,000)	$ (14,830,000)	$ -	$ (5,765,000)	$ (9,555,000)	$ (4,943,000)	$ (5,901,000)	$ (4,675,000)	$ (1,351,000)	$ (999,000)	$ (1,801,000)		$ (81,300,000)
Undesignated Reduction 4 (e)	$ (24,074,000)	$ (23,868,000)	$ (16,914,000)	$ (30,554,000)	$ -	$ (11,878,000)	$ (19,687,000)	$ (10,183,000)	$ (12,158,000)	$ (9,631,000)	$ (2,784,000)	$ (2,058,000)	$ (3,711,000)		$ (167,500,000)
Subtotal	$ (79,595,000)	$ (78,915,000)	$ (55,923,000)	$(101,020,000)	$ -	$ (39,270,000)	$ (65,090,000)	$ (33,668,000)	$ (40,198,000)	$ (31,843,000)	$ (9,204,000)	$ (6,804,000)	$ (12,270,000)		$ (553,800,000)
New Revenue															
Net General Funds Distribution	14.2%	14.1%	10.0%	18.0%	1.1%	7.0%	11.6%	6.0%	7.2%	5.7%	1.6%	1.2%	2.2%		100.0%
Annuitant Health Increase	$ 1,610,000	$ 1,597,000	$ 1,131,000	$ 2,044,000	$ 128,000	$ 795,000	$ 1,317,000	$ 681,000	$ 813,000	$ 644,000	$ 186,000	$ 138,000	$ 248,000		$ 11,332,000
Educational Fee Increase (f)	$ 10,558,000	$ 10,481,000	$ 8,154,000	$ 13,410,000	$ 839,000	$ 5,571,000	$ 9,070,000	$ 4,484,000	$ 6,170,000	$ 4,865,000	$ 1,226,000	$ 907,000	$ 1,633,000		$ 77,368,000
Subtotal	$ 12,168,000	$ 12,078,000	$ 9,285,000	$ 15,454,000	$ 967,000	$ 6,366,000	$ 10,387,000	$ 5,165,000	$ 6,983,000	$ 5,509,000	$ 1,412,000	$ 1,045,000	$ 1,881,000		$ 88,700,000

Notes:
(a) March 2009 budgets include the mid-year reduction of $65.5 million, which was booked by the campuses by March 31.
(b) $50 million one-time reduction included in Governor's vetoes of the February 2009 Special Session budget.
(c) $255 million one-time reduction included in Governor's vetoes of the February 2009 Special Session budget.
(d) $81.3 million permanent reduction proposed by the Governor in the May Revise (May 14, 2009).
(e) $207.5 million permanent reduction proposed by the Governor on May 26, 2009.
(f) Includes $3 million adjustment to distribution. See "Fee Increase Revenue" page.

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ENROLLMENT

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
2007-08 Budgeted Enrollment											
General Campus FWS											
Undergraduate	21,525	20,990	20,218	22,600	1,820	13,869	20,870		16,945	13,770	152,607
Postbaccalaureate	-	170	250	-	-	95	-		10	-	525
Graduate Academic	6,382	3,668	3,203	5,632	140	1,905	3,251		2,770	1,490	28,441
Professional - PP/IRPS	135	-	-	72	-	-	239				446
Professional - All Other	1,333	672	177	1,826	-	105	120	-	-	-	4,233
Subtotal	29,375	25,500	23,848	30,130	1,960	15,974	24,480	-	19,725	15,260	186,252
Summer											
Undergraduate	2,910	2,145	2,062	3,090	40	1,080	1,705		2,040	705	15,777
Postbaccalaureate	-	35	20	-	-	15	-		5	-	75
Graduate Academic	250	20	120	170	-	90	190	-	230	110	1,180
Subtotal	3,160	2,200	2,202	3,260	40	1,185	1,895	-	2,275	815	17,032
Health Sciences											
Undergraduate	-	100	100	166		-	-	-			366
Graduate Academic	139	296	93	399		-	272	843			2,042
Professional - Pub Health	308	-	-	403		-	-	-			711
Professional - All Other	295	908	410	1,401		48	710	1,876			5,648
Resident (No Fees)	19	606	581	1,566	-	-	427	1,065	-	-	4,264
Subtotal	761	1,910	1,184	3,935	-	48	1,409	3,784	-	-	13,031
Total											
Undergraduate	24,435	23,235	22,380	25,856	1,860	14,949	22,575	-	18,985	14,475	168,750
Postbaccalaureate	-	205	270	-	-	110	-	-	15	-	600
Graduate Academic	6,771	3,984	3,416	6,201	140	1,995	3,713	843	3,000	1,600	31,663
Professional - PH/PP/IRPS	443	-	-	475	-	-	239	-	-	-	1,157
Professional - All Other	1,628	1,580	587	3,227	-	153	830	1,876	-	-	9,881
Resident (No Fees)	19	606	581	1,566	-	-	427	1,065	-	-	4,264
Total	33,296	29,610	27,234	37,325	2,000	17,207	27,784	3,784	22,000	16,075	216,315

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ENROLLMENT

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
2008-09 Space Planning Enrollment Growth											
General Campus FWS											
Undergraduate	180	485	552	125	600	775	375	-	285	320	3,697
Postbaccalaureate	-	-	-	-	-	-	-	-	-	-	-
Graduate Academic	30	165	350	65	40	130	210	-	100	80	1,170
Professional - PP/IRPS	-	-	-	-	-	-	-	-	-	-	-
Professional - All Other	-	-	-	-	-	-	15	-	-	-	15
Subtotal	210	650	902	190	640	905	600	-	385	400	4,882
Summer											
Undergraduate	-	-	268	-	60	45	-	-	-	100	473
Postbaccalaureate	-	-	-	-	-	-	-	-	-	-	-
Graduate Academic	-	-	30	-	-	-	-	-	-	-	30
Subtotal	-	-	298	-	60	45	-	-	-	100	503
Health Sciences											
Graduate Academic	18	8	14	41	-	-	10	-	-	-	91
PRIME-MD	-	12	8	14	-	4	12	11	-	-	61
PRIME-MS	4		4		-				-	-	8
Pharmacy Professional	-	-	-	-	-	-	30	-	-	-	30
Pharmacy Residents							-		-	-	-
Nursing Undergraduate	-	10	50	50	-	-	-	-	-	-	110
Nursing Professional	-	-	-	-	-	-	-	-	-	-	-
Growth Subtotal	22	30	76	105	-	4	52	11	-	-	300
Total											
Undergraduate	180	495	870	175	660	820	375	-	285	420	4,280
Postbaccalaureate	-	-	-	-	-	-	-	-	-	-	-
Graduate Academic	48	173	394	106	40	130	220	-	100	80	1,291
Professional - PH/PP/IRPS	-	-	-	-	-	-	-	-	-	-	-
Professional - All Other	4	12	12	14	-	4	57	11	-	-	114
Resident (No Fees)	-	-	-	-	-	-	-	-	-	-	-
Total	232	680	1,276	295	700	954	652	11	385	500	5,685

Note: Includes shift of 4 PRIME MD students from Los Angeles to Riverside. Action occurred in 2008-09 final allocations.

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	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
Totals Used for 2008-09 Fee Allocations											
General Campus FWS											
Undergraduate	21,705	21,475	20,770	22,725	2,420	14,644	21,245	-	17,230	14,090	156,304
Postbaccalaureate	-	170	250	-	-	95	-	-	10	-	525
Graduate Academic	6,412	3,833	3,553	5,697	180	2,035	3,461	-	2,870	1,570	29,611
Professional - PP/IRPS	135	-	-	72	-	-	239	-	-	-	446
Professional - All Other	1,333	672	177	1,826	-	105	135	-	-	-	4,248
Subtotal	29,585	26,150	24,750	30,320	2,600	16,879	25,080	-	20,110	15,660	191,134
Summer											
Undergraduate	2,910	2,145	2,330	3,090	100	1,125	1,705	-	2,040	805	16,250
Postbaccalaureate	-	35	20	-	-	15	-	-	5	-	75
Graduate Academic	250	20	150	170	-	90	190	-	230	110	1,210
Subtotal	3,160	2,200	2,500	3,260	100	1,230	1,895	-	2,275	915	17,535
Health Sciences											
Undergraduate	-	110	150	216	-	-	-	-	-	-	476
Graduate Academic	161	304	111	440	-	-	282	843	-	-	2,141
Professional - PH/PP/IRPS	308	-	-	403	-	-	-	-	-	-	711
Professional - All Other	295	920	418	1,415	-	52	752	1,887	-	-	5,739
Resident (No Fees)	19	606	581	1,566	-	-	427	1,065	-	-	4,264
Subtotal	783	1,940	1,260	4,040	-	52	1,461	3,795	-	-	13,331
Total											
Undergraduate	24,615	23,730	23,250	26,031	2,520	15,769	22,950	-	19,270	14,895	173,030
Postbaccalaureate	-	205	270	-	-	110	-	-	15	-	600
Graduate Academic	6,823	4,157	3,814	6,307	180	2,125	3,933	843	3,100	1,680	32,962
Professional - PH/PP/IRPS	443	-	-	475	-	-	239	-	-	-	1,157
Professional - All Other	1,628	1,592	595	3,241	-	157	887	1,887	-	-	9,987
Resident (No Fees)	19	606	581	1,566	-	-	427	1,065	-	-	4,264
Total	33,528	30,290	28,510	37,620	2,700	18,161	28,436	3,795	22,385	16,575	222,000

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	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
Estimated 2009-10 General Campus Total Enrollments											
Undergraduate	25,035	22,210	20,848	24,240	3,160	14,900	22,210	-	17,545	14,530	164,678
Postbaccalaureate	-	170	250	-	-	95	-	-	10	-	525
Graduate	7,950	4,275	3,380	7,720	250	2,160	3,565	-	2,840	1,490	33,630
Total	32,985	26,655	24,478	31,960	3,410	17,155	25,775	-	20,395	16,020	198,833
General Campus Unfunded Enrollments											
Undergraduate	3,510	1,220	630	1,640	1,340	1,031	1,340	-	600	760	12,071
Graduate	100	(65)	-	190	110	150	(45)	-	70	-	510
Total	3,610	1,155	630	1,830	1,450	1,181	1,295	-	670	760	12,581
FWS General Campus Space Planning Enrollments Captured in 2008-09											
Undergraduate	180	485	552	125	600	775	375	-	285	320	3,697
Graduate	30	165	350	65	40	130	225	-	100	80	1,185
Total	210	650	902	190	640	905	600	-	385	400	4,882
Uncaptured Enrollment											
Undergraduate	3,330	735	78	1,515	740	256	965	-	315	440	8,374
Graduate	70	(230)	(350)	125	70	20	(270)	-	(30)	(80)	(675)
Total	3,400	505	(272)	1,640	810	276	695	-	285	360	7,699
Permanent Adjustments (1/2 of Summer Swap)											
General Campus FWS											
Undergraduate	455	-	-	245	-	-	-	-	-	-	700
Graduate Academic	25	-	-	(30)	-	-	-	-	-	-	(5)
Subtotal	480	-	-	215	-	-	-	-	-	-	695
Summer											
Undergraduate	(455)		-	(245)							(700)
Graduate Academic	(25)	-	-	30	-	-	-	-	-	-	5
Subtotal	(480)	-	-	(215)	-	-	-	-	-	-	(695)
Temporary Adjustments (1/2 of Remaining Over-enrollment)											
Total											
Undergraduate	1,210	368	39	513	370	128	483	-	158	220	3,489
Graduate Academic	10	(230)	(350)	93	35	10	(270)	-	(30)	(80)	(812)
Total	1,220	138	(311)	606	405	138	213	-	128	140	2,677

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ENROLLMENT

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
Adjusted 2009-10 Permanent Budgets											
General Campus FWS											
Undergraduate	21,980	20,990	20,218	22,845	1,820	13,869	20,870	-	16,945	13,770	153,307
Postbaccalaureate	-	170	250	-	-	95	-	-	10	-	525
Graduate Academic	6,407	3,668	3,203	5,602	140	1,905	3,251	-	2,770	1,490	28,436
Professional - PP/IRPS	135	-	-	72	-	-	239	-	-	-	446
Professional - All Other	1,333	672	177	1,826	-	105	120	-	-	-	4,233
Subtotal	29,855	25,500	23,848	30,345	1,960	15,974	24,480	-	19,725	15,260	186,947
Summer											
Undergraduate	2,455	2,145	2,062	2,845	40	1,080	1,705	-	2,040	705	15,077
Postbaccalaureate	-	35	20	-	-	15	-	-	5	-	75
Graduate Academic	225	20	120	200	-	90	190	-	230	110	1,185
Subtotal	2,680	2,200	2,202	3,045	40	1,185	1,895	-	2,275	815	16,337
Health Sciences											
Undergraduate	-	100	100	166	-	-	-	-	-	-	366
Graduate Academic	139	296	93	399	-	-	272	843	-	-	2,042
Professional - Pub Health	308	-	-	403	-	-	-	-	-	-	711
Professional - All Other	295	908	410	1,401	-	48	710	1,876	-	-	5,648
Resident (No Fees)	19	606	581	1,566	-	-	427	1,065	-	-	4,264
Subtotal	761	1,910	1,184	3,935	-	48	1,409	3,784	-	-	13,031
Total											
Undergraduate	24,435	23,235	22,380	25,856	1,860	14,949	22,575	-	18,985	14,475	168,750
Postbaccalaureate	-	205	270	-	-	110	-	-	15	-	600
Graduate Academic	6,771	3,984	3,416	6,201	140	1,995	3,713	843	3,000	1,600	31,663
Professional - PH/PP/IRPS	443	-	-	475	-	-	239	-	-	-	1,157
Professional - All Other	1,628	1,580	587	3,227	-	153	830	1,876	-	-	9,881
Resident (No Fees)	19	606	581	1,566	-	-	427	1,065	-	-	4,264
Total	33,296	29,610	27,234	37,325	2,000	17,207	27,784	3,784	22,000	16,075	216,315

Note: Adjusts only for shift of summer enrollment to fall/winter/spring at Berkeley and Los Angeles.

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	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
Temporary Budgets for 2009-10 Fee Allocation Purposes											
General Campus FWS											
Undergraduate	1,390	853	591	638	970	903	858	-	443	540	7,186
Postbaccalaureate	-	-	-	-	-	-	-	-	-	-	-
Graduate Academic	40	(65)	(60)	158	75	140	(60)	-	70	-	298
Professional - PP/IRPS	-	-	-	-	-	-	-	-	-	-	-
Professional - All Other	-	-	60	-	-	-	15	-	-	-	75
Subtotal	1,430	788	591	796	1,045	1,043	813	-	513	540	7,559
Summer											
Undergraduate	-	-	268	-	60	45	-	-	-	100	473
Postbaccalaureate	-	-	-	-	-	-	-	-	-	-	-
Graduate Academic	-	-	30	-	-	-	-	-	-	-	30
Subtotal	-	-	298	-	60	45	-	-	-	100	503
Health Sciences											
Undergraduate	-	10	50	50	-	-	-	-	-	-	110
Graduate Academic	22	8	18	41	-	-	10	-	-	-	99
Professional - Pub Health	-	-	-	-	-	-	-	-	-	-	-
Professional - All Other	-	12	8	14	-	4	42	11	-	-	91
Resident (No Fees)	-	-	-	-	-	-	-	-	-	-	-
Subtotal	22	30	76	105	-	4	52	11	-	-	300
Total											
Undergraduate	1,390	863	909	688	1,030	948	858	-	443	640	7,769
Postbaccalaureate	-	-	-	-	-	-	-	-	-	-	-
Graduate Academic	62	(57)	(12)	199	75	140	(50)	-	70	-	427
Professional - PH/PP/IRPS	-	-	-	-	-	-	-	-	-	-	-
Professional - All Other	-	12	68	14	-	4	57	11	-	-	166
Resident (No Fees)	-	-	-	-	-	-	-	-	-	-	-
Total	1,452	818	965	901	1,105	1,092	865	11	513	640	8,362

Note: Includes shift of 60 Irvine graduate academic enrollments to professional category to account for new law students.

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	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
Total Budgets for 2009-10 Fee Allocation Purposes											
General Campus FWS											
Undergraduate	23,370	21,843	20,809	23,483	2,790	14,772	21,728	-	17,388	14,310	160,493
Postbaccalaureate	-	170	250	-	-	95	-	-	10	-	525
Graduate Academic	6,447	3,603	3,143	5,760	215	2,045	3,191	-	2,840	1,490	28,734
Professional - PP/IRPS	135	-	-	72	-	-	239	-	-	-	446
Professional - All Other	1,333	672	237	1,826	-	105	135	-	-	-	4,308
Subtotal	31,285	26,288	24,439	31,141	3,005	17,017	25,293	-	20,238	15,800	194,506
Summer											
Undergraduate	2,455	2,145	2,330	2,845	100	1,125	1,705	-	2,040	805	15,550
Postbaccalaureate	-	35	20	-	-	15	-	-	5	-	75
Graduate Academic	225	20	150	200	-	90	190	-	230	110	1,215
Subtotal	2,680	2,200	2,500	3,045	100	1,230	1,895	-	2,275	915	16,840
Health Sciences											
Undergraduate	-	110	150	216	-	-	-	-	-	-	476
Graduate Academic	161	304	111	440	-	-	282	843	-	-	2,141
Professional - Pub Health	308	-	-	403	-	-	-	-	-	-	711
Professional - All Other	295	920	418	1,415	-	52	752	1,887	-	-	5,739
Resident (No Fees)	19	606	581	1,566	-	-	427	1,065	-	-	4,264
Subtotal	783	1,940	1,260	4,040	-	52	1,461	3,795	-	-	13,331
Total											
Undergraduate	25,825	24,098	23,289	26,544	2,890	15,897	23,433	-	19,428	15,115	176,519
Postbaccalaureate	-	205	270	-	-	110	-	-	15	-	600
Graduate Academic	6,833	3,927	3,404	6,400	215	2,135	3,663	843	3,070	1,600	32,090
Professional - PH/PP/IRPS	443	-	-	475	-	-	239	-	-	-	1,157
Professional - All Other	1,628	1,592	655	3,241	-	157	887	1,887	-	-	10,047
Resident (No Fees)	19	606	581	1,566	-	-	427	1,065	-	-	4,264
Total	34,748	30,428	28,199	38,226	3,105	18,299	28,649	3,795	22,513	16,715	224,677
Projected Over-enrollment, Fees for which will be allocated in December											
Undergraduate	1,665	368	39	758	370	128	483	-	158	220	4,189
Postbaccalaureate	-	-	-	-	-	-	-	-	-	-	-
Graduate Academic	35	-	-	63	35	10	-	-	-	-	143
Total	1,700	368	39	821	405	138	483	-	158	220	4,332

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FUNDING IN LIEU OF STATE MARGINAL COST ALLOCATIONS

Marginal Cost Estimate		
General Campus	$	9,031
PRIME MS	$	10,967
PRIME MD	$	25,967

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL	UCOP	SYSTEM TOTAL
2007-08 Budgeted Enrollment													
Total	33,296	29,610	27,234	37,325	2,000	17,207	27,784	3,784	22,000	16,075	216,315		
Distribution	15.5%	13.8%	12.7%	17.4%		8.0%	13.0%	1.8%	10.3%	7.5%	100.0%		
Merced Enrollment Growth													
2008-09 (700 FTE students)	$ (982,000)	$ (873,000)	$ (803,000)	$ (1,101,000)	$ 6,321,000	$ (508,000)	$ (819,000)	$ (112,000)	$ (649,000)	$ (474,000)	$ -	$ -	$ -
2009-10 (675 FTE students)					6,096,000						$ 6,096,000	$ (6,096,000)	$ -
PRIME 2008-09													
Contribution	$ (260,000)	$ (231,000)	$ (213,000)	$ (291,000)	$ -	$ (134,000)	$ (217,000)	$ (30,000)	$ (172,000)	$ (125,000)	$ (1,673,000)	$ -	$ (1,673,000)
Allocation	$ 44,000	$ 312,000	$ 252,000	$ 363,000	$ -	$ 104,000	$ 312,000	$ 286,000	$ -	$ -	$ 1,673,000	$ -	$ 1,673,000
Net Allocation	$ (216,000)	$ 81,000	$ 39,000	$ 72,000	$ -	$ (30,000)	$ 95,000	$ 256,000	$ (172,000)	$ (125,000)	$ -	$ -	$ -
Total One-time Reduction	$ (1,242,000)	$ (1,104,000)	$ (1,016,000)	$ (1,392,000)	$ -	$ (642,000)	$ (1,036,000)	$ (142,000)	$ (821,000)	$ (599,000)	$ (7,994,000)	$ -	$ (7,994,000)

University of California
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GENERAL FUNDS IN LIEU OF EDUCATONAL FEE
ENROLLMENT OVER 2007-08 BUDGET

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
General Campus - Permanent Swap of Funding from Summer to Fall/Winter/Spring											
Undergraduate	$ 1,946,000			$ 1,048,000							$ 2,994,000
Postbaccalaureate	$ -			$ -							$ -
Graduate Academic	$ 86,000			$ (103,000)							$ (17,000)
Subtotal	$ 2,032,000			$ 945,000							$ 2,977,000
Temporary Funding for Enrollment Over 2007-08 Budget											
General Campus											
Undergraduate	$ 5,946,000	$ 3,649,000	$ 2,528,000	$ 2,729,000	$ 4,149,000	$ 3,863,000	$ 3,670,000	$ -	$ 1,895,000	$ 2,310,000	$30,739,000
Postbaccalaureate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Graduate Academic	$ 138,000	$ (223,000)	$ (206,000)	$ 543,000	$ 258,000	$ 481,000	$ (206,000)	$ -	$ 241,000	$ -	$ 1,026,000
Professional - PH/PP/IRPS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional - All Other	$ -	$ -	$ 254,000	$ -	$ -	$ -	$ 64,000	$ -	$ -	$ -	$ 318,000
Subtotal	$ 6,084,000	$ 3,426,000	$ 2,576,000	$ 3,272,000	$ 4,407,000	$ 4,344,000	$ 3,528,000	$ -	$ 2,136,000	$ 2,310,000	$32,083,000
Health Sciences											
Undergraduate	$ -	$ 43,000	$ 214,000	$ 214,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 471,000
Postbaccalaureate											$ -
Graduate Academic	$ 76,000	$ 28,000	$ 62,000	$ 141,000	$ -	$ -	$ 34,000	$ -	$ -	$ -	$ 341,000
Professional - PH/PP/IRPS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional - All Other	$ -	$ 51,000	$ 34,000	$ 59,000	$ -	$ 17,000	$ 178,000	$ 47,000	$ -	$ -	$ 386,000
Subtotal	$ 76,000	$ 122,000	$ 310,000	$ 414,000	$ -	$ 17,000	$ 212,000	$ 47,000	$ -	$ -	$ 1,198,000
Total - Temporary	$ 6,160,000	$ 3,548,000	$ 2,886,000	$ 3,686,000	$ 4,407,000	$ 4,361,000	$ 3,740,000	$ 47,000	$ 2,136,000	$ 2,310,000	$33,281,000

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FEE INCREASE REVENUE

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL	ANR	MRUs	UCOP	TOTAL
Distributions															
As Generated															
Fall/Winter/Spring	$11,844,000	$10,632,000	$ 9,719,000	$12,842,000	$ 789,000	$ 6,392,000	$10,145,000	$ 1,040,000	$ 7,848,000	$ 6,117,000	$77,368,000	$ -	$ -	$ -	$ 77,368,000
Summer	$ 1,271,000	$ 893,000	$ 888,000	$ 1,317,000	$ 16,000	$ 476,000	$ 759,000	$ -	$ 911,000	$ 325,000	$ 6,856,000	$ -	$ -	$ -	$ 6,856,000
Subtotal	$13,115,000	$11,525,000	$10,607,000	$14,159,000	$ 805,000	$ 6,868,000	$10,904,000	$ 1,040,000	$ 8,759,000	$ 6,442,000	$84,224,000	$ -	$ -	$ -	$ 84,224,000
By General Funds Budget															
Fall/Winter/Spring	$10,995,000	$10,901,000	$ 7,725,000	$13,954,000	$ 871,000	$ 5,424,000	$ 8,991,000	$ 4,650,000	$ 5,553,000	$ 4,399,000	$73,463,000	$ 1,271,000	$ 940,000	$ 1,694,000	$ 77,368,000
Summer	$ 1,271,000	$ 893,000	$ 888,000	$ 1,317,000	$ 16,000	$ 476,000	$ 759,000	$ -	$ 911,000	$ 325,000	$ 6,856,000	$ -	$ -	$ -	$ 6,856,000
Subtotal	$12,266,000	$11,794,000	$ 8,613,000	$15,271,000	$ 887,000	$ 5,900,000	$ 9,750,000	$ 4,650,000	$ 6,464,000	$ 4,724,000	$80,319,000	$ 1,271,000	$ 940,000	$ 1,694,000	$ 84,224,000
Gain/(Loss)	$ (849,000)	$ 269,000	$ (1,994,000)	$ 1,112,000	$ 82,000	$ (968,000)	$ (1,154,000)	$ 3,610,000	$ (2,295,000)	$ (1,718,000)	$ (3,905,000)	$ 1,271,000	$ 940,000	$ 1,694,000	$ -
% Loss	-6.5%	2.3%	-18.8%	7.9%	10.2%	-14.1%	-10.6%	347.1%	-26.2%	-26.7%	-4.6%				
Adjustment															
Reduction	$ (437,000)	$ (420,000)	$ (307,000)	$ (544,000)	$ (32,000)	$ (210,000)	$ (347,000)	$ (166,000)	$ (230,000)	$ (168,000)	$ (2,861,000)	$ (45,000)	$ (33,000)	$ (61,000)	$ (3,000,000)
Allocation			$ 736,000	$ -		$ 357,000	$ 426,000	$ -	$ 847,000	$ 634,000	$ 3,000,000				$ 3,000,000
Net Adjustment	$ (437,000)	$ (420,000)	$ 429,000	$ (544,000)	$ (32,000)	$ 147,000	$ 79,000	$ (166,000)	$ 617,000	$ 466,000	$ 139,000	$ (45,000)	$ (33,000)	$ (61,000)	$ -
Net Allocation	$10,558,000	$10,481,000	$ 8,154,000	$13,410,000	$ 839,000	$ 5,571,000	$ 9,070,000	$ 4,484,000	$ 6,170,000	$ 4,865,000	$73,602,000	$ 1,226,000	$ 907,000	$ 1,633,000	$ 77,368,000
Net Gain/(Loss)	$ (1,286,000)	$ (151,000)	$ (1,565,000)	$ 568,000	$ 50,000	$ (821,000)	$ (1,075,000)	$ 3,444,000	$ (1,678,000)	$ (1,252,000)	$ (3,766,000)	$ 1,226,000	$ 907,000	$ 1,633,000	$ -
% Loss	-9.8%	-1.3%	-14.8%	4.0%	6.2%	-12.0%	-9.9%	331.2%	-19.2%	-19.4%	-4.5%				

Notes:

a. Distribution "As Generated" based on adjusted 2007-08 budget FTE enrollments.

b. Distribution "By General Funds Budget" based on March 2009 General Funds, net of 19933, NRT, SAPEP, and proposed earmark reductions.

c. Adjustment draws back proportional amounts totaling $3 million, based on total revenue (including summer), and then returns funds proportionally to campuses "losing" more than 10% of revenue generated.

University of California
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FEE REVENUE ESTIMATES

	Educational Fee				Registration Fee			Return to
	2008-09	Surcharge	Increase	2009-10	2008-09	Increase	2009-10	Aid
Undergraduate Fee Increase	$ 6,202	$ 60	$ 626	$ 6,828	$ 864	$ 36	$ 900	33%
Undergraduate Growth	$ 6,202	$ 60	$ 626	$ 6,828	$ 864	$ 36	$ 900	33%
Postbaccalaureate	$ 7,062	$ 60	$ 714	$ 7,776	$ 864	$ 36	$ 900	50%
Graduate Academic	$ 7,062	$ 60	$ 714	$ 7,776	$ 864	$ 36	$ 900	50%
Professional - IRPS/PP/PH	$ 7,062	$ 60	$ 714	$ 7,776	$ 864	$ 36	$ 900	33%
Professional - Other	$ 6,144	$ 60	$ 618	$ 6,762	$ 864	$ 36	$ 900	33%
Residents/Housestaff	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0%

Fee Increases	
Registration Fee	4.2%
Educational Fee	10.0%

	Net Educational Fee				Financial Aid Share			
	2008-09	Surcharge	Increase	2009-10	2008-09	Surcharge	Increase	2009-10
Undergraduate Fee Increase		$ 40	$ 408			$ 20	$ 218	
Undergraduate Growth	$ 3,870	$ 40	$ 408	$ 4,278	$ 2,332	$ 20	$ 218	$ 2,550
Postbaccalaureate	$ 3,099	$ 30	$ 339	$ 3,438	$ 3,963	$ 30	$ 375	$ 4,338
Graduate Academic	$ 3,099	$ 30	$ 339	$ 3,438	$ 3,963	$ 30	$ 375	$ 4,338
Professional - IRPS/PP/PH	$ 4,446	$ 40	$ 467	$ 4,913	$ 2,616	$ 20	$ 248	$ 2,863
Professional - Other	$ 3,831	$ 40	$ 402	$ 4,234	$ 2,313	$ 20	$ 216	$ 2,528
Residents/Housestaff	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	Enrollment			General Funds in Lieu of Educational Fee					Financial Aid Funding				
	2007-08	Growth	2009-10	Enr Base * Fee Increase	Enr Growth * 2008-09 Fee	Enr Growth * Fee Increase	Kashmiri	Total	Enr Base * Fee Increase	Enr Growth * 2008-09 Fee	Enr Growth * Fee Increase	Kashmiri	Total
Summer Swap													
FWS Undergraduate		700			$ 2,709,000	$ 285,000	$ 28,000	$ 3,022,000		$ 1,632,000	$ 153,000	$ 14,000	$ 1,799,000
FWS Graduate Academic		(5)			$ (15,000)	$ (2,000)	$ -	$ (17,000)		$ (20,000)	$ (2,000)	$ -	$ (22,000)
Subtotal		695			$ 2,694,000	$ 283,000	$ 28,000	$ 3,005,000		$ 1,612,000	$ 151,000	$ 14,000	$ 1,777,000
Summer Undergraduate		(700)			$ (2,709,000)	$ (285,000)	$ (28,000)	$ (3,022,000)		$ (1,632,000)	$ (153,000)	$ (14,000)	$ (1,799,000)
Summer Graduate Academic		5			$ 15,000	$ 2,000	$ -	$ 17,000		$ 20,000	$ 2,000	$ -	$ 22,000
					PERM					PERM			
Fall/Winter/Spring													
Undergraduate Fee Increase	152,973	7,296	160,269	$ 62,343,000		$ 2,973,000	$ 6,443,000	$ 71,759,000	$ 33,418,000		$ 1,594,000	$ 3,173,000	$ 38,185,000
Undergraduate Growth -Temp		7,296		$ -	$ 28,237,000		$ -	$ 28,237,000	$ -	$ 17,013,000	$ -	$ -	$ 17,013,000
Postbaccalaureate	525	-	525	$ 178,000	$ -	$ -	$ 16,000	$ 194,000	$ 197,000	$ -	$ -	$ 16,000	$ 213,000
Graduate Academic	30,483	397	30,880	$ 10,334,000	$ 1,230,000	$ 135,000	$ 926,000	$ 12,625,000	$ 11,431,000	$ 1,573,000	$ 149,000	$ 926,000	$ 14,079,000
Professional - IRPS/PP/PH	1,157	-	1,157	$ 540,000	$ -	$ -	$ 47,000	$ 587,000	$ 286,000	$ -	$ -	$ 23,000	$ 309,000
Professional - Other	9,881	166	10,047	$ 3,974,000	$ 636,000	$ 67,000	$ 404,000	$ 5,081,000	$ 2,133,000	$ 384,000	$ 36,000	$ 199,000	$ 2,752,000
Residents/Housestaff	4,264	-	4,264	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal	199,283	7,859	207,142	$ 77,369,000	$ 30,103,000	$ 3,175,000	$ 7,836,000	$ 118,483,000	$ 47,465,000	$ 18,970,000	$ 1,779,000	$ 4,337,000	$ 72,551,000
				PERM	TEMP	TEMP	TEMP		PERM	TEMP	TEMP	TEMP	
Summer													
Undergraduate	15,777	473	16,250	$ 6,429,759	$ 1,830,614	$ 192,766	$ 653,250	$ 9,106,389	$ 3,446,643	$ 1,102,932	$ 103,332	$ 321,750	$ 4,652,907
Postbaccalaureate	75	-	75	$ 25,425	$ -	$ -	$ 2,250	$ 27,675	$ 28,125	$ -	$ -	$ 2,250	$ 28,125
Graduate Academic	1,180	30	1,210	$ 400,020	$ 92,970	$ 10,170	$ 36,300	$ 539,460	$ 442,500	$ 118,890	$ 11,250	$ 36,300	$ 572,640
Subtotal	17,032	503	17,535	$ 6,855,204	$ 1,923,584	$ 202,936	$ 691,800	$ 9,673,524	$ 3,917,268	$ 1,221,822	$ 114,582	$ 360,300	$ 5,253,672
Reserve	(60)	60	-										
Total	216,255	8,422	224,677	$ 84,224,204	$ 32,026,584	$ 3,377,936	$ 8,527,800	$ 128,156,524	$ 51,382,268	$ 20,191,822	$ 1,893,582	$ 4,697,300	$ 77,804,672

University of California **FACULTY RECRUITMENT**

2009-10 Preliminary Allocations

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
Ladder & Equivalent Rank Faculty New Appointments											
06-07	56.0	84.0	74.0	101.0	23.0	48.0	72.0	19.0	37.0	32.0	546.0
07-08	83.0	81.0	96.0	86.0	18.0	59.0	74.0	13.0	39.0	32.0	581.0
Ladder & Equivalent Rank Faculty Separations											
04-05	48.0	52.0	42.0	59.0	-	45.0	32.0	14.0	34.0	24.0	350.0
05-06	77.0	50.0	48.0	53.0	1.0	37.0	54.0	14.0	37.0	16.0	387.0
Enrollment Growth - Modified Space Plan											
Faculty Increase	-	-	-	-	36.1	-	-	-	-	-	36.1
New Hires (2 years)	139.0	165.0	170.0	187.0	41.0	107.0	146.0	32.0	76.0	64.0	1,127.0
Separations (2 years)	125.0	102.0	90.0	112.0	1.0	82.0	86.0	28.0	71.0	40.0	737.0
Enrollment Growth	-	-	-	-	36.1	-	-	-	-	-	36.1
Total	264.0	267.0	260.0	299.0	78.1	189.0	232.0	60.0	147.0	104.0	1,900.1
Percentage	13.9%	14.1%	13.7%	15.7%	4.1%	9.9%	12.2%	3.2%	7.7%	5.5%	100.0%
Prior Year Allocations											
2003-04 Allocation	$ 2,000,000	$ 2,200,000	$ 1,900,000	$ 2,000,000	$ 500,000	$ 1,400,000	$ 1,800,000	$ 350,000	$ 1,250,000	$ 1,100,000	$14,500,000
2006-07 Allocation	$ 2,000,000	$ 2,200,000	$ 1,950,000	$ 2,000,000	$ 500,000	$ 1,300,000	$ 1,950,000	$ 350,000	$ 1,250,000	$ 1,000,000	$14,500,000
2007-08 Allocation	$ 1,900,000	$ 2,150,000	$ 2,150,000	$ 1,900,000	$ 500,000	$ 1,400,000	$ 1,950,000	$ 350,000	$ 1,200,000	$ 1,000,000	$14,500,000
2008-09 Allocation	$ 1,900,000	$ 2,150,000	$ 2,150,000	$ 1,900,000	$ 500,000	$ 1,400,000	$ 1,950,000	$ 350,000	$ 1,200,000	$ 1,000,000	$14,500,000
2009-10											
Distribution by Formula	$ 2,015,000	$ 2,038,000	$ 1,984,000	$ 2,282,000	$ 596,000	$ 1,442,000	$ 1,770,000	$ 458,000	$ 1,122,000	$ 794,000	$14,501,000
change from 2008-09	$ 115,000	$ (112,000)	$ (166,000)	$ 382,000	$ 96,000	$ 42,000	$ (180,000)	$ 108,000	$ (78,000)	$ (206,000)	$ 1,000
Adjusted Allocation	1,950,000	2,100,000	2,100,000	1,950,000	550,000	1,450,000	1,900,000	400,000	1,150,000	950,000	$14,500,000
change from 2008-09	50,000	(50,000)	(50,000)	50,000	50,000	50,000	(50,000)	50,000	(50,000)	(50,000)	-

Note: This is the final year of the faculty recruitment allocations.

University of California
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FACULTY HIRING INCENTIVE

Faculty Salary and Benefit Amounts
New Funding Amount

	10/1/2007	10/1/2008
Assist Prof, Step 3	$ 59,500	$ 59,500
Assist Prof, B&E, Step 2	$ 74,600	$ 74,600
Proportion on B&E Scale	16.0%	16.0%
Weighted Salary	$ 61,916	$ 61,916
Benefit Percentage of Salary	8.96%	8.66%
Percentage Benefit	$ 5,548	$ 5,362
Base Benefit	$ 8,306	$ 9,293
Total Benefits	$ 13,854	$ 14,655
Total Salary	$ 75,770	$ 76,571

Funding Withdrawal Amount

	Increase	Funding
2003-04		$ 64,230
2004-05	1.78%	$ 65,373
2005-06	3.78%	$ 67,844
2006-07	3.78%	$ 70,409
2007-08	5.60%	$ 74,352
2008-09	1.78%	$ 75,675

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
Faculty Hiring Incentive Adjustments - 2004-05											
Positions awarded in 2004-05											
Withdraw positions	-	(1.40)	(1.40)	(1.40)	(1.40)	(0.40)	-	-	-	(1.00)	(7.00)
Withdraw funds	$ -	$ (106,000)	$ (106,000)	$ (106,000)	$ (106,000)	$ (30,000)	$ -	$ -	$ -	$ (76,000)	$ (530,000)
Positions withdrawn in 2004-05											
Net positions to return	1.19	1.00	0.83	1.22		0.57	0.84		0.81	0.54	7.00
Funding to return	$ 90,000	$ 76,000	$ 63,000	$ 92,000	$ -	$ 43,000	$ 64,000	$ -	$ 61,000	$ 41,000	$ 530,000
Net Adjustment for 2004-05											
Positions returned	1.19	(0.40)	(0.57)	(0.18)	(1.40)	0.17	0.84	-	0.81	(0.46)	-
Funding returned	$ 90,000	$ (30,000)	$ (43,000)	$ (14,000)	$ (106,000)	$ 13,000	$ 64,000	$ -	$ 61,000	$ (35,000)	$ -
Faculty Hiring Incentive Program - 2009-10											
Budgeted Enrollment - 2008-09	32,535	27,700	26,050	33,390	2,000	17,159	26,375	-	22,000	16,075	203,284
Positions Withdrawn	(1.60)	(1.36)	(1.28)	(1.64)	(0.10)	(0.84)	(1.30)	-	(1.08)	(0.80)	(10.00)
Funding Withdrawn	$ (123,000)	$ (104,000)	$ (98,000)	$ (126,000)	$ (8,000)	$ (64,000)	$ (100,000)	$ -	$ (83,000)	$ (60,000)	(766,000)
Net Reduction	$ (33,000)	$ (134,000)	$ (141,000)	$ (140,000)	$ (114,000)	$ (51,000)	$ (36,000)	$ -	$ (22,000)	$ (95,000)	(766,000)

Note: In 2003-04, 16 positions were withdrawn, but 7 were given back on a one-time basis in 2003-04 and used for new hires in 2004-05.

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EAP FUNDING RETURNED TO CAMPUSES

		BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
2008-09 Year-round EAP Enrollment		398	189	245	312	9	106	319	469	264	2,312
2008-09 Campus EAP Office Funding	(a)	$ 153,900	$ 98,350	$ 96,930	$ 114,500	$ 21,000	$ 98,500	$ 123,400	$ 106,700	$ 119,250	$ 932,530
Additional Funds	(b)	$ 673,700	$ 319,000	$ 414,700	$ 527,800	$ 14,400	$ 178,700	$ 539,700	$ 793,600	$ 447,100	$ 3,908,700
Subtotal		$ 827,600	$ 417,350	$ 511,630	$ 642,300	$ 35,400	$ 277,200	$ 663,100	$ 900,300	$ 566,350	$ 4,841,230
Rounded		$ 828,000	$ 417,000	$ 512,000	$ 642,000	$ 35,000	$ 277,000	$ 663,000	$ 900,000	$ 566,000	$ 4,840,000
Financial Aid Share	(c)	$ 95,491	$ 45,210	$ 58,781	$ 74,812	$ 2,037	$ 25,323	$ 76,490	$ 112,479	$ 63,377	$ 554,000

Notes:

(a) Allocation of funds equivalent to funding provided during 2008-09 by UOEAP to campus EAP offices.

(b) Additional funds distributed based on estimated year-round EAP enrollment.

(c) Estimated share previously distributed to campuses for EAP scholarships. Educational funds totaling $200,000 will also be redistributed to campuses for EAP scholarships as a separate action

University of California
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NONRESIDENT TUITION

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL
2008-09											
Enrollment Targets											
Undergraduate	2,100	670	685	1,705	10	225	960	-	805	440	7,600
Graduate Academic	1,475	695	675	1,245	20	360	755	100	500	175	6,000
Advanced to Candidacy	560	430	320	545	-	220	270	35	240	80	2,700
Graduate Professional	470	90	80	560	-	65	160	75	-	-	1,500
Total	4,605	1,885	1,760	4,055	30	870	2,145	210	1,545	695	17,800
Budgeted Revenue Targets											
Undergraduate	$ 42,044,000	$ 13,415,000	$ 13,715,000	$ 34,136,000	$ 201,000	$ 4,504,000	$ 19,220,000	$ -	$ 16,117,000	$ 8,809,000	$ 152,161,000
Graduate Academic	$ 21,285,000	$ 10,073,000	$ 9,780,000	$ 17,962,000	$ 291,000	$ 5,230,000	$ 10,914,000	$ 1,456,000	$ 7,216,000	$ 2,508,000	$ 86,715,000
Graduate Professional	$ 5,755,000	$ 1,102,000	$ 980,000	$ 6,857,000	$ -	$ 796,000	$ 1,959,000	$ 918,000	$ -	$ -	$ 18,367,000
Subtotal	$ 69,084,000	$ 24,590,000	$ 24,475,000	$ 58,955,000	$ 492,000	$ 10,530,000	$ 32,093,000	$ 2,374,000	$ 23,333,000	$ 11,317,000	$ 257,243,000
Graduate Academic Financial Aid (minimum)											
(actual dollars)	$ 1,606,511	$ 1,069,026	$ 835,734	$ 1,720,470	$ 25,722	$ 514,285	$ 892,144	$ 374,847	$ 685,795	$ 415,466	$ 8,140,000
2009-10											
Tuition Increase Revenue											
Undergraduate	$ 4,200,000	$ 1,340,000	$ 1,370,000	$ 3,410,000	$ 20,000	$ 450,000	$ 1,920,000	$ -	$ 1,610,000	$ 880,000	$ 15,200,000
Budgeted Revenue Target											
Undergraduate	$ 46,244,000	$ 14,755,000	$ 15,085,000	$ 37,546,000	$ 221,000	$ 4,954,000	$ 21,140,000	$ -	$ 17,727,000	$ 9,689,000	$ 167,361,000
Graduate Academic	$ 21,285,000	$ 10,073,000	$ 9,780,000	$ 17,962,000	$ 291,000	$ 5,230,000	$ 10,914,000	$ 1,456,000	$ 7,216,000	$ 2,508,000	$ 86,715,000
Graduate Professional	$ 5,755,000	$ 1,102,000	$ 980,000	$ 6,857,000	$ -	$ 796,000	$ 1,959,000	$ 918,000	$ -	$ -	$ 18,367,000
Subtotal	$ 73,284,000	$ 25,930,000	$ 25,845,000	$ 62,365,000	$ 512,000	$ 10,980,000	$ 34,013,000	$ 2,374,000	$ 24,943,000	$ 12,197,000	$ 272,443,000

Note: Nonresident tuition levels for graduate academic and professional students were not increased for 2009-10.

University of California
2009-10 Preliminary Allocations

BUDGET BILL EARMARKS

	BERKELEY	DAVIS	IRVINE	LOS ANGELES	MERCED	RIVERSIDE	SAN DIEGO	SAN FRANCISCO	SANTA BARBARA	SANTA CRUZ	CAMPUS TOTAL	ANR	MRUs	UCOP	UN-ALLOCATED	TOTAL
2007-08 Permanent Budgets																
Welfare Policy Research Project											$ -		$ 770,000			$ 770,000
Earthquake Engineering Research	$ 475,000										$ 475,000					$ 475,000
Viticulture and Enology Research											$ -	$ 385,000				$ 385,000
Substance Abuse Research											$ -				$ 17,190,000	$ -
Lupus Research								$ 770,000			$ 770,000					$ 770,000
Spinal Cord Injury Research			$ 1,539,000								$ 1,539,000					$ 1,539,000
MIND Institute		$ 3,848,000									$ 3,848,000					$ 3,848,000
COSMOS		$ 450,000	$ 450,000				$ 450,000			$ 450,000	$ 1,800,000			$ 308,000		$ 2,108,000
Initial 10% Reduction																
Welfare Policy Research Project	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (77,000)	$ -	$ -	$ (77,000)
Earthquake Engineering Research	$ (48,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (48,000)	$ -	$ -	$ -	$ -	$ (48,000)
Viticulture and Enology Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (39,000)	$ -	$ -	$ -	$ (39,000)
Substance Abuse Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,800,000)	$ (1,800,000)
Lupus Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (77,000)	$ -	$ -	$ (77,000)	$ -	$ -	$ -	$ -	$ (77,000)
Spinal Cord Injury Research	$ -	$ -	$ (154,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (154,000)	$ -	$ -	$ -	$ -	$ (154,000)
MIND Institute	$ -	$ (385,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (385,000)	$ -	$ -	$ -	$ -	$ (385,000)
COSMOS	$ -	$ (35,000)	$ (35,000)	$ -	$ -	$ -	$ (35,000)	$ -	$ -	$ (35,000)	$ (140,000)	$ -	$ -	$ (70,800)	$ -	$ (210,800)
Additional 10% Reduction																
Welfare Policy Research Project	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (69,000)	$ -	$ -	$ (69,000)
Earthquake Engineering Research	$ (43,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (43,000)	$ -	$ -	$ -	$ -	$ (43,000)
Viticulture and Enology Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (35,000)	$ -	$ -	$ -	$ (35,000)
Substance Abuse Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,620,000)	$ (1,620,000)
Lupus Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (69,000)	$ -	$ -	$ (69,000)	$ -	$ -	$ -	$ -	$ (69,000)
Spinal Cord Injury Research	$ -	$ -	$ (139,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (139,000)	$ -	$ -	$ -	$ -	$ (139,000)
MIND Institute	$ -	$ (346,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (346,000)	$ -	$ -	$ -	$ -	$ (346,000)
COSMOS	-	-	-	-	-	-	-	-	-	-	$ -	-	-	-	-	$ -
Total Permanent Reductions																
Welfare Policy Research Project	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (146,000)	$ -	$ -	$ (146,000)
Earthquake Engineering Research	$ (91,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (91,000)	$ -	$ -	$ -	$ -	$ (91,000)
Viticulture and Enology Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (74,000)	$ -	$ -	$ -	$ (74,000)
Substance Abuse Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (3,420,000)	$ (3,420,000)
Lupus Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (146,000)	$ -	$ -	$ (146,000)	$ -	$ -	$ -	$ -	$ (146,000)
Spinal Cord Injury Research	$ -	$ -	$ (293,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (293,000)	$ -	$ -	$ -	$ -	$ (293,000)
MIND Institute	$ -	$ (731,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (731,000)	$ -	$ -	$ -	$ -	$ (731,000)
COSMOS	$ -	$ (35,000)	$ (35,000)	$ -	$ -	$ -	$ (35,000)	$ -	$ -	$ (35,000)	$ (140,000)	$ -	$ -	$ (70,800)	$ -	$ (210,800)
Total Reductions	$ (91,000)	$ (766,000)	$ (328,000)	$ -	$ -	$ -	$ (35,000)	$ (146,000)	$ -	$ (35,000)	$ (1,401,000)	$ (74,000)	$ (146,000)	$ (70,800)	$ (3,420,000)	$ (5,111,800)
2009-10 Budgets																
Welfare Policy Research Project	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 624,000	$ -	$ -	$ 624,000
Earthquake Engineering Research	$ 384,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 384,000	$ -	$ -	$ -	$ -	$ 384,000
Viticulture and Enology Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 311,000	$ -	$ -	$ -	$ 311,000
Substance Abuse Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,770,000	$13,770,000
Lupus Research	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 624,000	$ -	$ -	$ 624,000	$ -	$ -	$ -	$ -	$ 624,000
Spinal Cord Injury Research	$ -	$ -	$ 1,246,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,246,000	$ -	$ -	$ -	$ -	$ 1,246,000
MIND Institute	$ -	$ 3,117,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,117,000	$ -	$ -	$ -	$ -	$ 3,117,000
COSMOS	$ -	$ 415,000	$ 415,000	$ -	$ -	$ -	$ 415,000	$ -	$ -	$ 415,000	$ 1,660,000	$ -	$ -	$ 237,200	$ -	$ 1,897,200
Temporary Allocation to Campus																
Substance Abuse Research	-	-	-	-	-	-	-	13,770,000	-	-	$13,770,000	-	$ -	$ -	$ (13,770,000)	$ -

Note: Reductions for Substance Abuse Research are calculated based on the total 2007-08 program budget (both the share permanently budgeted on the San Francisco campus and the share held at OP as unallocated funds. The total reduction is being taken from the portion held in at OP as unallocated and the remaining funds are being allocated to the San Francisco campus on a permanent basis.

University of California
Budget and Capital Resources
June 12, 2009

Education Abroad Program Budget for 2009-10

The budget model for the systemwide Education Abroad Program (EAP) is being changed significantly for 2009-10. In the past, EAP has been funded from a combination of revenue sources including a share of State marginal cost funding for enrollment growth. The new model is intended to give campuses greater control and oversight over the funding that they put toward their internationalization efforts, including education abroad.

- **General Fund Subsidy:** EAP's budget will include a $3 million general fund subsidy to support the services provided by the program that benefit all campuses.
- **General Funds in Lieu of Fall/Winter/Spring Educational Fee:** EAP will continue to collect Educational Fee funds and return those funds to UCOP. EAP's budget will include an additional amount of General Funds equivalent to the projected fall/winter/spring Educational Fee revenue generated by UC students participating in EAP programs, net of the amount required for the University Student Aid Program. This amount will be adjusted annually at year-end based on actual student enrollment in EAP.
- **Fall/Winter/Spring Registration Fee:** EAP will continue to collect and retain Registration Fees from UC students participating in EAP. EAP will continue to provide campuses with Registration Fee funds for reciprocity students. (1)
- **Summer Fee Revenue:** EAP will return to campuses 28.4% of summer fee revenue for financial aid. This amount is equivalent to the current return-to-aid from Educational and Registration Fees for undergraduates during the regular academic year. At present, this amount is estimated to be approximately $690,000. The return-to-aid percentage will be adjusted annually in keeping with Regental fee and financial aid policy.
- **Other Student Tuition and Fee Revenue:** EAP will continue to collect, but return to campuses, all nonresident tuition, professional school fee, and campus-based fee revenue generated.
- **EAP Program and Participation Fees**: EAP will continue to charge program and participation fees. In the coming year, the EAP office with work with OP budget, student affairs, and program planning staff, in consultation with campuses, to clarify processes for setting fee and return-to-aid levels.
- **Opportunity Funds:** EAP will continue to receive $1.1 million for general support.
- **Educational Funds:** $200,000 from the Educational Fund that was previously distributed to EAP for scholarships will instead be allocated to campuses for EAP scholarships on a temporary basis. Each year, the distribution of funds will be based on a two-year moving average of enrollments in EAP.
- **Reduction in General Fund Subsidy:** Based on elements above, EAP's General Funds budget will be reduced by $4.84 million for 2009-10, which will be distributed to campuses. Approximately $932,000 of these funds will be distributed based on 2008-09 subsidies for campus EAP offices. The remaining $3.91 million will be distributed based on 2008-09 full-year FTE enrollment in EAP.
- From the funds being returned to campuses, approximately $554,000 has been used by EAP in prior years to support scholarships for EAP participants. In the allocation schedules, amounts totaling $554,000 systemwide and calculated proportionally based on campus EAP enrollments will be identified as having provided student financial support. Campuses are being given latitude to determine the best use of these funds. An additional $23,500 in State Specific funds previously used by EAP for financial aid is being returned to campuses in financial aid allocations.

Notes:
(1) During the regular academic year, funding for student financial aid is taken from Educational Fee revenue, but the return-to-aid percentage is based on the combined amount of Educational and Registration Fee revenue. Thus, while the overall return-to-aid proportion for 2009-10 will be 28.4%, the percentage of Educational Fee revenue used for student financial aid will be higher because this revenue is covering both the Educational Fee and Registration Fee shares.